



DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Regulatory Commission of Alaska*

*Sean Parnell, Governor*  
*Susan Bell, Commissioner*  
*T.W. Patch, Chairman*

**MEMORANDUM**

**To:** Representative Mike Hawker, Chair  
Legislative Budget and Audit Committee

**Date:** July 28, 2011

**From:** Ann Wilde *AW*  
Commission Section Manager

**Phone:** 907-263-2163  
**Email:** Ann.Wilde@alaska.gov

**cc:** T.W. Patch, Chairman  
Regulatory Commission of Alaska

**Subject:** Quarterly report for April 1-June 30, 2011

Under AS 42.05.175(g), the Regulatory Commission of Alaska is required to file quarterly reports with the Legislative Budget and Audit Committee identifying all extensions ordered under AS 42.05.175(f).

Acting in accordance with AS 42.05.175(f) and with the consent of the parties, the Commission extended the statutory timeline in the following dockets:

*U-04-022/U-04-023, Order Extending Statutory Timeline, dated May 6, 2011.*

*U-04-022/U-04-023, Order Extending Statutory Timeline, dated June 22, 2011.*

*U-10-056, Order Extending Statutory Timeline With the Consent of Party, dated April 15, 2011.*

*U-08-028/U-09-024, Order Extending Statutory Timeline With the Consent of Party, dated May 31, 2011.*

*U-10-031, Order Extending Statutory Timeline With Consent of Parties and Extending Tariff Suspension, dated June 10, 2011.*

The Commission issued an order under AS 42.05.175(f)(1)-(3) in one docket during this quarter.

*U-10-010, Order Extending Statutory Timeline and Extending Tariff Suspensions, dated May 11, 2011.*

In accordance with AS 42.05.175(g), a copy of Order U-10-010(13) is provided with this report. The dockets identified above may be viewed by entering the docket number in the "Find a Matter" box and clicking on the adjacent "Go" button on the Regulatory Commission of Alaska website at <http://rca.alaska.gov/RCAWeb/home.aspx>.

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert M. Pickett, Chairman  
Kate Giard  
Paul F. Lisankie  
T.W. Patch  
Janis W. Wilson

In the Matter of the Revenue Requirement )  
Designated as TA159-240, Tariff Filings )  
Designated as TA160-240, TA161-240, )  
TA164-240, and TA165-240 Filed by INSIDE )  
PASSAGE ELECTRIC COOPERATIVE, INC., )  
and Tariff Filing Designated as TA162-240 )

U-10-10

ORDER NO. 13

ORDER EXTENDING STATUTORY TIMELINE AND  
EXTENDING TARIFF SUSPENSIONS

BY THE COMMISSION:

Summary

We extend the statutory timeline for a final decision and extend all tariff suspensions for good cause.

Background

We opened this docket to investigate a revenue requirement study filed by Inside Passage Electric Cooperative, Inc. (IPEC) as TA159-240.<sup>1</sup> After ruling on intervention petitions and holding a prehearing conference, we established a comprehensive procedural schedule which would allow us to issue a final order in this

<sup>1</sup>Order U-10-10(1), *Order Opening Docket of Investigation, Suspending TA159-240; Granting Interim and Refundable Rates; Approving Tariff Sheets; Establishing Interest Rate for Refunds; Inviting Intervention; Inviting Participation by the Attorney General; Addressing Timeline for Decision; and Appointing Administrative Law Judge*, dated February 16, 2010.

1 docket by the March 25, 2011, statutory deadline, including an evidentiary hearing  
2 commencing December 13, 2010.<sup>2</sup> Thereafter, the actions of the parties resulted in  
3 delays in our processing of this docket.

4 IPEC's motion for a one-week extension of the due date for its reply  
5 testimony due to unavailability of its primary witness was granted,<sup>3</sup> as was its motion for  
6 a second extension of time to file its reply testimony.<sup>4</sup> Both IPEC motions were only  
7 partially unopposed because, according to IPEC, it had not been successful in  
8 contacting one of the parties, Floyd Kookesh (Kookesh).

