MEMORANDUM
Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300, Anchorage, Alaska 99501
1-907-276-6222 (Phone); 1-907-276-0436 (Fax)

TO: Representative Ralph Samuels
    Chair
    Legislative Budget and Audit Committee

FROM: Rosalie Nizich
      RCA Process Coordinator

THROUGH: Mark K. Johnson

DATE: October 7, 2003


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

The Commission reports the following orders that were issued following consent from the parties of the statutory timelines of AS 42.05.175:

-Order U-00-93(24), dated September 30, 2003 (also attached for further clarification is Order U-00-93(18), dated October 28, 2002.

-Order U-02-22(4), dated September 30, 2003

-Order U-96-36(37), dated September 9, 2003

-Order U-02-94(5)/U-02-95(1)/U-02-99(6), dated August 21, 2003 and Joint Motion to Vacate Procedural Schedule, filed June 27, 2003. Note: The motion was filed in Dockets U-02-94 and U-02-99. On October 2, 2003, the parties filed a similar motion in Docket U-02-95, which will be reported in the next quarterly report.

The following orders were issued by the Commission for good cause under AS 42.05.175(f) (1)-(3):

-Order U-01-34(25), dated September 30, 2003

-Order U-02-60(12), dated September 10, 2003
STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Mark K. Johnson, Chair
Kate Giard
Dave Harbour
James S. Strandberg
G. Nanette Thompson

In the Matter of the Investigation of the Local Exchange Revenue-Requirement, Depreciation, Cost-of-Service, Rate Design Studies, and Tariff Rate Revisions Designated as TA429-120 and TA431-120 Filed by ACS OF ANCHORAGE, INC. d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE, and ACS

ORDER AFFIRMING ELECTRONIC RULING, EXTENDING STATUTORY TIMELINE, FURTHER EXTENDING SUSPENSION PERIODS AND GRANTING EXTENSION

BY THE COMMISSION:

Summary

We affirm our electronic ruling dated August 28, 2003. We extend the statutory timeline for issuing a final order in Phase I of this docket. We further extend the suspension of the permanent operation of TA429-120 and TA431-120. We grant GCI's motion for extension of time.

1GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI.
Background

We suspended the permanent operation of TA429-120 and TA431-120
filed by ACS-AN² pending our review and adjudication of ACS-AN's revenue
requirement, cost-of-service, and rate design studies. ACS-AN requested that we hear
the revenue requirement and cost-of-service phases of this case separately and
successively. We further extended the suspensions for an additional period ending
September 30, 2003.³

In June 2002, we reached a substantive decision on virtually all ACS-AN
depreciation issues.⁴ We later learned that our decision relied, in part, on erroneous
data provided by ACS-AN. At ACS-AN's request we reopened the record to evaluate
the impact of this error and the options for correcting it. We allowed ACS-AN to
supplement the record⁵ and conducted a hearing on the supplemental testimony on
June 17, 2003. We determined lives for ACS-AN's Digital Circuit Equipment account
and Metallic Cable accounts and required ACS-AN to update its Depreciation Study
Results Section schedules consistent with the decisions in Order U-01-34(24).⁶ We
also required ACS-AN file an updated revenue requirement and associated information
identified in Order U-01-34(19) with the revised depreciation schedules due
September 10, 2003.⁷

²ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS.
⁴Order U-01-34(15)/U-01-66(5)/U-01-82(11)/U-01-83(11)/U-01-84(11)/
⁵Order U-01-34(19)/U-01-66(8)/U-01-82(14)/U-01-83(14)/U-01-84(14)/
⁷The parties were electronically notified on August 28, 2003.
ACS-AN made the required filings. GCI moved for an extension of time to submit its response to ACS-AN's calculations. ACS-AN responded to GCI's motion.

Discussion

GCI argued that its depreciation experts have determined that, in their opinion, ACS-AN's calculations include errors. GCI's revenue requirement expert has had a limited opportunity to review the calculations and is unable to determine whether ACS-AN's calculations of several important adjustments are accurate by the deadline we set for filing a response on this matter. GCI moved for an extension of time to allow the parties an opportunity to resolve the possible differences.

Our review to date has not assured us that the ACS-AN filings are consistent with our orders. We need more time to understand the revenue requirement.

AS 42.05.175(c) requires the Commission to issue a final order in Phase I of this proceeding by September 30, 2003. We would have easily met this timeline but for the ACS-AN depreciation error. Because we had a second hearing in this proceeding and we are not yet able to verify that the ACS-AN filings are consistent with our orders, we are unable to issue a final order within the statutory timeline. Therefore, we find good cause exists to extend the statutory timeline for ninety days to

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8Motion for Extension of Time, filed by GCI on September 22, 2003.
9Id. at 2.
10For example, the stipulation calls for a management fees adjustment of $855,334 that ACS-AN labels as Adjustment #3. ACS-AN's filing shows an Adjustment #3A of $391,600 for both the local and access piece. We could not find an Adjustment #3B.
11AS 42.05.175(c).
Accordingly, we further suspend the permanent operation of TA429-120 and TA431-120 for a ninety-day period ending December 29, 2003. With ninety additional days to issue a final order, time is available for GCI and ACS-AN to informally address possible differences and attempt to resolve them. Therefore, we grant GCI's motion for an extension of time.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The electronic ruling issued August 28, 2003, requiring ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS to file an updated revenue requirement and associated information identified in Order U-01-34(19) with the revised depreciation schedule due September 10, 2003, is affirmed.

