

1 2 1 3 ARRC CONFIRMATION HEARINGS, SUSAN KNOWLES (APUC) 1213

1 the time of the permanent rate increase decision. See,
2 A. J. Industries, Inc. v. Alaska Public Service Commission, 470
3 P.2d 537, 540 (Alaska 1970). The Supreme Court has merely
4 required the utility to show that its existing rates are inade-
5 quate and that the "balance of hardships" tips in its favor.
6 A. J. Industries, supra at 540; GAAB, supra at 557.

7 The Alaska Supreme Court has never defined the pre-
8 cise point at which a utility's rates fall into the prohibited
9 zone of confiscation. However, where the utility is being
10 operated at a loss, the Court has expressly found those rates
11 to be clearly confiscatory and has ordered this Commission to
12 grant interim rate increases. GAAB, supra n. 26, at 558.

13 In the instant case, the utility's 1980 audited
14 financial statements, as adjusted for known and measurable
15 changes, show a net loss of \$487,586 (Net operating income
16 after pro forma adjustments per filing Schedule 3 of \$705,826
17 long-term debt interest expense of \$1,193,412). Therefore, the
18 utility has made a prima facie showing that its existing rates
19 are confiscatorily low. Thus, the first element of the
20 five-part GAAB test has been satisfied.

21 The Staff has indicated that it requires the oppor-
22 tunity to audit AWU's accounts and records, to investigate the
23 reasonableness and propriety of AWU's proposed overall
24 22.95 percent rate increase, and to examine a detailed analysis
25 of costs allocated to/from other municipal entities, including
26 the sewer utility, before making a recommendation concerning
27 the utility's request for a permanent rate increase. Therefore,
28 the Staff recommended suspension of the permanent rate increase
29 for an initial period not to exceed six months. The GAAB
30 decision has held that even if confiscatorily low rates are in
31 effect for as short an interval as the statutory suspension
32 period, it constitutes an unreasonable length of time and is

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1 sufficient to justify interim rate relief. The second element
2 of the GAAB test has thus been established.

3 In Alaska it has been repeatedly held that a utility
4 may not bill its subscribers retroactively either upon receiving
5 approval to increase its rates or to recoup past losses.

6 A. J. Industries, supra at 541; GAAB, supra at 554. Accordingly,
7 every Alaska Supreme Court decision on point unanimously states
8 that the denial of interim relief will cause the utility to
9 suffer irreparable harm as a matter of law when the other four
10 elements have been shown to exist. Thus, the third element has
11 been met.

12 The courts in Alaska have recognized the refund
13 condition attached to interim rate increases as the cornerstone
14 to adequately protect the public against payment of excessive
15 rates. The Staff recommends that the utility be required to
16 refund any excess revenues collected under the interim rate
17 increase if, after investigation, it is determined that that
18 amount is greater than the permanent increase ultimately granted
19 in this proceeding. Thus, de facto the fourth element of the
20 GAAB test has been satisfied.

21 Finally, the utility's request must not be "frivolous
22 or obviously without merit." The Commission believes this
23 requirement is satisfied if the magnitude of the interim increase
24 is reasonable and not excessive in light of all the facts and
25 circumstances prevailing at the time of the request. AWU has
26 requested a 15 percent interim rate increase in the amount of
27 \$849,798. The Staff calculated a deficiency of \$1,058,591
28 based on rate of return methodology and of \$1,124,974 based on
29 the debt service coverage (DSC) methodology (1.25 DSC required
30 on revenue bonds). The utility's requested increase results in
31 a rate of return of 7.53 percent and DSC of 1.14. No adjust-
32 ments of operating expenses or rate base were made by Staff
for purposes of calculating the interim revenue deficiency.

40

1 Staff, after completion of its analysis of TA22-122,
2 recommended that AWU be granted a 15 percent refundable interim
3 rate increase applicable on an across-the-board basis to recur-
4 ring charges and certain non-recurring charges currently in
5 effect for billings rendered on or after October 16, 1981.
6 Staff concurred with AWU that some nonrecurring service charges
7 are impacted by 'increased operating expenses, e.g., labor, and,
8 therefore, should be subject to the 15 percent increase.

9 The Commission agrees with Staff's recommendation and
10 concludes that an interim rate increase of 15 percent is appro-
11 priate under the Alaska Supreme Court's decision in GAAB,
12 supra; A. J. Industries, supra; and RCA Alascom, supra. The
13 utility was telephonically notified of the Commission's decision
14 on October 12, 1981.

15 The Commission may at its discretion require an
16 escrow account or bond to assure the availability of refund
17 monies. AS 42.05.421(c). In exercising its discretionary
18 powers not to require AWU to escrow funds or to post a bond,
19 the Commission, in concurrence with Staff' recommendation,
20 will require the utility to refund any revenue gained from the
21 interim rate increase which exceeds the revenue which would
22 have been derived during the same period at the level of per-
23 manent rates ultimately granted in this proceeding.

24 Closure of Docket U-76-66

25 In Docket U-76-66, bulk water sale special contracts
26 with Central Alaska Utilities, Inc., and Romig Park Improvement
27 Co., Inc., are outstanding. The bulk water sale contracts will
28 be subsumed under Docket U-81-78. Since there are no further
29 substantive or procedural issues to be resolved in Docket
30 U-76-66 and there are no costs to be allocated, Docket U-76-66
31 should be closed.
32

1 As a condition of acceptance of TA21 122, a request
2 to eliminate Schedule E - Private Fire Protection, AWU was
3 ordered to file a cost-of-service study by June 1, 1981. In a
4 letter dated May 22, 1981, AWU indicated its intent to file a
5 new revenue requirement study by September 1, 1981. AWU
6 indicated that it would be appropriate for the cost-of-service
7 study to be based on the new revenue requirement study.

8 The Commission concurs with AWU that the cost-of-
9 service study should be based on the permanent revenue require-
10 ment established in this proceeding. Therefore, the cost-of-
11 service study condition attached to approval of TA21-122 will
12 be subsumed under Docket U-81-78.

13 THE COMMISSION FURTHER FINDS AND CONCLUDES:

14 1. AWU is a public utility as defined in AS
15 42.05.701 and is subject to the regulatory jurisdiction of this
16 Commission.

17 2. AWU's request for permanent rate relief should be
18 suspended for an initial six-month period, not to extend beyond
19 April 16, 1982, pending full investigation of the proposed rate
20 increase.

21 3. AWU has demonstrated a revenue deficiency of
22 \$849,798 and should be granted a refundable interim rate increase
23 of 15 percent to be coterminous with Commission consideration
24 of the permanent rate request. The increase should be applied
25 across-the-board to the currently effective tariffed rates for
26 recurring charges for water sales and for non-recurring charges
27 excluding deposits and initial fees for connection, permits and
28 inspection.

29 4. AWU should be allowed to drop the private hydrant
30 maintenance fee.

1 refund any revenues collected under the interim rate increase
2 in excess of revenues which would have been derived during the
3 same period if the permanent rate increase ultimately granted
4 in this proceeding had been in effect. If the rates which the
5 Commission subsequently allows on a permanent basis are greater
6 than rates allowed on an interim basis, the resultant revenue
7 deficiency may not be collected by the Municipality of Anchorage
8 d/b/a Anchorage Water Utility.

9 5. By November 15, 1981, the Municipality of
10 Anchorage d/b/a Anchorage Water Utility shall file amended tariff
11 sheets reflecting the interim rate increase approved by this
12 Order.

13 6. An investigation is instituted into the reason-
14 ableness and propriety of the subject tariff filing.

15 7. The outstanding issues in Docket U-76-66 and
16 TA21-122 are subsumed in Docket U-81-78.

17 8. Docket U-76-66 is closed.

18 9. The Municipality of Anchorage d/b/a Anchorage
19 Water Utility shall file a cost-of-service study, with the
20 deadline for its submission to be established by a subsequent
21 order of the Commission.

22 10. The Commission Staff is made a party to this
23 proceeding.

24 DATED AND EFFECTIVE at Anchorage, Alaska this 29th day of
25 October, 1981.

26 BY DIRECTION OF THE COMMISSION
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30 (S E A L)
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STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Handwritten: Henry J. Gott 9-31-90
JAY S. HAMMOND, Governor

1100 MacKay Building
338 Denali Street
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Phone (907) 276-6222

November 5, 1981

Mr. John W. Coyne
Assistant Municipal Attorney
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Mr. Coyne:

RE: The Application of the Municipality of Anchorage
For a Certificate of Public Convenience and
Necessity to Operate as a Public Utility
Furnishing Carbage, Refuse and Trash
Collection and Disposal Service

With recognition of the fact that Staff agreed that responses to questions 3, 4 and 10 could be omitted and the request for exemption by the Municipality of Anchorage, a review of the above referenced application discloses that the application is deficient or otherwise incomplete in the following respects:

- (1) The \$50.00 application fee required by AS 42.05.661 and noted in instructional footnote 2 of the application has not been paid.
- (2) The service area description, Exhibit E, is not set forth in township, range and section designations as requested in instructional footnote 3 of the application.
- (3) The proposed tariff included with the application is not set forth in the format approved by the Commission, as required by 3 AAC 48.200, 3 AAC 48.430 and as noted in instructional footnote 13 of the application.

In order that noticing of the application can be made and to avoid any further unnecessary delay in the processing of the application, you are requested to immediately remit the statutory \$50.00 application fee and not later than November 20, 1981, file a service area description set forth in the township, range and section format for the areas in which the utility services are provided.

-J. Tom 17

November 5, 1981
Page 2

Pending its initial consideration whether to grant the requested exemption from economic regulation, the Commission will not require that the format of the proposed tariff be corrected or that a response to question 14 of the application be filed. However, the Municipality of Anchorage is placed on notice that correction of the tariff format and the filing of a response to question 14 of the application as well as the filing of other supplemental information may be required prior to any final decision of the Commission regarding the requested exemption or certification application.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION


John B. Farleigh
Executive Director

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OK MW 10/30/81
 OK 2W 10-30-81
 OK 6eb 11-3-81
 November 4
 October 27, 1981

Mr. John W. Coyne
 Assistant Municipal Attorney
 Municipality of Anchorage
 Pouch 6-650
 Anchorage, Alaska 99502

Dear Mr. Coyne:

RE: The Application of the Municipality of Anchorage
 For a Certificate of Public Convenience and
 Necessity to Operate as a Public Utility
 Furnishing Garbage, Refuse and Trash
 Collection and Disposal Service

With recognition of the fact that Staff agreed that responses
 to questions 3, 4 and 10 could be omitted and the request
 for exemption ^{by the Municipality of Anchorage}, a review of the above referenced application
 discloses that the application is ~~incomplete~~ ^{deficient} or otherwise
 incomplete in the following respects:

- (1) The \$50.00 application fee required by AS 42.05.661 and noted in instructional footnote 2 of the application has not been paid.
- (2) The service area description, Exhibit E, is not set forth in township, range and section designations as requested in instructional footnote 3 of the application.
- (3) The proposed tariff included with the application is not set forth in the format approved by the Commission, as required by 3AAC 48.200, 3AAC 48.430 and as noted in instructional footnote 13 of the application.

