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REDACTED

LAW OFFICES OF
KEMPEL, HUFFMAN AND ELLIS
A PROFESSIONAL CORPORATION
255 E FIREWEED LANE, SUITE 200
ANCHORAGE, ALASKA 99503-2025
(907) 277-1604

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Interrogatory (No. PHS-MLP-17-28): In response to request for admission PHS-MLP-13-52, Dr. Villadsen states that she “has not compiled all cases from any jurisdiction in which the Hamada method was rejected.” In this regard:

(a) State whether Dr. Villadsen is aware of any cases in the United States in which the Hamada method was rejected, and identify the cases and relevant orders. If

MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO PHS' SEVENTEENTH REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-17)

Docket U-17-008/U-16-094

October 26, 2017

Page 16 of 31

fs\ML&PU\17-008\Discovery\PHS-MLP-17

1 Dr. Villadsen is aware of, but cannot identify, a particular case, then identify the jurisdiction in
2 which the case was adjudicated.

3 (b) State whether Dr. Villadsen is aware of any cases in the United States in
4 which the Hamada method was adopted, and identify the cases and relevant orders. If
5 Dr. Villadsen is aware of, but cannot identify, a particular case, then identify the jurisdiction in
6 which the case was adjudicated.

7 **Response:** (a) Dr. Villadsen is aware that the Illinois Commerce
8 Commission in the past has declined accepting a specific version of the Hamada method for a
9 specific company and circumstance. In Docket Nos. 99-0121/0134 the Illinois Commerce
10 Commission stated: "The Commission concludes that while the Hamada equation may be useful
11 for measuring the relative cost of capital over a range of capital structures, it may not be
12 appropriate for estimating a specific cost of capital for ratemaking purposes." Dr. Villadsen
13 continues to be puzzled as to why it is appropriate for measuring the relative cost of capital over
14 a range of capital structures, but not for setting the cost of capital for the utility in question.
15

16 (b) Please see response to Request PHS-MLP-13-53.

17 **Person(s) Supplying Information:** Bente Villadsen.

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25 MUNICIPAL LIGHT AND POWER'S INITIAL RESPONSE TO PHS' SEVENTEENTH
26 REQUEST FOR DISCOVERY ON REPLY TESTIMONY (PHS-MLP-17)

Docket U-17-008/U-16-094

October 26, 2017

Page 17 of 31

fs\ML&PU-17-008\Discovery\PHS-MLP-17