9 IPEC filed an unopposed motion to reschedule the commencement of the  
10 evidentiary hearings from December 13, 2010, to January 31, 2011, due to medical  
11 needs of its primary witness.<sup>5</sup> We granted the IPEC motion to reschedule the  
12 evidentiary hearing and extended the statutory timeline with the consent of all of the  
13 parties from March 25, 2011, to May 13, 2011.<sup>6</sup>

14 On January 26, 2011, five days before the commencement of the  
15 evidentiary hearing, the Attorney General (AG), with the concurrence of IPEC, filed a  
16 notice of settlement and request to vacate the evidentiary hearing, indicating that IPEC  
17 and the AG had reached a global settlement of contested issues and stating that

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18 <sup>2</sup>Order U-10-10(7), *Order Granting Request for Order Governing Discovery,*  
19 *Granting Request for Order Governing Confidential Discovery Material, Adopting*  
20 *Procedural Schedule, and Extending Suspension Periods*, dated July 23, 2010.

21 <sup>3</sup>*Revised Order Granting Partially Unopposed Motion for Extension of Time*, dated  
22 October 22, 2010.

23 <sup>4</sup>*Revised Order Granting Second Partially Unopposed Motion for Extension of*  
24 *Time*, dated October 29, 2010.

25 <sup>5</sup>*Unopposed Motion to Reschedule Hearing and Revise Procedural Schedule*,  
26 filed November 12, 2010.

<sup>6</sup>Order U-10-10(11), *Order Granting Unopposed Motion to Reschedule Hearing,*  
*Revising Procedural Schedule, Extending Statutory Deadline with Consent of Parties,*  
*and Extending Tariff Suspensions*, dated November 24, 2010 (Order U-10-10(11)).

1 Kookesh at the time had not joined in the settlement.<sup>7</sup> We vacated the hearing with the  
2 condition that Kookesh could file objections to the settlement or request a hearing with  
3 one week of the filing of the written settlement.<sup>8</sup>

4 After the passage of six weeks without IPEC and the AG filing a written  
5 settlement agreement for our review, we established a March 21, 2011, deadline for the  
6 filing of the settlement and deadlines of March 29, 2011, for comments on the settlement  
7 and April 4, 2011, for replies to comments.<sup>9</sup> IPEC filed the written stipulation settling all  
8 disputed issues between IPEC and the AG (Stipulation) for our review on March 21,  
9 2011.<sup>10</sup> Kookesh stated that he would not agree to join in the stipulation.<sup>11</sup> IPEC filed a  
10 response to Kookesh's opposition to the Stipulation.<sup>12</sup> On April 7, 2011, Kookesh  
11 responded to the IPEC response and requested a hearing, discussing issues he desired  
12 to raise, witnesses he wanted to call, and his desire to introduce documents and present  
13 arguments.<sup>13</sup>

14 We determined to treat the IPEC filing of April 4, 2011, as a motion to  
15 dispense with a hearing and the April 7, 2011, Kookesh filing as an opposition to the  
16 motion. We afforded IPEC and the AG an opportunity to respond to the Kookesh  
17

18  
19 <sup>7</sup>*Notice of Settlement and Request to Vacate Hearing*, filed January 26, 2011.  
20 IPEC and the AG had prefiled testimony which identified several contested issues  
21 related to IPEC's revenue requirement, while Kookesh filed no testimony.

22 <sup>8</sup>*Revised Order Vacating Hearing*, dated January 27, 2011.

23 <sup>9</sup>*Order Establishing Filing Deadlines*, dated March 14, 2011.

24 <sup>10</sup>*Stipulation Resolving Disputed Issues*, filed March 21, 2011.

25 <sup>11</sup>Electronic communication from Floyd Kookesh filed March 25, 2011.

26 <sup>12</sup>*Response to Opposition to Stipulation*, filed April 4, 2011.

<sup>13</sup>*CARE C&T/Floyd Kookesh Response to IPEC's request to deny hearing, due  
process and clarification of the record*, filed April 7, 2011.

1 opposition by April 12, 2011, including a discussion of Kookesh's right to a hearing and  
2 the scope of a potential hearing.<sup>14</sup> IPEC and the AG filed their responses.<sup>15</sup>

3 We determined that a hearing was required before making a decision on  
4 the merits of the Stipulation, and we scheduled a prehearing conference for April 18,  
5 2011, to discuss the time, place, and scope of the hearing, with consideration given to  
6 the May 13, 2011, statutory deadline. We also required Kookesh to identify the issues  
7 he intended to raise, witnesses he desired to cross examine, documents he intended to  
8 offer into evidence, his intention to make oral arguments, and other procedures he  
9 intended to invoke, along with justification for these procedures in light of his lack of  
10 participation in the docket at earlier phases.<sup>16</sup> Kookesh filed a response to our April 14,  
11 2011, order.<sup>17</sup> We held the prehearing conference on April 18, 2011.