In order that noticing of the application can be made and to avoid any further unnecessary delay in the processing of the application, you are requested to immediately remit the

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 &
 OFFICE OF THE ATTORNEY GENERAL

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a) U-81-33
Tariff Revision, Designated as)
TA139-120, by the MUNICIPALITY)
OF ANCHORAGE d/b/a ANCHORAGE) ORDER NO. 2
TELEPHONE UTILITY To Change the)
Conditions and Rates for Coin)
Telephone Service)

ORDER EXTENDING SUSPENSION PERIOD AND
REQUIRING SUPPLEMENTAL INFORMATION

Due to the workload and out-of-state commitments of the hearing panel in this proceeding and the desire by the full Commission to address the social issue raised by the utility's request to increase the rates for public and semi-public telephone service from 10¢ to 20¢ per call, the Commission will extend the suspension period in this Docket until March 1, 1982.

In addition, the Commission requests the utility to respond to the following questions:

1. Is it technically feasible to limit a coin telephone call in the utility's service area to three or five minutes? What would be the cost of imposing that limitation?
2. Do the utility's coin telephones presently operate on a "Dial Tone First" basis? If not, is it technically feasible to convert the utility's coin telephones to operate on that basis so that users can reach the operator or 911 without the requirement of the deposit of coins? What would be the timetable and cost of that conversion?

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Item 18

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Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of an Application for Amendment of Certificate of Public Convenience and Necessity No. 120 by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY To Include Elmendorf Air Force Base in Its Service Area

U-80-8
ORDER NO. 2

In the Matter of an Amendment to Certificate of Public Convenience and Necessity No. 19 held by MATANUSKA TELEPHONE ASSOCIATION INC., To Delete Elmendorf Air Force Base from Its Service Area

U-80-90
ORDER NO. 2

ORDER ESTABLISHING DATES FOR PUBLIC HEARING AND SUBMISSION OF PRE-FILED TESTIMONY

On February 29, 1980, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed with the Commission an application for an amendment of Certificate of Public Convenience and Necessity No. 120 to include Elmendorf Air Force Base (EAFB) in its authorized service area.

On November 13, 1980, the Commission, after noticing the application and reviewing the filing, issued Orders No. 1 in the above-captioned proceedings which in part: granted an amendment to the certificate of ATU to include that portion of EAFB that was not within the service area of MATANUSKA TELEPHONE ASSOCIATION, INC. (MTA); granted a temporary amendment to the certificate of ATU to include that portion of EAFB that was within the service area of MTA; and indicated a public hearing would be scheduled in

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1 accordance with AS 42.05.271 to determine if the public conven-
2 ience and necessity requires MTA's certificate No. 19 to be modi-
3 fied to exclude EAFB from its service area, and if so, whether the
4 service area of ATU should be enlarged to include this area. ATU
5 will have the burden of proving that MTA's certificate should be
6 modified to satisfy the requirements of the public convenience and
7 necessity. ATU will also bear the burden of proof that it is fit,
8 willing and able to provide local exchange service to EAFB on a
9 permanent basis. MTA will be required to present testimony rele-
10 vant to these issues and its intention of providing service in
11 this area of EAFB.

12 The Commission believes it would be conducive to a fair
13 and expeditious disposition of the proceedings to require ATU and
14 MTA to each submit a list of witnesses in the order of their
15 appearance and to pre-file written prepared, instead of oral
16 direct, testimony in accordance with 3 AAC 48.150(f). ATU and MTA
17 will be specifically precluded from calling witnesses who have not
18 submitted prepared written testimony. Exceptions may be granted
19 by the Commission based on an offer of proof that a witness's
20 testimony is necessary for a complete evidentiary record. Justi-
21 fication for the omission of the witness from the original witness
22 list must be provided.

23 THE COMMISSION FURTHER FINDS AND CONCLUDES:

24 1. A public hearing should be scheduled in these pro-
25 ceedings in Anchorage, Alaska, at which time ATU will be required
26 to show that the public convenience and necessity require that
27 MTA's certificate be modified to exclude EAFB from its service
28 area and that it is fit, willing and able to provide local ex-
29 change service to EAFB on a permanent basis.

30 2. ATU and MTA should be required to pre-file testimony
31 in accordance with 3 AAC 48.150(f), together with lists of wit-
32 nesses in the order of their appearance.

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ORDER

THE COMMISSION FURTHER ORDERS:

1. A public hearing shall be held at 9:00 a.m. on January 26, 1982, at the Commission's offices, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska. At the hearing, the Municipality of Anchorage d/b/a Anchorage Telephone Utility shall bear the burden of proving that the Certificate of Public Convenience and Necessity No. 19 of Matanuska Telephone Association, Inc., should be modified to exclude the service area within the boundaries of Elmendorf Air Force Base to meet the requirements of the public convenience and necessity. The Municipality of Anchorage d/b/a Anchorage Telephone Utility shall also bear the burden of proving that it is fit, willing and able to have permanent operating authority within the boundaries of Elmendorf Air Force Base.

2. The Municipality of Anchorage d/b/a Anchorage Telephone Utility shall file by 4:00 p.m., January 19, 1982, a list of witnesses in the order of their appearance and written prepared testimony for each witness.

3. Matanuska Telephone Association, Inc., shall file by 4:00 p.m., January 19, 1982, a list of witnesses in the order of their appearance and written prepared testimony for each witness relevant to the issues contained in Ordering Paragraph 1 and its plans for providing service in this portion of its service area.

DATED and Effective at Anchorage, Alaska, this 14th day of December, 1981.

BY DIRECTION OF THE COMMISSION
(Commissioners Marvin R. Weatherly and Susan M. Knowles,
not participating)

(S E A L)

1 has not yet been completed on the final Staff report. The Staff
2 believes it is in the public interest that such a comprehensive
3 and analytical report be submitted.

4 DATED this 15th day of December, 1981.

6 WILSON CONDON
7 ATTORNEY GENERAL

8 By Elisabeth H. Ross
9 Elisabeth H. Ross
10 Assistant Attorney General
11 Alaska Public Utilities
12 Commission Staff

13 ORDER

14 The Staff shall have until January 15, 1982 for the
15 filing of its report on the Girdwood-Alyeska first normalized year
16 of operation revenue requirement study.

17 DATED AND EFFECTIVE this 15 day of December, 1981, at Anchorage, Alaska.

18 
19 Commissioner

20 This Order is designated as Order No. 13 in Docket U-80-4 and
21 Order No. 4 in Docket U-81-36.

22
23 (SEAL)



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THE ALASKA PUBLIC UTILITIES COMMISSION

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Before Commissioners: Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Filing of a)
Tariff Revision, Designated as) U-81-46
TA148-120, by the MUNICIPALITY OF)
ANCHORAGE d/b/a ANCHORAGE TELEPHONE) ORDER NO. 2
UTILITY To Change the Rate Structure)
for the Provision of Basic Telephone)
Instruments)

ORDER EXTENDING SUSPENSION PERIOD
AND INCORPORATING INVESTIGATION OF
STRAIGHT LINE FEATURE

On June 16, 1981, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed a tariff revision, designated as TA148-120, requesting a change in rates and rate structure to separate billing charges between service access lines and telephone instruments. ATU stated that this was necessitated by recent Federal Communications Commission (FCC) actions.

ATU's present tariff provides for basic local business or residence service which includes the first or main telephone instrument at no additional charge. An additional charge is assessed for each extension connected to the basic local service. In TA148-120, ATU proposed to eliminate the extension charge, but proposed to charge the customer for each instrument (including the main instrument) provided by the utility. ATU asserted that elimination of extension service charges and implementation of charges for instruments would result in virtually no net change in revenue.

The filing was noticed on June 24, 1981, with a closing date of July 23, 1981, for the submission of statements in support

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1 of, or in opposition to, the proposed tariff revision. No public
2 response was received.

3 On July 30, 1981, the Commission issued Order No. 1 in
4 this Docket which suspended TA148-120 for an initial six-month
5 period and required ATU to file its permanent revenue requirement
6 in accordance with 3 AAC 48.275(a) and a concurrent unbundling of
7 rates by November 1, 1981. The Commission found that it could not
8 evaluate the reasonableness or fairness of ATU's proposed rates
9 without this required information.

10 On November 4, 1981, ATU, through its attorney, submit-
11 ted a letter of response to "various Staff and Commission concerns
12 resulting from ATU's filing in Docket U-81-46 and ATU's attempts
13 to satisfy those concerns." In this letter ATU attempted to
14 provide a number of reasons why the Commission should accept the
15 unbundling proposed in TA148-120, and should ~~not~~ work sessions
16 with ATU to establish appropriate methodology for the performance
17 of a cost-of-service study. ATU averred that due to the multitude
18 of recent developments in the industry relating to FCC rulings,
19 toll settlements, new tariffs, etc., a meaningful cost-of-service
20 study cannot be performed without some guidance from the Commis-
21 sion. As an alternative, ATU suggested scheduling a public hear-
22 ing at which ATU and Staff could present testimony concerning the
23 filing.

24 The Commission is of the opinion that such a hearing is
25 not appropriate at this time. The Commission wishes to reaffirm
26 its position as set forth in Order No. 1 that the material filed
27 with TA148-120 is insufficient to determine the reasonableness of
28 the rates proposed. Although implementation of the proposed rates
29 will not result in a net increase in revenues to ATU, it does
30 constitute a rate increase because customers will now be charged
31 for an individual service that has previously been part of the
32

1 total monthly recurring charge - i.e., use of the main instrument.
2 The Commission reiterates the necessity for a filing in accordance
3 with 3 AAC 48.275(a) and a concurrent unbundling of rates prior to
4 implementation of TA148-120. However, the Commission concurs with
5 ATU that it is essential that some guidance be given in order to
6 make that filing as meaningful and cost effective as possible. To
7 this end, the Commission intends to issue at some time in the
8 future a General Order providing guidelines concerning the method-
9 ology and information that must be submitted as a part of the
10 tariff revision which requests unbundled rates. Therefore, the
11 Commission believes it appropriate to extend the suspension period
12 of TA148-120 until the Commission is able to provide this guidance
13 to ATU.

14 Also, on November 5, 1981, the Staff filed a motion
15 requesting the Commission to consolidate the investigation of the
16 straight line feature telephone rates (U-81-29) with this proceed-
17 ing. ATU stated it did not oppose the motion. The Commission had
18 granted interim approval to rates for straight line feature tele-
19 phones for the Rolm CBX, Rolm SCBX, and the SC-1 and suspended the
20 filing for further investigation. Comtec, Inc., a company engaged
21 in selling, installing, and maintaining telephone equipment, had
22 filed a protest to the tariff revision request, but had never
23 filed for intervention in the formal investigation proceeding.