2. The statutory timeline for issuing a final order in Phase I of this proceeding is extended to December 29, 2003.

3. The suspension of the permanent operation of TA429-120 filed by ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS is further extended until December 29, 2003.

4. The suspension of the permanent operation of TA431-120 filed by ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS is further extended until December 29, 2003.

5. The motion for extension of time filed by GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI on September 22, 2003, is granted.

\[^{12}\text{AS 42.05.175(f).}\]

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6. By 4 p.m., October 10, 2003, GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI shall file its response to the compliance filings made on September 10, 2003, by ACS of Anchorage, Inc. d/b/a Alaska Communications Systems, ACS Local Service, and ACS.

DATED AND EFFECTIVE at Anchorage, Alaska, this 30th day of September, 2003.

BY DIRECTION OF THE COMMISSION
(Commissioners Dave Harbour and Kate Giard, not participating.)

(SEAL)
STATE OF ALASKA
THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Mark K. Johnson, Chair
Kate Giard
Dave Harbour
James S. Strandberg
G. Nanette Thompson

In the Matter of the Petition of AURORA ENERGY, LLC to Amend its Wholesale Power Purchase Agreement under AS 42.05.431 and to Increase the Contract Rates on an Interim and Refundable Basis

ORDER EXTENDING STATUTORY TIMELINE AND AFFIRMING ELECTRONIC RULING

BY THE COMMISSION:

Summary

We affirm the electronic ruling adopting the procedural schedule agreed to by the parties.¹ We also extend the statutory timeline for issuing a final order in this case.

Background

Golden Valley Electric Association, Inc. (GVEA), filed a Motion To Stay Proceedings in this Docket on April 15, 2003. On April 25, 2003, Aurora Energy, LLC (Aurora), filed a conditional nonopposition to GVEA’s Motion to Stay Proceedings. Both parties agreed that the hearing set to begin on May 6, 2003, should be vacated.

¹The Hearing Examiner sent electronic confirmation of the procedural schedule to the parties on June 27, 2003.
Therefore, on May 1, 2003, we vacated the hearing.\textsuperscript{2} At that time, the parties were also instructed to discuss potential dates for rescheduling the hearing acceptable to them and consistent with Commission availability.

**Discussion**

AS 42.05.175(c) requires the Commission to issue a final order in this proceeding by September 30, 2003.\textsuperscript{3} Given the joint request by the parties to vacate the initial hearing scheduled for May 2003, and the new procedural schedule agreed to by the parties rescheduling the hearing for September 29, 2003, we will be unable to issue a final order in this proceeding by the statutory timeline. Therefore, we find good cause exists to extend the statutory timeline for ninety days to December 30, 2003.\textsuperscript{4} We also affirm the electronic ruling adopting the procedural schedule agreed to by the parties set out in the ordering paragraphs below.

**ORDER**

THE COMMISSION FURTHER ORDERS:

1. The electronic ruling adopting the procedural schedule agreed to by the parties is affirmed.

2. The statutory timeline for issuing a final order in this proceeding is extended to December 30, 2003.

3. By 4 p.m., September 12, 2003, supplemental testimony allowed by the Commission shall be exchanged.

\textsuperscript{2}The Hearing Examiner sent electronic notification of this decision to the parties on May 2, 2003.

\textsuperscript{3}AS 42.05.175(c).

\textsuperscript{4}AS 42.05.175(f).
4. By 4 p.m., September 22, 2003, all parties shall file their statements of issues and final witness lists, in the order of appearance.

5. Any party wishing to appear telephonically at the hearing must advise us, in writing, by 4 p.m., September 22, 2003, and provide a telephone number where it may be reached for that appearance.

6. A public hearing in this docket is set for September 29, 2003, at 9 a.m., in the East Hearing Room of the Commission’s offices located at 701 West Eighth Avenue, Suite 300, Anchorage, Alaska, and continuing thereafter as needed on September 30 and October 1-3, 2003.

DATED AND EFFECTIVE at Anchorage, Alaska, this 10th day of September, 2003.

BY DIRECTION OF THE COMMISSION
(Commissioners Mark K. Johnson and Dave Harbour, not participating.)

If you are a person with a disability who may need a special accommodation, auxiliary aid, or service or alternative communication format in order to participate in this prehearing, please contact Grace Salazar at 1-907-276-6222 or TTY 1-907-276-4533 at least one week before the hearing to make the necessary arrangements.