12 While Kookesh and the AG consented to an extension of the May 13,  
13 2011, statutory timeline to allow time for a hearing, IPEC did not consent to an  
14 extension.<sup>18</sup>

#### 15 Discussion

##### 16 Statutory Timeline

17 We can extend the statutory timeline for a docket with the consent of all  
18 parties or, without their consent for up to 90 days for good cause.<sup>19</sup>

19  
20 <sup>14</sup>Order Requiring Filings, dated April 7, 2011.

21 <sup>15</sup>Reply Regarding Request for Hearing, filed by IPEC; Attorney General's  
22 Response to Electronic "Order Requiring Filings" Issued April 7, 2011, both filed April 12,  
2011.

23 <sup>16</sup>Order Scheduling Prehearing Conference, dated April 14, 2011.

24 <sup>17</sup>Statement of Floyd Kookesh – response to Judges (sic) Lawrence's e-mail  
dated April 14, 2011, filed April 15, 2011.

25 <sup>18</sup>Electronic communication from Paul J. Jones, filed April 20, 2011.

26 <sup>19</sup>AS 42.05.175(f).

This docket has required additional time due to the need to resolve multiple intervention petitions, allowing parties extended time for discovery and preparation of testimony, accommodating the medical needs of IPEC's main witness, providing the settling parties significant time to reduce their agreement to writing, and granting a *pro se* litigant a belated request for a hearing. While reaching a final decision by the statutory deadline is very important, affording all parties due process and the opportunity to be heard is of paramount importance. We also note that the Stipulation reached by IPEC and the AG would permit the interim and refundable rates to become the final rates,<sup>20</sup> so leaving the interim rates in place for a short additional time period will have no effect on customer bills if the Stipulation is ultimately approved.

Accordingly, to ensure due process to all parties and provide a complete record on the merits of the Stipulation, we find good cause to extend on the statutory timeline in this docket by 90 days to August 11, 2011.<sup>21</sup>

#### Tariff Advice Filings

IPEC's tariff advice filings TA159-240, TA160-240, TA161-240, TA162-240, TA164-240, and TA165-240 are currently suspended until May 13, 2011.<sup>22</sup> It is necessary to extend the suspension periods to accommodate a hearing and allow the commission to issue an informed decision. We, therefore, find good cause to extend the suspension periods of TA159-240, TA160-240, TA161-240, TA162-240, TA164-240, and TA165-240 until August 11, 2011, so that the suspension periods coincide with the date we have established to issue our final order in this proceeding.

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<sup>20</sup>Stipulation at 9.

<sup>21</sup>AS 42.05.175(f).

<sup>22</sup>Order U-10-10(11); Order U-10-10(12) *Order Suspending Tariff Filing TA165-240, Approving Interim and Refundable Rates, Approving Tariff Sheets, and Amending Docket Title*, dated January 13, 2011.

**ORDER**

THE COMMISSION FURTHER ORDERS:

1. The statutory timeline for a final decision in this proceeding is extended to August 11, 2011, for good cause.

2. The suspension of the tariff advice filing designated as TA159-240, filed by Inside Passage Electric Cooperative, Inc. is extended until August 11, 2011.

3. The suspension of the tariff advice filing designated as TA160-240, filed by Inside Passage Electric Cooperative, Inc. is extended until August 11, 2011.

4. The suspension of the tariff advice filing designated as TA161-240, filed by Inside Passage Electric Cooperative, Inc. is extended until August 11, 2011.

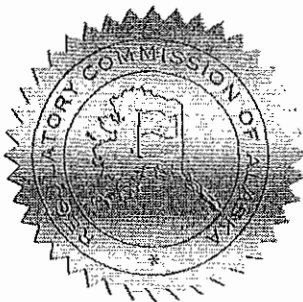
5. The suspension of the tariff advice filing designated as TA162-240, filed by Inside Passage Electric Cooperative, Inc. is extended until August 11, 2011.

6. The suspension of the tariff advice filing designated as TA164-240, filed by Inside Passage Electric Cooperative, Inc. is extended until August 11, 2011.

7. The suspension of the tariff advice filing designated as TA165-240, filed by Inside Passage Electric Cooperative, Inc. is extended until August 11, 2011.

DATED AND EFFECTIVE at Anchorage, Alaska, this 11th day of May, 2011.

BY DIRECTION OF THE COMMISSION  
(Commissioner T.W. Patch, not participating.)



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