24 The Commission observes that the suspension period in
25 U-81-29 expired November 11, 1981. However, the rate investiga-
26 tion of the instrument group targeted in U-81-29 is one small
27 subset of the investigation required and is incorporated in
28 U-81-46, and it is the Commission's intention to investigate the
29 straight line feature telephone rates into this proceeding.

30 ORDER

31 THE COMMISSION FURTHER ORDERS, That, the operation of
32 the tariff revision, designated as TA148-120, filed by the

1 Municipality of Anchorage d/b/a Anchorage Telephone Utility is
2 further suspended until August 1, 1982.

3 DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of
4 January, 1982.

5 BY DIRECTION OF THE COMMISSION
6 (Commissioner Susan M. Knowles, not participating)

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

In the Matter of the Investigation)
into the Availability of Natural)
Gas to ALASKA GAS AND SERVICE)
COMPANY and Establishing a Proce-)
dure for Interrupting Natural Gas)
Service Power Plants as May be)
Required by Capacity or Deliver-)
ability Constraints and for Equi-)
table Sharing of the Costs of)
Alternate Fuels)

U-81-82

ORDER NO. 2

ORDER APPROVING PROCEDURES FOR INTERRUPTION OF SERVICE AND
ESTABLISHING METHODOLOGY FOR ALLOCATING COSTS
RESULTING FROM INTERRUPTIONS OF SERVICE

In response to concerns expressed by ALASKA GAS AND SERVICE COMPANY (AGAS) and its large power, interruptible customers, the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT AND POWER DEPARTMENT (ML&P), CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), and the UNITED STATES OF AMERICA (Military), representing Elmendorf Air Force Base and Fort Richardson Military Reservation, the Commission opened this docket of investigation into the natural gas supply situation in the Anchorage Bowl, procedures for interruption of natural gas service to the power plant customers, and cost-allocation methodologies associated with those service interruptions.

Background

The above-named parties notified the Commission, both orally and in writing, that AGAS was facing a potentially inadequate supply of natural gas during the 1981-82 winter season, a situation arising not only from a higher winter heating demand placed upon the AGAS system but also from a contract dispute

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1 between AGAS and the State of Alaska, Department of Revenue,
2 regarding the price of royalty gas which AGAS normally purchases
3 to meet cold weather demands.

4 Order No. 1, issued November 3, 1981, which instituted
5 this proceeding, also scheduled a public hearing on November 9,
6 1981, during which the following issues were addressed through
7 oral testimony:

- 8 1. Should AGAS be required to take royalty
9 gas at any price; and, if so, how should
the costs be recovered?
- 10 2. How should the costs of interruptions be
11 computed?
- 12 3. Once the costs are computed, how should
they be passed on?

13 The Commission also requested the parties to submit briefs of
14 their statements prior to the hearing in order to expedite the
15 proceeding. Briefs were submitted by the parties, with the excep-
16 tion of CEA, on November 6, 1981.

17 The Commission convened the public hearing at 1:30 p.m.,
18 November 9, 1981, in the Commission's hearing room. The hearing
19 was conducted before Commissioners Marvin R. Weatherly, Stuart C.
20 Hall, and Diana E. Snowden, with Commissioner Weatherly serving as
21 Presiding Officer.

22 The parties were represented as follows: AGAS by Dale
23 Teel, President, and Bill Hickman, Vice President and Treasurer;
24 ML&P by Thomas R. Stahr, General Manager, and Roger R. Kempel,
25 Attorney; CEA by its counsel William J. Moran, and Thomas S.
26 Kolasinski, Manager of Power Production; and the Military by
27 Lieut. Colonel Harold A. Froehle, Director of Facilities & Engi-
28 neering, U.S. Army, Ft. Richardson; Lieut. Colonel Theodore R.
29 Kinney, USAF, Chief, Operations Branch, 21st Civil Engineering
30 Squadron, Elmendorf A.P. Base; Capt. Diane E. Savage, U.S. Army,
31 Staff Judge Advocate, Fort Richardson, as Counsel; and David A.
32

1 Slenkamp, Chief of Utilities, Ft. Richardson. Also present were
2 Carolyn Evans, Utility Financial Analyst III on the Staff of the
3 Commission, and Assistant Attorney General, Elisabeth Ross, both
4 of whom served in an advisory capacity to the Commission in this
5 proceeding.

6 Stipulation By Parties on Order of Interruption

7 Prior to the hearing, AGAS submitted a Stipulation
8 requesting Commission approval of a proposed sequence of natural
9 gas interruptions among the large power customers, delineated in
10 Exhibit A thereto. The Stipulation also sought Commission devel-
11 opment of a cost-allocation methodology for alternate fuel ex-
12 penses incurred during gas curtailments. While not necessarily
13 opposing the Stipulation, Thomas Stahr of ML&P offered an alter-
14 native to the AGAS proposal in his comments submitted prior to the
15 hearing:

16 Interruption of industrial customers should
17 also be considered to conserve alternate fuels
18 for residential and commercial use. In addi-
19 tion to reducing fuel use for electric genera-
20 tion, the ensuing shutdown of industrial
21 processes could make considerable amounts of
22 process gas available. Certainly this would
23 have to be done with discretion to avoid
24 interrupting the flow of materials critical to
25 other areas of the state. It is possible that
26 a voluntary curtailment plan with partial
27 redirection of feed stock gas to the utility
28 (gas and electric) sector could be arranged as
29 this would be more rational than total inter-
30 ruption of industrial electric service.
31 (Stahr letter to APUC, dated October 15, 1981,
32 pp. 2-3.)

At the hearing, Commissioner Weatherly requested formal
comment regarding any problems inherent in the schedule of inter-
ruptions prepared by AGAS in its Stipulation. All parties were in
agreement that natural gas interruptions were ineluctable at some
point in time during the 1981-82 winter season. (The Commission
notes that, subsequent to the November 9, 1981, hearing, but prior
to the issuance of this Order, interruptions caused by extreme
cold weather and heavy heating demand did, in fact, occur.)

1 At no time during the hearing did any of the parties
2 dispute either the need for or the substantive content of AGAS's
3 proposed schedule of interruptions.¹ However, the Military's
4 concurrence was conditioned on the fact that they be reimbursed
5 for expenses incurred during periods of interruption, since with-
6 out a cost-sharing methodology, the Military would be penalized
7 with "...the entire brunt of the curtailments." (Tr., p. 8.)
8 None of the other parties presented further comment on the Stipu-
9 lation, nor did ML&P pursue the alternative approaches suggested
10 in its October 15, 1981, letter to the Commission.

11 The interruptible customers all utilize natural gas in
12 power plants but have varying capabilities to operate utilizing
13 alternate fuels. All parties agree that the short-term use of
14 alternate fuels will entail substantial additional costs over the
15 short-term cost of natural gas. Except for differences in cost-
16 sharing approaches, all parties concur that it is in the public
17 interest that interruptions in the natural gas supplied to these
18 customers occur in a specific order to minimize the inconvenience
19 and cost of alternative fuel usage to the community as a whole. In
20 its review of the proposed Stipulation and its attachments,
21 written comments of the parties, and the oral testimony presented
22 at the hearing, the Commission finds that the urgency of the
23 curtailment problem, the need for prompt agreement by all parties
24 to this proceeding, and the insufficient time available to explore
25 and perhaps implement an alternative curtailment procedure, col-
26 lectively dictate that the Commission accept the proposed proce-
27 dure for interruptions as a short-term plan for dealing with
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29
30 ¹As a point of clarification, CEA requested that Exhibit A to
31 the Stipulation, Schedule for Planned Interruptions, be modified
32 to assure that Chugach is afforded the flexibility to determine
which of its power plants (i.e., Bernice Lake or International
Station) should be the first to be interrupted and/or restored.

1 natural gas interruptions in 1981-82. The Commission also finds
2 reasonable the request by CEA to clarify the need for flexibility
3 intended in the schedule of interruption. Recognizing that the
4 predetermined sequence of interruption is not precisely mandated
5 in the schedule, it is the intent of the Commission that the
6 schedule incorporate sufficient flexibility to allow AGAS and each
7 interrupted party the option to select the most cost efficient
8 alternative available at the time that each interruption occurs.
9 Therefore, the Commission adopts for use by the parties to this
10 proceeding the schedule of interruptions submitted by AGAS. A
11 copy of the schedule is attached to this Order as Appendix A.

12 Royalty Gas Purchases: Obligation to Serve

13 One of three issues outlined in Order No. 1 of this
14 Docket questioned whether AGAS should be required to purchase
15 royalty gas at any price because of the peak supply shortage this
16 winter. While this single subject dominated much of the testimony
17 at the hearing and in the briefs, the issue of mandated royalty
18 gas purchases by AGAS appears moot as of the date of issuance of
19 this Order because of more recent developments.

20 In a letter dated December 30, 1981, AGAS informed the
21 Commission and other parties to this proceeding that it is now
22 purchasing royalty gas for peaking purposes:

23 Concurrently, the management of AGAS made a decision to
24 minimize the take of royalty gas and the financial
25 impact thereof by taking the royalty only when required
26 to meet system demands in excess of other supplies. Of
27 import in this decision was the failure of Phillips to
28 move to force AGAS to take all the royalty (see page 4
29 of their letter dated July 17, 1981). We believe the
30 State will resist efforts to force AGAS to take all the
31 gas since the State believes it can charge a higher
32 wellhead price to Phillips. We further believe (but
cannot be certain) that Phillips will not force such
demand since it could result in cancellation of our
royalty contract and then Phillips would be obligated to
take all the royalty gas. (Hickman letter, dated Decem-
ber 30, 1981, pp. 2-3.)

31 Although this change in events obviates the immediate need for any
32 action on the part of the Commission, the Commission finds that in

1 view of the tenuous nature of the above-described understanding,
2 any shift in position by Phillips Petroleum, the State of Alaska,
3 or AGAS could bring the problem full circle before the Commission.
4 Furthermore, the broader question of a utility's obligation to
5 serve its customers is of such sufficient concern to the public
6 interest that the Commission believes the subject should be re-
7 viewed in this Order. For these reasons, the question of the
8 obligation to serve as it relates to the purchase of royalty gas
9 shall be discussed infra.

10 In his pre-filed testimony, AGAS's President, Dale Teel,
11 forcefully urged that it would not be in the public interest for
12 the Commission to require the purchase of royalty gas at any price
13 for the following reasons:

- 14 1. The price exacted by the State will impact all
15 future gas contract negotiations with producers.
- 16 2. The pricing policy presently imposed by the State
17 goes far beyond the Section 105 (of the Natural Gas
18 Policy Act) regulated prices they are asking for
19 the royalty today (approximately \$2.90/MCF).
- 20 3. The price requested by the State is in excess of
21 fair market value, at wellhead, of gas in the Cook
22 Inlet Area. (Direct (Pre-filed) Testimony of Teel,
23 undated, pp. 2-3.)

24 In response to questioning by the Commission, Teel
25 explained that AGAS had originally purchased royalty gas under the
26 assumption that it would be the lowest priced gas available. Yet
27 as the cost of royalty gas escalated each year by virtue of the
28 State contractual agreement, AGAS decided that royalty gas should
29 be used more for peak demand purposes. AGAS also stated that
30 royalty gas, priced higher than other sources, should be purchased
31 to provide comfortable safety and reliability margins during
32 periods of heavy gas use and to extend the life of the lower-
33 priced Kenai gas reserves and not, in the main, to prevent inter-
34 ruption of the power customers. However, AGAS suggested that
35 since the interruptible or "non-firm" customers have benefitted
36 more from royalty gas purchases than other customers, the

1 interruptible customers should bear the costs of interruption.
2 Other reasons for this position were based on what AGAS termed as
3 regulatory principles, legal considerations, and the equitable
4 treatment of all its customers.

5 The final AGAS argument against mandatory royalty gas
6 purchases was the contractual requirement in existence at the time
7 of the November hearing which apparently obligated AGAS to pur-
8 chase royalty gas year-round and not just for peaking purposes.
9 Bill Hickman of AGAS estimated the annual cost of year-round
10 royalty gas purchases to be \$6 million, yet the cost of relying
11 upon the fuel switching capabilities of the interruptible power
12 customers (based upon an assumed 1981-82 winter interruption
13 scenario) was projected at \$465,000. In sum, it was the position
14 of AGAS that an order by this Commission forcing the year-round
15 purchase of royalty gas would result in unnecessary and greater
16 cumulative expenses to all of its customers when contrasted with
17 the option of curtailing its "non-firm" customers who had recourse
18 to alternate fuels.

19 In its Brief of Issues, ML&P requested that Order No. 1
20 be modified to delete from page 2, lines 5-6, of Order No. 1 the
21 phrase, "to meet its interruptible customers' cold weather
22 demands." ML&P pointed out that royalty gas purchases are physi-
23 cally commingled with all other AGAS purchases and should not be
24 designated as a product or service destined only for interruptible
25 customers. Contrary to the AGAS position, ML&P argued that roy-
26 alty gas is used "...to a much greater extent to meet the peaking
27 demands of the nonpower customers." ML&P expanded this position
28 in a letter to the Commission as follows:

29 The prime beneficiary of curtailment are [sic] the
30 customers that are not curtailed. The curtailment
31 problem is exacerbated by the extremely high demand of
32 customers using gas for space heating during cold
weather. Their paying for the curtailment costs through
the gas cost flow through mechanism would be a form of

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1 peak load pricing which would tend to properly represent
2 the true cost of providing the firm service they
3 require. (Stahr letter to APUC, dated October 15, 1981,
4 p. 2.)

5 ML&P further opined that the decision to refuse acquisition
6 of adequate deliverability or capacity to meet reasonably
7 anticipated requirements should not be left to corporate decision
8 makers because the public interest would clearly be impacted by
9 such a decision. ML&P admitted that while royalty gas could be
10 priced so high that using alternative fuels would be the best
11 option, "... price issues do not abrogate the duty to obtain
12 adequate supplies." (ML&P Brief, p. 4.) It was ML&P's contention
13 that any refusal to take royalty gas could be an irrevocable
14 decision, since the State might then commit the royalty gas to
15 other purposes and, as a consequence, the real cost of alternative
16 energy supplies might over time be much higher. ML&P averred that
17 AGAS should be required to take the royalty gas at the \$2.90 rate
18 offered by the State with the costs rolled in through the flow
19 through mechanism. Finally, ML&P emphasized that the AGAS rate
20 structure must be redesigned subsequent to a cost-of-service study
21 to properly address the entire interruptible rate class problem.

22 In its comments, the Military stated that AGAS should
23 not be required to take royalty gas at any price solely to satisfy
24 the seasonal needs of the interruptible customers and urged Com-
25 mission support for AGAS's attempt to secure State royalty gas as
26 a seasonal supplement. According to the Military, costs incurred
27 by the interruptible customers in converting to alternate fuels
28 during curtailment should be passed on as if the alternate fuels
29 had been purchased from potential suppliers of natural gas.

30 In addressing the generic issue of the obligation to
31 serve, this Commission finds that the fundamental duty of a public
32 utility to serve the public exists independent of any statute
33 regulating the manner in which a utility conducts its business.

1 The obligation is imposed upon a company because it is organized
2 to transact business affected with the public interest and because
3 the company has held itself out to the public as being fit, will-
4 ing and able to serve all its customers. It should be evident,
5 therefore, that under common law, and by statute in this State,
6 AGAS is obligated to provide adequate, efficient and safe service
7 to the customers in its service area. (Southwest Gas Corp. v.
8 Nevada P.S.C., 474 P.2d 379 (1970) and AS 42.05.291(a).)

9 The Commission also finds, however, that the obligation
10 to provide adequate service has meaning only in reference to the
11 demands of the public, the cost of the service, and the financial
12 condition of the company offering the service. (Re General Tele-
13 phone Co. of Ca., 80 PUR 3d 2 (Ca. P.U.C., 1969).) Based on the
14 record in the proceeding and the testimony and evidence of the
15 parties, the Commission finds that as of the date of the hearing,
16 the price of royalty gas offered to AGAS was too high and the
17 terms under which the gas was to be taken were not economical when
18 compared with the short-term alternative energy sources available.
19 Thus, in this instance, AGAS should not have been required to
20 purchase year-round royalty gas when the conversion to alternative
21 fuel supplies would result in a net economic gain to the Anchorage
22 community. Furthermore, it is consistent with the testimony and
23 evidence on the record that the costs of any royalty gas purchases
24 which are actually made by AGAS should be flowed through to all
25 AGAS customers on an even cents-per-Mcf basis as provided by
26 tariff.

27 In so finding, the Commission agrees that AGAS does
28 indeed, as propounded by ML&P, have "... a contractual and public
29 utility responsibility to acquire gas supplies adequate to serve
30 the needs of all its customers." (Stahr letter to APUC, dated
31 October 15, 1981, .) While this obligation is not absolute if
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1 the supply cannot reasonably be obtained, the Commission further
2 orders that AGAS should aggressively continue its efforts to
3 resolve remaining disputes regarding the purchase of royalty gas,
4 diligently seek other long-term sources of supply, and develop a
5 plan encouraging voluntary conservation apposite to periods of
6 peak demand.

7 In rendering this decision, the Commission emphasizes
8 that its judgment is based solely upon the facts and circumstances
9 surrounding the 1981-82 winter season. Moreover, the Commission
10 intends to fully investigate AGAS's efforts to obtain sufficient
11 long-term commitments of natural gas in the upcoming AGAS perman-
12 ent rate case (Docket U-81-101), which will be scheduled for
13 public hearing later this year.

14 Tariffed Rates for Interruptibility:
15 Allocation of Interruption Costs

16 A central issue in the testimony of AGAS emphasized
17 that, while royalty gas purchases would alleviate a portion of the
18 peak demand problem, interruptions should still be anticipated by
19 the large power customers. According to Hickman, royalty gas
20 purchases could account for only one-third to one-half of the
21 projected 1981-82 natural gas shortage during periods of peak
22 winter demand. With no evidence presented which contradicted
23 AGAS's figures in this instance, the Commission finds the issue of
24 interruptibility and the calculation of associated costs
25 (irrespective of royalty gas purchases) to be of primary impor-
26 tance in determining the allocation of costs to the parties.

27 AGAS averred that its present tariff and rate design had
28 been addressed in testimony presented by many different experts
29 during its last permanent rate case, and all had recognized that
30 interruptible customers would bear the costs of interruption.
31 Moreover, in authorizing the present rate structure, AGAS

1 contended that the Commission had recognized the risks of inter-
2 ruption. According to AGAS, "In subsequent years, each interrup-
3 ted customer paid his costs of interruption without question or
4 complaint." (Direct (Pre-filed) Testimony of Teel, undated, p.
5 5.)

6 AGAS asserted that now, however, these customers are
7 requesting the Commission to require the firm customers to share
8 the costs of interruption--without benefit of a cost-of-service
9 study. AGAS declared that this proceeding is not the forum in
10 which to consider rate redesign or the reallocation of the costs
11 of interruption, but, rather, such issues should be examined in a
12 future AGAS rate design proceeding. AGAS also maintained that
13 construction projects completed since its last rate case had
14 further benefitted interruptible customers more than firm custom-
15 ers.

16 When questioned as to the number and cause of prior
17 interruptions, AGAS disclosed that the winter of 1980 was the
18 first year AGAS interrupted service because of insufficient gas
19 supply. Although AGAS interrupted service on occasions prior to
20 1980, these interruptions were a result of mechanical breakdowns.

21 In summary, AGAS distinguished between what it con-
22 sidered firm customers and its interruptible customers. AGAS
23 purported that it must provide natural gas supplies sufficient to
24 meet the demands of firm customers only. Interruptible customers
25 are subject to curtailment and have enjoyed reduced rates to
26 compensate for this. Accordingly, AGAS proposed that any addi-
27 tional costs incurred during an interruption should be the sole
28 responsibility of the interrupted parties. AGAS did, however,
29 believe that a cost-sharing arrangement among interruptible cus-
30 tomers was necessary because the schedule of interruptions pro-
31 vided for in the Stipulation could not logically distribute the
32 hours of interruption evenly.

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1 The position of ML&P regarding the purpose of the AGAS
2 interruptible tariff rate diverged markedly from AGAS's perception
3 of the tariff's history. According to ML&P, the "... differential
4 between final rates and the results of the cost-of-service study
5 is so minor that the entire difference since the date of the order
6 [U-75-95(16)] was just about eliminated by the short natural gas
7 curtailment experienced by ML&P during last winter's peak season."
8 (Kempel letter to APUC, dated October 21, 1981, p. 3.) Thus,
9 ML&P reasoned that it should be treated, in effect, as a "quasi-
10 firm" customer.

11 In addition, ML&P countered that firm customers have
12 received advantageous rates over "non-firm" customers because of
13 the inclusion of interruptible customers in AGAS's load factor.
14 ML&P thus recommended that AGAS in essence "purchase" alternative
15 fuel by reimbursing the interruptible customers for all costs in
16 excess of the price of natural gas. These costs would be flowed
17 through by AGAS to all customers via the purchased gas adjustment.
18 CEA concurred with this recommendation. Finally, the Military
19 also indicated that there was merit to the ML&P proposal, which
20 would require AGAS to flow through all interruption costs to its
21 customers. The Military acknowledged that such a proposal might
22 be less costly to themselves than perhaps their own proposal.

23 The major point of difference between AGAS's and ML&P's
24 view of the situation appeared to originate from different con-
25 cepts of AGAS's responsibility to provide service to the interrup-
26 tible customers. AGAS suggested that these customers can be
27 curtailed at the discretion of AGAS, and concomitantly, any costs
28 the interruptible customers incur while curtailed should be borne
29 by them. Conversely, ML&P countered that AGAS, arguably, has an
30 absolute responsibility to provide sufficient natural gas to serve
31 all its customers. Therefore, if AGAS did not provide the
32

1 service, ML&P reasoned that AGAS should bear the incremental costs
2 that customers incur by utilizing alternate fuel sources.

3 The traditional resolution to this dispute would involve
4 a review of AGAS's tariff. All customers are currently served
5 under Tariff Sheet No. 30, Rates for Power Plant Service, which
6 states in part: "The power plants named above are subject to
7 varying interruptions of service by terms of the respective con-
8 tracts or letter agreements." Thus, it is clear that AGAS's
9 tariff allows interruption of these customers but is not explicit
10 with regard to whether the tariff rates were designed to reflect
11 the impact of interruptibility. Moreover, it appears that such
12 interruptions were not intended to be extensive; the discussion
13 surrounding the Commission's approval of AGAS's rate design in the
14 previous rate case clearly indicates that some consideration was
15 given to interruptibility when rates were set.

16 Although AGAS is correct in its contention that inter-
17 ruptibility was a determination in the establishment of final
18 rates in Docket U-75-95, the record is equally clear that the
19 scope and likelihood of interruptions (and associated costs)
20 contemplated during AGAS's last rate case were not of the magni-
21 tude now suggested by AGAS in 1981:²

22 Perhaps the more important determination relative
23 to designing rates is an assessment of the likely degree
24 rather than the certainty of interruption. The evidence
25 in this proceeding indicates that while capacity inter-
26 ruptions are anticipated, they will be limited in number
27 and duration. First, the power contracts under discus-
28 sion appear to reflect the perceived outside limits on
29 interruptions, ten hours a month or five days a year.
30 Second, questions can certainly be raised about the
31 preparedness of the power plants for interruptions up to
32 contract limits not to mention beyond. Third, many of
the terms and conditions governing interruptions are

30 ²AGAS's current assessment of the problem was described by
31 Toel in his letter of September 15, 1981: "Specifically, we
32 expect that there will be relatively frequent and extended periods
this winter (1981-1982) when the total demand on us for natural
gas will exceed the supply available...."

1 unclear or unknown. Thus, it would appear that the load
2 duration curve of the utility mandates some flexibility
3 to interrupt but that this sanction will be invoked
4 infrequently at best. The utility has stated that the
5 power plants as a large and steady source of revenues
6 are the basic flywheel of the utility's operations.
7 (Tr. XIX-1244.) The impression that is conveyed is that
8 AGAS will make every reasonable effort to serve the
9 power plants on as continuous a basis as possible.
10 Capacity will be increased to meet demand but there will
11 be intermittent periods where interruption will proba-
12 bly be necessary. At those points where system demand
13 exceeds system capacity, interruptions could be antici-
14 pated.

15 The question then turns to what consideration is
16 appropriate in rates for transitional periods of inter-
17 ruption....No analysis of cost and cost-benefit trade-
18 offs were prepared or presented by the parties to quan-
19 tify the amount. As a result, the Commission has no
20 basis for a precise determination and is left to con-
21 sider interruptibility as an additional subjective
22 factor in the rate design. (U-75-95(16), pp. 57-58.)

23 In rendering its decision regarding the appropriate
24 allocation of interruption costs, the Commission believes that the
25 rate design effected in Docket U-75-95 was based upon circum-
26 stances which have since changed radically.³ Consequently, the
27 Commission finds that it would be unfair to the interruptible
28 customers to bear the full burden of extensive curtailments when
29 such were not contemplated in the ratemaking or in the contracts
30 themselves. Therefore, it appears that the question now revolves
31 around the frequency or duration of curtailments to which AGAS may
32 submit interruptible customers without violation of its tariff.

33 To determine the factual context of this issue, it is
34 necessary to refer to the contracts referenced in the final order

35 ³ Perhaps the most significant change in circumstance is the
36 fact that AGAS in 1975 was confronted with a capacity shortage,
37 whereas in 1982 the testimony on the record is that the shortage
38 is one caused by an inadequate supply of natural gas. The Commis-
39 sion recognizes and acknowledges the difference between a capacity
40 and supply shortage but absent a cost-of-service study and a
41 complete record on both the capacity and supply issues, the Com-
42 mission will treat the terms synonymously for the sole purpose of
43 arriving at an interim short-term solution in this proceeding.
44 The Commission will, however, examine AGAS's system capacity and
45 natural gas supply contracts in Docket U-81-101.

1 of Docket U-75-95(16). The contracts in existence with ML&P and
2 CEA at that time specifically referred to interruption periods not
3 in excess of 10 cumulative hours per month, but provided that AGAS
4 might accumulate and implement such periods not to exceed 120
5 hours during any 12 consecutive months. It is the Commission's
6 opinion that these limits represented the best information avail-
7 able as to the degree of interruption intended by AGAS's tariff
8 and the degree to which rates were subjectively adjusted in the
9 previous rate proceeding.⁴

10 Regrettably, the Commission finds itself required to
11 allocate costs at this time without benefit of a cost-of-service
12 study or a thorough analysis of the future supply of natural gas
13 in the Anchorage bowl area. This information would provide the
14 most technically accurate basis for a decision. Absent such data,
15 the decision of this Commission will, of necessity, be a less than
16 perfect solution. However, the Commission does believe that a
17 judgment, based on AGAS's tariff and the testimony and evidence
18 submitted during AGAS's last rate case, provides a reasonable
19 starting point for a temporary and short-term resolution to the
20 allocation of interruption costs until such time as AGAS's new
21 rate redesign is approved.

22 Cognizant of the above but in the absence of recent
23 data, the Commission believe that the most reasonable foundation
24 for the allocation of interruption costs is to begin where the
25 last rate design left off, i.e., to allow AGAS only the outside
26 limit of interruption hours provided for in the then existing
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29 ⁴The Commission recognizes that each of the contracts in
30 existence during the last AGAS rate proceeding contained inter-
31 ruption clauses which varied somewhat on issues such as oil cost
32 reimbursement, base price of natural gas, accumulating periods of
interruption, etc. However, the fundamental concept which allowed
AGAS to interrupt up to 10 hours per month appeared consistently
in each of the contracts.

1 contracts. More specifically, the Commission finds that all costs
2 of alternate fuel usage up to those contract limits should be
3 borne by the interruptible customers. The Commission further
4 believes that since interruptions in excess of these limits were
5 not foreseen or agreed to by the interruptible customers, any
6 costs in excess of the cost of natural gas which these customers
7 incur due to curtailment of natural gas supply beyond the maximum
8 limits should be reimbursed by all AGAS customers. Since these
9 costs represent an operating expense to AGAS, the Commission must
10 assume that AGAS considers this the least-cost alternative to the
11 purchase of additional gas supplies. Therefore, such expenses are
12 of benefit to all customers and should be paid by all, including
13 interruptible customers.

14 Computation of Costs of Interruption

15 In determining the methodology for computing interrup-
16 tion costs, the Commission reviewed all of the plans submitted by
17 the parties. The AGAS plan recommended that the cost of alternate
18 fuels used during curtailment be borne by only the interruptible
19 customers and their subscribers. The ML&P plan called for the
20 curtailment costs to be flowed through to all AGAS customers via
21 its gas flowthrough clause.⁵ ML&P also affirmed its previous
22 statement that curtailment costs should only consider actual
23 extraordinary expenses associated with the interruption and not
24 include costs which would be incurred in any case. According to
25 ML&P's Brief of Issues, p. 5, "normal and accepted cost accounting
26 and regulatory treatment should be used" in computing the costs of
27 royalty gas and curtailment, which then should be passed on to all
28 gas customers on a flat Mcf basis. Pending a cost-of-service
29

30 _____
31 ⁵ The Commission notes that AGAS's tariff in its present form
32 does not permit costs, other than those associated with an in-
crease in the price of natural gas, to be flowed through to its
customers.

1 study and restructuring of AGAS's rates, ML&P believed that the
2 curtailment compensation plan it previously submitted should
3 suffice to prevent any gross inequities arising from interruption
4 of service.

5 In addressing its version of the allocation plan, the
6 Military's greatest concern was that Military power plant custom-
7 ers should be fully compensated for all expenses, in excess of
8 their fair share, incurred as a result of conversion of their
9 power plants to oil or coal during curtailment periods. The
10 Military proposed an alternative cost formula for consideration at
11 the hearing. It was the Military's contention that since the
12 anticipated increase in curtailment was due to AGAS's decision not
13 to purchase royalty gas, costs associated with the curtailment
14 should be considered equivalent gas costs. To the extent that
15 Military power plants yield their share of gas during curtailment,
16 AGAS should credit Military accounts accordingly. Also, the other
17 power plant customers should be billed at a rate reflective of
18 the costs of the Military's use of alternate fuel, thereby freeing
19 up its share of the natural gas supply.

20 Finally, as an alternative approach, the Military con-
21 curred with ML&P's rationale that curtailment costs should be
22 flowed through to all AGAS customers. The Military also requested
23 that the AGAS formula be modified to reflect replacement costs of
24 alternate fuels as opposed to book value or historical costs and
25 took exception to the ML&P proposal which called for reimbursement
26 of expenses incurred only during curtailment. The Military re-
27 quested that expenses associated with fire prevention and main-
28 taining coal standby equipment also be reimbursed.

29 CEA supported ML&P's proposed cost-sharing arrangement
30 but "strongly" urged that replacement costs be used in calculating
31 alternate fuel costs.
32

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1100 Mackay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

1 The Commission notes that all parties agree that a
2 certain order of interruption is appropriate in order to minimize
3 the inconvenience and cost of the use of alternate fuel sources to
4 the community as a whole. Furthermore, all parties basically
5 agree that some method for cost sharing is necessary to compensate
6 those most frequently interrupted. While some parties believe
7 that all costs should be borne by AGAS, their proposals would
8 result in a cost flowthrough to all customers, including inter-
9 ruptible, proportional to usage. Therefore, the Commission
10 assumes that there is no objection to the principle of sharing the
11 costs that the Commission has determined must be borne by the
12 interruptible customers, i.e., those costs incurred up to the
13 limit of 10 hours per month or 120 hours per year. It is apparent
14 that such sharing makes the established order of interruption
15 reasonable because it compensates the party that is always the
16 first to be interrupted. Without such compensation, repeated
17 curtailment of a single customer could constitute undue discrimi-
18 nation.

19 Because costs are to be pooled and allocated on a pro-
20 portional basis to the interruptible customers, the Commission
21 believes it is also appropriate that periods of interruption
22 during which customers must bear their own cost should also be
23 pooled. Thus, AGAS would begin to bear costs of interruption only
24 when interruptions were so extensive as to match the equivalent of
25 10 hours per month for all customers, accumulating if unused over
26 a 12-month period, to a maximum of 120 hours for all customers.

27 It is unlikely, however, that interruptions will occur
28 to all customers at once. Furthermore, AGAS could conceivably
29 decide that it is unnecessary to fully interrupt a particular
30 customer. In such instances, the duration of interruption should
31 be prorated based on the degree of interruption. Therefore,
32

1 interruptions should be translated into equivalent hours of inter-
2 ruption, i.e., the proportion of curtailed fuel in BTU's to the
3 total that could at a maximum be curtailed, multiplied by the
4 period of curtailment.

5 In order to accomplish this allocation of costs between
6 AGAS and its interruptible customers, the Commission believes that
7 all customers should maintain reports for each curtailment period,
8 detailing the following information:

- 9 1. Time and duration of each interruption in gas
10 service;
- 11 2. Total BTU's utilized from gas and from alternate
12 fuel sources during the time in which any single
13 customer is interrupted; and
- 14 3. Additional costs incurred for each interruption.

15 At the end of each interruption period, the actual BTU's
16 of alternate fuel used, divided by total BTU's for all customers
17 from all interruptible sources, represents the degree of curtail-
18 ment experienced. This ratio, multiplied by the length of inter-
19 ruption, gives equivalent hours of interruption. These equivalent
20 hours should then be totalled to determine the point at which
21 AGAS's customers become liable for the costs incurred during
22 curtailment, i.e., when equivalent hours exceed the total of 120
23 hours less the equivalent hours of interruption in the last 12
24 months. The Commission believes that this method allows pooling
25 of interruption periods while remaining within the limits intended
26 by the contracts.

27 Two examples of the computation of equivalent hours are
28 given in Exhibit 1. (The usages and costs given are purely hypo-
29 thetical and are not intended to represent an actual situation.)
30 If it were assumed that in each case AGAS became liable for a
31 portion of costs after 40 equivalent hours of interruption, as in
32 Example A, AGAS would not share in the costs of interruption.
However, in Example B, equivalent hours are in excess of 40.

1 Therefore, AGAS would be liable for 3.2 hours of costs, or
2 $3.2/43.2 \times \$930,000 = \$68,889$.

3 The information used to determine equivalent hours
4 should also be used to develop a repayment matrix to determine
5 which parties' costs are reimbursed, by whom, and by how much. It
6 is the Commission's opinion that each customer should assume costs
7 in the same proportion that its consumption (in BTU's) of fuel
8 during the interruption bears to the combined consumption of all
9 interruptible customers. Thus, in Example A illustrated above,
10 ML&P should bear 20/68ths of total costs of \$205,000, or \$60,294.
11 ML&P would pay the Military $20/68 \times \$180,000$, and would repay CEA
12 for $20/68 \times \$25,000$. (Note: For this illustration, payments to
13 Elmendorf and Fort Richardson are combined.) This same logic
14 would be applied for each customer, and an example of the repay-
15 ment matrix is shown at Exhibit 2.

16 The identical logic applies for Example B, except that
17 an additional factor must be included because AGAS also bears a
18 portion of costs. To use ML&P again as an example, ML&P has used
19 70/250ths of total consumption. However, of the total cost of
20 \$930,000, AGAS has assumed 3.2/43.2, so the interruptible custom-
21 ers must assume only $40/43.2 \times \$930,000$. Thus, ML&P must assume
22 $70/250 \times 40/43.2 \times \$930,000$, or \$241,111. A complete repayment
23 matrix is also shown in Exhibit 3.

24 As to the question of precisely which additional incre-
25 mental costs of alternative fuel usage should be included in this
26 computation, the Commission finds that such costs should include
27 all startup or shutdown expenses, including labor. Fuel costs
28 should be factored on a BTU basis, and replacement fuel cost may
29
30
31
32

1 be utilized.⁶ The Commission notes, however, that if the replace-
2 ment cost of fuel is utilized for cost recovery, it must also be
3 utilized in the accounting records of the utility.

4 The Commission further finds that no party should be
5 permitted to recover more than actual costs. (For this reason,
6 the Military's artful proposal to "split the difference" between
7 the cost of coal and oil was determined inappropriate at best.)

8 While the parties may discover "additional costs" as
9 interruptions occur, there was insufficient information provided
10 on the record which would allow the Commission to precisely iden-
11 tify each projected expense. For this reason, the parties to this
12 proceeding should individually determine their incremental costs,
13 subject to audit by one another. Should insoluble differences
14 arise, the Commission will review the dispute and render a deci-
15 sion.

16 Recovery of Interruption Expenses

17 The Commission anticipates that any interruptions which
18 occur this winter will result in increased costs to ML&P, CEA, and
19 the Military, and possibly to AGAS, which were not contemplated
20 when permanent rates were established. While some of the utili-
21 ties have a cost flowthrough mechanism in their tariffs, none of
22 the tariffs provide for the flowthrough of interruption costs and,
23 therefore, cannot in their present form be used to recover such
24 costs from customers. For this reason, the Commission finds it
25 reasonable and equitable that each utility's proportionate share
26 of the costs of interruption be flowed through by revised tariff
27 provisions.
28

29 _____
30 ⁶The Commission disagrees with the AGAS proposal to allow
31 only the "actual historical weighted average cost f.o.b." of a
32 plant tankage of oil or a power plant of coal because historical
costs are not fully reflective of the true curtailment costs of
the interruptible customers.

1 While the Commission believes that a tariff flowthrough
2 provision for interruption costs is the most appropriate account-
3 ing treatment, the Commission will reserve judgment on any
4 different proposal by the parties to effect recovery of these
5 costs from consumers. However, any request by a regulated utility
6 for modification of base rates, amortization, or flowthrough
7 tariff provisions must be filed, noticed to the public and exam-
8 ined by Staff and Commissioners before the Commission will rule.

9 THE COMMISSION FURTHER FINDS AND CONCLUDES:

10 1. For the reasons more fully articulated in the body
11 of this Order, it would be in the public interest for AGAS to
12 follow the schedule of interruptions, attached hereto as Appendix
13 A, which has been approved by the Commission as an interim,
14 short-term plan for addressing natural gas interruptions during
15 the 1981-82 heating season.

16 2. Given the factual circumstances existing at the
17 inception of this proceeding regarding the royalty gas contractual
18 dispute between AGAS and the State of Alaska, AGAS should not be
19 required to purchase royalty gas at any price.

20 3. Any royalty gas eventually purchased under the
21 disputed contract should be flowed through to all AGAS customers
22 in accordance with the terms and conditions of the AGAS tariff.

23 4. AGAS should vigorously pursue resolution of the
24 royalty gas dispute, seek other long-term sources of gas supply,
25 and develop conservation plans for use during peak demand periods.
26 These issues will be considered in greater detail in the AGAS rate
27 relief proceeding currently before the Commission in Docket
28 U-81-101.

29 5. Given the lack of a cost-of-service study or analy-
30 sis of the gas supply situation in the Anchorage Bowl, the param-
31 eters of the existing AGAS tariff, together with the historical
32

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1100 MacKay Building - 338 Denali Street
Anchorage, Alaska 99501
Phone 276-6222

1 addressed in detail in Docket U-81-101, the request for interim
2 and permanent rate relief and rate redesign filed by Alaska Gas &
3 Service Company.

4 DATED AND EFFECTIVE at Anchorage, Alaska, this 11th day of
5 February, 1982.

6 BY DIRECTION OF THE COMMISSION
7 (Commissioners Carolyn S. Guess, Chairman,
8 and Susan M. Knowles, not participating.)
9

10 (S E A L)
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Phone 276-6222

SCHEDULE FOR PLANNED INTERRUPTIONS
DOCKET U-81-82

As demand on AGAS system approaches the supply AGAS can deliver, the parties agree to implement "economic dispatch" of the various gas-burning units to minimize their cumulative demand for gas to the limit of good operating practice. Thereafter, when additional reduction of gas demand is necessary, Elmendorf power plant normally will be interrupted first and if prolonged interruption appears to be imminent, Fort Richardson power plant would be interrupted next, with gas being restored to Elmendorf if practical. Thereafter, if more interruption is needed after Fort Richardson is on coal, then Elmendorf and Chugach Bernice (or International) would be next, probably in similar degree. After Elmendorf and Bernice (or International) are on oil, the next would be ML&P Plant 1 and Chugach International, again probably in similar degree.

When more interruptions still are needed, then ML&P Plant 2 would be interrupted. Chugach Knik Arm plant would be the last power plant to be interrupted, because its coal-firing capability is questionable.

Restorations of gas would be made in the reverse order given above.

Generally speaking, Fort Richardson would be interrupted to the greatest extent (but not most frequently) because its standby (coal) is the lowest cost and best supply. Bernice would be next because it is closest to the oil supply (Chevron/Tesoro refineries).

ML&P Plant 1 and Chugach International would be next because of accessibility of oil and ease or difficulty of conversion to oil, and ML&P Plant 2 and Chugach Knik Arm would be last, and least, to be interrupted.

Wherever practical, AGAS would hope to give a reasonable notice to schedule interruptions, possibly a full day. However,

in actual operation decisions may have to be made hour-by-hour, and changes of plans may become necessary as a result of sudden changes or weather, or of the gas supply or because of unexpected experience at any of the power plants.

NATURAL GAS INTERRUPTION COST ALLOCATION FORMULA

DOCKET U-81-82

COMPUTATION OF EQUIVALENT HOURS

EXAMPLE A

| | <u>Hours of Interruption</u> | <u>Total BTU Usage During Interruption</u> | <u>BTU Usage of Alternate Fuel</u> | <u>Costs of Interruption</u> |
|----------------|----------------------------------|--|--|----------------------------------|
| Military: | | | | |
| Ft. Richardson | 24 hours | 20,000 | 20,000 | \$100,000 |
| Elmendorf AFB | 10 hours | 20,000 | 10,000 | 80,000 |
| Chugach | 4 hours | 8,000 | 2,000 | 25,000 |
| ML&P | 0 hours | <u>20,000</u> | <u>-0-</u> | -0- |
| | | | | |
| TOTAL | | <u>68,000</u> | <u>32,000</u> | <u>\$205,000</u> |

Equivalent hours = $32,000/68,000 \times 24 \text{ hours} = \underline{11.3 \text{ hours}}$

EXAMPLE B

| | | | | |
|----------------|----------|----------------|----------------|------------------|
| Military: | | | | |
| Ft. Richardson | 80 hours | 70,000 | 70,000 | \$350,000 |
| Elmendorf AFB | 60 hours | 70,000 | 50,000 | 400,000 |
| Chugach | 20 hours | 40,000 | 15,000 | 180,000 |
| ML&P | 0 hours | <u>70,000</u> | <u>-0-</u> | -0- |
| | | | | |
| TOTAL | | <u>250,000</u> | <u>135,000</u> | <u>\$930,000</u> |

Equivalent hours = $135,000/250,000 \times 80 \text{ hours} = \underline{43.2 \text{ hours}}$

NATURAL GAS INTERRUPTION COST ALLOCATION FORMULA

DOCKET U-81-82

REPAYMENT MATRIX

EXAMPLE A

| <u>PAYOR</u> | <u>PAID TO:</u> | | | | <u>TOTAL</u> |
|--------------|-------------------|------------------|-----------------|-------------|-----------------|
| | <u>MILITARY</u> | <u>CEA</u> | <u>ML&P</u> | | |
| AGAS | \$ - | \$ - | \$ - | \$ - | \$ - |
| Military | - | (1) 14,706 | - | - | 14,706 |
| CEA | (2) 21,176 | - | - | - | 21,176 |
| ML&P | (3) <u>52,941</u> | (4) <u>7,353</u> | - | - | <u>60,294</u> |
| | <u>\$74,117</u> | <u>\$22,059</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$96,176</u> |

TOTAL COST

| | |
|--|------------------|
| AGAS | \$ - |
| Military (\$180,000 + 14,706 - 74,117) | 120,589 |
| CEA (\$ 25,000 + 21,176 - 22,059) | 24,117 |
| ML&P | <u>60,294</u> |
| | <u>\$205,000</u> |

- (1) 40/68 x \$25,000
- (2) 8/68 x \$180,000
- (3) 20/68 x \$180,000
- (4) 20/68 x \$ 25,000

NATURAL GAS INTERRUPTION COST ALLOCATION FORMULA

DOCKET U-81-82

REPAYMENT MATRIX

EXAMPLE B

| <u>PAYOR</u> | <u>PAID TO:</u> | | | | <u>TOTAL</u> |
|--------------|-----------------------|-------------------|-----------------|-------------------|--------------|
| | <u>MILITARY</u> | <u>CEA</u> | <u>ML&P</u> | | |
| AGAS | (1) \$ 55,556 | (2) \$ 13,333 | \$ - | \$ 68,889 | |
| Military | - | (3) 93,333 | - | 93,333 | |
| CEA | (4) 111,111 | - | - | 111,111 | |
| | (5) <u>\$ 194,444</u> | (6) <u>46,667</u> | - | <u>\$ 241,111</u> | |
| | <u>\$ 361,111</u> | <u>\$ 153,333</u> | <u>\$ -</u> | <u>\$ 514,444</u> | |

TOTAL COST

| | |
|---|------------------|
| AGAS | \$ 68,889 |
| Military (\$750,000 + 93,333 - 361,111) | 482,222 |
| CEA (\$180,000 + 111,111 - 153,333) | 137,778 |
| ML&P | <u>241,111</u> |
| | <u>\$930,000</u> |

- (1) $3.2/43.2 \times \$750,000$
- (2) $3.2/43.2 \times \$180,000$
- (3) $40/43.2 \times 140/250 \times \$180,000$
- (4) $40/43.2 \times 40/250 \times \$750,000$
- (5) $40/43.2 \times 70/250 \times \$750,000$
- (6) $40/43.2 \times 70/250 \times \$180,000$



Speaker of the House of Representatives

Pruch V
State Capital
Juneau, Alaska 99811
(907) 465-3720

Official Business

TO: Representative Ramona Barnes, Chair
Judiciary Committee

FROM: Speaker Joe Hayes *Joe Hayes*

DATE: February 10, 1982

RE: Confirmation of Governor's Appointments

The following names have been submitted by the Governor for confirmation. Please evaluate the nominees and conduct confirmation hearings as you deem necessary. Please submit your recommendations for action on the nominations by the House of Representatives as soon as possible.

Alaska Public Utilities Commission

*Carolyn Guess, Anchorage, term expiring 10/31/87
*Susan Knowles, Anchorage, term expiring 10/31/87
Diana Snowden, Anchorage, term expiring 10/31/86

A-12P

ALASKA CONSUMER ADVOCACY PROGRAM

P.O. Box 1093

Anchorage, Alaska 99510

272-6355

82-187

DAN
MOTLEY

January 22, 1982

Mr. Brian Rogers
Pouch V
Juneau Alaska 99811

Dear Brian:

As we discussed on January 20, ACAP is quite concerned that three APUC Commissioners (Guess, Knowles and Snowden) have yet to be confirmed by the legislature. Further, we question whether or not Commissioners Guess and Knowles, the consumer representatives, have fulfilled their roles as intended by the legislature.

Because of these concerns we suggest that the following questions be raised during the confirmation hearings of Commissioners Guess and Knowles.

1. For the last five years you have served as the first consumer representatives on the APUC. Please define your role on the Commission; how does it differ, if at all, from the other members of the Commission; what, if any, goals did you set for yourself and how do you evaluate your achievements in the area of consumer representation?
2. What steps have you taken since your appointment to improve consumer involvement in APUC proceedings?

Follow-up questions:

- a. Do you feel that consumers have an important role in APUC proceedings and in decision-making by the Commissioners? Is this an informed role?
- b. Have you held meetings with any consumer groups or representatives?
- c. Have you initiated and held any public workshops regarding consumer participation before the APUC?

Answer: To our knowledge neither Knowles, or Guess has made any attempt to improve communications with the consumer.

3. Describe the present consumer education or outreach program employed by the APUC?

Answer: No program is in existence. The consumer division only responds to questions asked by individual consumers.

4. What brochures or plans for consumer publications now exist?

Answer: No brochures or publications exists.

5. What procedure has been adopted to insure public notification of rate cases and testimony at public hearings?

Follow-up question.

- a. Are the individuals with letters on file notified that a matter regarding their utility is pending before the APUC?
- b. Have you advertised for public input beyond the formal notice published in newspapers?

Answer: Notification is advertised under the legal or public notice section of the newspapers only.

6. What is the role of the consumer division of the APUC? How many personnel are presently assigned to the consumer division? What, if any, plans do you have to expand this division?

Answer: Two people are assigned to this division. Commissioner Guess told us that that division has low priority for expansion and additional funding from the APUC budget.

7. What procedure has been adopted to insure consumer input into Staff's representation of the "public interest?"

Follow-up questions:

- a. How do you define "public interest?"
- b. Does "public interest" differ from consumer interest? If so, how does Staff determine what the consumer interest is? Do you encourage Staff to work with consumers? Have Staff's recent recommendations on rate design and revenue requirements been based on any consumer input?
- c. What role does the consumer division play in the tariff meetings? What weight is given their recommendations?

Answer: No organized effort has been made by the APUC to incorporate consumer concerns into the rate-making procedure. Recent Staff proposals have been jeered by consumers.

8. What recommendations do you have for the future of consumer representation and advocacy?

Follow-up questions.

- a. Would you advocate legislation in this area? If no: Do you really believe that the consumers feel adequately represented by Staff?
- b. Would you encourage increasing the personnel in the APUC consumer division?
- c. Would you work with consumers to design a public education program?

Answer: Chairman Guess indicated to ACAP that this area has low priority.

We would appreciate the hearings being held prior to February 28, 1982, as this is the date ACAP goes out of existence. If that is not possible please contact the following consumers so they may be present at the hearings.

ANCHORAGE

Kay Paddon, Chairman
P. O. Box 41143
Anchorage, AK 99509
272-4777

Charles Evans
605 West 2nd
Anchorage, AK 99501
278-4691

MAT-VALLEY

Tamie Miller, Chairman
P. O. Box 151
376-5636 (home)/276-8033 (work)

Harvey Bowers
P. O. Box 1069
Wasilla, AK 99687

KENAI

Tom Atkinson, Chairman
P. O. Box 282
Kenai, AK 99611

Patricia Wheller
P. O. Box 3357
Kenai, AK 99611

KODIAK

Lorna Arndt, Chairman
P. O. Box 2069
Kodiak, AK 99615
486-6486

Walter E. Wheeler
P. O. Box 1934
Kodiak, AK 99615
486-4600

FAIRBANKS

Karen Eddy, Chairman
314 Iditarod
Fairbanks, AK 99701
452-6060

Jeff Weltzin
218 Driveway Street
Fairbanks, AK 99701
479-3005

JUNEAU


Daniel J. Motley, Chairman
9951 Sprucewood Ct., #35
Juneau, AK 99801
789-3603 (home)/465-2240 (work)

Kenneth King
P. O. Box 272
Auke Bay, AK 99821
789-2239 (home) 364-2121, Ext. 114 (work)

Thank you for your interest and support in this endeavor.

Sincerely,

ALASKA CONSUMER ADVOCACY PROGRAM


Deborah Lee Williams
Director

DLW/ijm

cc: Name: [redacted]



Superior Court

State of Alaska

THIRD JUDICIAL DISTRICT
303 K STREET -
ANCHORAGE, ALASKA
99501

Chambers of
VICTOR D. CARLSON, Judge

April 2, 1982

The Honorable Ramona Barnes
Chairman, Judiciary Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Susan Knowles

Dear Madame Chairman:

This letter is written in support of Mrs. Knowles' confirmation to continue as a member of the Alaska Public Utilities Commission.

Having had the opportunity to review the transcript of several hearings in which Commissioner Knowles has participated, I want to share my belief that she is thorough, fair, and patient with all parties and witnesses and that her decisions are carefully reasoned. She, like Mrs. Guess, brings to the commission an understanding of the problems in rural Alaska together with those of the urban centers. From my experience she has fulfilled the duties of a public utilities commissioner in an exemplary manner.

Thanking you for considering this letter, I am

Very truly yours,

A handwritten signature in cursive script that reads "Victor D. Carlson".

Victor D. Carlson
Superior Court Judge

VDC:rw

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

JAY S. HAMMOND, Governor

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-6222

March 25, 1982

Kay Paddon
Chairman
Anchorage Consumer Advocacy
Committee
Box 1093
Anchorage, Alaska 99510

Dear Kay:

Thank you for your letter of February 9, 1982, which recaps the meeting held by teleconference between representatives of ACAP, the Consumer Advocacy Committees throughout the State and members of the Commission. The communication and dialogue between the Commissioners and members of the CAC's over the last four to six weeks has been fruitful and will provide ideas and opportunities for continuing meaningful consumer input into the regulatory process.

As I indicated, the Commission intends to respond to those items that were raised during the teleconference and believes the list of concerns in your February 9, 1982, letter is an appropriate place to begin.

Consumer Communication

The Commission is committed to provide opportunity for consumers throughout Alaska to seek assistance and information from the Commission, and to this end, believes that a toll free Zenith phone number is preferable to accepting collect phone calls. The Commission is, at this time, actively pursuing the acquisition of a Zenith phone line. As I am sure you are aware, budget considerations are a part of the reality with which the Commission must live; therefore, I would not expect the establishment of a Zenith number until the Commission receives favorable approval of its FY 1983 budget requests.

We concur that, if the Commission is successful in acquiring a Zenith phone number, this information should be communicated to all consumers of regulated utilities. It would be our intent to place the Zenith number in the phone directories outside the Anchorage dialing area.

At the present time, the Commission's two-member Consumer Protection and Information Section spends approximately 70 percent of its time on the phone, either talking with consumers or attempting to informally resolve their problems and complaints with regulated utilities. The addition of a Zenith number will undoubtedly increase the time these two Staff members spend on the phone. You should be aware that, as a result, other important work of the section could be delayed or in some instances, eliminated. Notwithstanding this possible adverse effect, the Commission shares ACAP's belief that the institution of a Zenith number as a vehicle for consumer input should be a priority.

Community Hearings

ACAP's suggestion that the Commission hold meetings in the affected communities prior to the development of Staff's positions is timely and has been discussed at length by the Commissioners. ACAP makes a valid point that such consumer input may be extremely beneficial in Commission proceedings. The Commissioners believe that this suggestion can be effected in selected cases where consumer interest is intense; the Commission will be discussing possible implementation strategies within the budgetary, personnel and scheduling constraints of the agency. The fact that CAC's will continue to provide a Commission contact in at least five utility service areas certainly will be helpful to this effort.

Consumer Survey

A uniform survey questionnaire to assess quality of service from the consumer prospective is one of our projects for calendar FY 82, as the Commissioners stated at the tele-conference. To minimize budget impact, the Commission is exploring the possibility of the development of a questionnaire by graduate students under direction of faculty at the University of Alaska. In line with the discussion in the previous paragraph, this tool also provides a procedure whereby the Commission Staff can receive consumer input prior to the development of its recommendations.

Public Notice of Filings and Hearing Dates

ACAP's concern, that notice of a utility request which is published in a newspaper's legal advertisements, while satisfying the statutory public notice requirement, may not provide consumers with knowledge of the substance of a utility's request, is well founded. This can result, as it did in Juneau, in lack of consumer awareness that together

with a rate increase, a substantive rate redesign was also included in the utility's request. As noted at the teleconference, the regulatory policy standards established by this Commission now provide that electric and gas utilities must inform their consumers within 30 days of a request to increase its rates or substantially changes its rate design. The Commission is aware, however, that this does not address other regulated utilities and will work to rectify this situation by a proposed revision in the Commission's regulations governing notice to the public of utility tariff filings.

Hearing Location

It is established Commission policy to conduct hearings in the utility's service area in a proceeding where substantial consumer interest has been demonstrated. This is evident by the recent hearings in regard to rate increase and design requests by Matanuska Electric Association, Golden Valley Electric Association and Alaska Electric Light & Power Co. If budgetary constraints or the scheduling of other proceedings preclude the Commission from taking the entire hearing panel to a community, the Commission sends a member of the panel, Staff legal counsel and/or a Staff member with substantive responsibility for Staff's case to listen to the views of the public. To announce the time and place of the hearing, the electronic media is notified by Ray Wipperman; press releases are sent to newspapers and in most instances display ads are placed in the local newspapers.

Commission support of ACAP's efforts

On several occasions during recent months, members of ACAP or its various local CAC's throughout the State have asked that individual Commissioners (and, for that matter, the Commission as a whole) publicly advocate and support continued legislative funding of ACAP's efforts. The Commission has been concerned, as you are undoubtedly aware, that public advocacy of ACAP funding by this agency could result in misunderstanding and possible APUC budget cuts by the Legislature. There are many organized groups and individuals who believe that the Commission is already adequately funded to undertake a fully-developed consumer information and education program. Consequently, it is imperative that such individuals understand that our two member "Consumer Protection and Information Section" already handles an average of 6,500 complaints and requests for assistance each year. This does not consider other important Section functions which include participation in Commission proceedings involving utility rules, regulations, quality of service, and formal consumer complaints; press inquiries and releases on scheduled hearings and Commission orders are also responsibilities of this Section.

making is impermissible under our statute. Our staffing level even further restricts our ability to obtain sufficient consumer input on all issues before this Commission. In spite of these factors, the Commissioners individually and collectively are committed to providing an environment which will assist consumers in presenting their views in the most constructive manner and to the maximum extent possible. ACAP's efforts during the past year have been one exemplary means by which this objective has been furthered. As a result, the Commission acknowledges and sincerely appreciates ACAP's efforts during the past year to provide a vehicle for organized consumer education and input in our proceedings that heretofore has frequently been absent. Consumers have been educated by ACAP regarding the procedures peculiar to the complexities of the quasi-judicial regulatory and rate-making process, not only through meetings in various communities, but also through the extensive consumer information pamphlet recently published entitled, "What You Can Do About Your Utility's Rates and Services." Thus, in the majority of instances, consumers have been able to provide more meaningful and constructive suggestions, opinions and facts on matters before the Commission. It is certainly acknowledged that with our existing backlog of over 225 open docket cases, other workload, and shortage of personnel, the Commission by itself could not have accomplished this highly desirable goal. As several witnesses in recent proceedings have told the Commission, ACAP has provided both a forum and a mechanism whereby customers can organize their views for effective presentation to the Commission.

The Commission also recognizes that one of the most significant, but perhaps least recognized contributions of a funded versus volunteer program, is that it provides the financial resources necessary for formal intervention in a proceeding. Few individual consumers have the technical or legal knowledge to intervene in a case, but even assuming this expertise, still fewer consumers possess the personal financial resources necessary, since our statute imposes the potential liability of proportionate hearing costs.

The Commission recognizes and supports the positive contributions to the regulatory process which can be made by an organized, funded consumer advocacy group and will respond accordingly to legislative inquiries. A responsible consumer advocacy group would be a welcome complement to the work being done by the Commission's dedicated, competent Staff.

The Role of the APUC Staff

Attached you will find a memorandum from the Staff of the Commission as a result of a series of meetings held by the section chiefs to discuss their communication and involvement with consumers as an integral part of their responsibilities in the regulatory process.

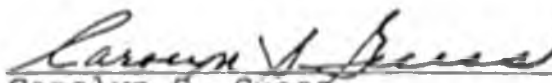
Additional Items of Interest

You will be pleased to learn that the Commission has been successful in recruiting a power engineer to fill its current vacancy. Mr. Rudolph Bertschi, formerly with the Office of the Illinois Consumer Counsel, will join the Commission Staff on April 1, 1982.

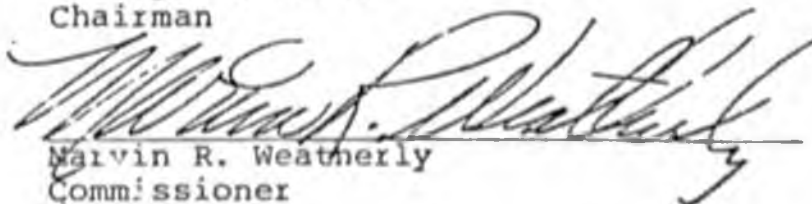
The Commission plans to include the CAC representatives on its mailing list of Public Notices of Tariff Filings and its Weekly List of Orders Issued. Because the CAC's will be operating without any funding, the normal Commission fees associated with the distribution of this information will be waived.

Again, our thanks for your time and interest in providing meaningful communication with the Commission.

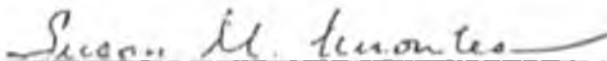
Sincerely,



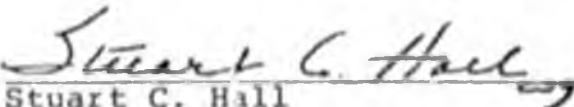
Carolyn S. Guess
Chairman



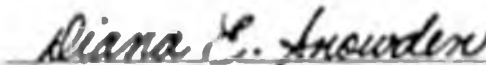
Marvin R. Weatherly
Commissioner



Susan M. Knowles
Commissioner



Stuart C. Hall
Commissioner



Diana E. Snowden
Commissioner

STAFF POLICY ON ASSISTANCE TO CONSUMERS

It is the policy of the Staff that this agency is to be open and responsive to interests of consumers. The agency will answer questions or complaints of consumers as personnel are available and will receive information from consumers concerning utility practices, service, and tariff filings.

The Staff represents the broad public interest. This means that in its recommendations to the Commission, the Staff takes into consideration the interests of all classes of customers. This interest includes the long term viability of the utility to assure that customers continue to be served at reasonable rates. Staff will take into consideration suggestions from any interested person in pursuing its investigations. Its final recommendation will reflect a balanced point of view.

The Consumer Protection Section of the Commission is primarily responsible for resolving consumer complaints about utility services, answering consumer questions about Commission procedure, dockets, or tariff advice filings, soliciting and examining consumer comments in conjunction with any formal proceeding, and reviewing tariff filings for matters of consumer concern. Where appropriate, consumer questions or comments will be fielded to the staff member assigned to a particular matter. Generally, these Staff responses will be relayed to the consumer through the Consumer Protection Section. Arrangements will be made for any Staff's direct involvement in an information response when prudent handling of the matter so requires and within the time limitations imposed by that Staff member's primary responsibilities.

The Tariff Section of the Commission is primarily responsible for soliciting consumer comments concerning tariff advice filings, and for answering consumer questions about tariff matters. Consumer comments concerning tariff advice filings will be examined by the Staff individuals responsible for preparing the Staff recommendation to the Commission.

The Finance Section will assist consumers in finding information contained in utility annual reports to the Commission.

ON-GOING QUALITY OF SERVICE REVIEW

It is the policy of the Staff that this agency should monitor the quality of service provided by utilities on an on-going basis. Periodically, the Staff will seek consumer comments on the quality of service provided by their serving utilities. This may be accomplished by any method appropriate in the particular case, including publication of an advertisement, or other notice inviting comment; mailing out a bill insert, letter, or questionnaire; or conducting on-site visits and inspections. The Staff will monitor the performance of utility equipment by use of

appropriate test equipment. The Staff will advise any utilities whose service the Staff does not believe to be of adequate quality of specific problems. Where possible, Staff will assist utilities in taking action to improve service. Where Staff cannot resolve such problems informally, and the utility is not taking sufficient steps to remedy serious service problems, Staff will report its findings to the Commission, and if necessary, file a formal complaint against the utility.

CONSUMER INPUT ON RATE CASES

It is the policy of Staff that this agency should also seek consumer comments on quality of service during a rate case. This may be accomplished by publication of an advertisement or other notice inviting comment; mailing out a bill insert, letter, press release, or questionnaire; or conducting on-site visits and inspections. These comments should be sought prior to the Staff audit of the utility operations. The Executive Director, attorney, accountant and engineer (where applicable) assigned to the case, with input from the Consumer Protection Section, will decide whether quality of service should be at issue in the rate case.

Where appropriate, the Consumer Protection Section and/or attorney with assistance from other Staff members as needed will follow-up on comments received by conducting a public meeting on-site.

The results of the quality of service investigation, whatever it may be, will be reflected in the testimony of the engineer.

Also, the accountant will investigate and consider within the time frame of the audit any reasonable adjustment proposed by a consumer.

CONSUMER REQUESTS FOR INFORMATION

If a member of the public contacts the Staff to request information about a utility which is not available in the Commission's public records, that request may be granted or denied upon a consideration of the following:

- a) Whether the Staff or the utility has an expectation that the requested information is not public under 3 AAC 48.050(a) or 3 AAC 48.040.
- b) Whether the person requesting the information has the ability or resources to obtain it from another source such as the utility or an independent hired expert.
- c) Whether obtaining the information requires unavailable Staff time.

- d) Whether the information requested may have a significant effect on issues in a docket.
- e) Whether a requested investigation is predicated on information from a reliable source.
- f) Whether the requested information should be released only on order of the Commission.

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| Approved by | 947 | |

June 2, 1981

Mr. L.J. Schultz, General Manager
 Chugach Electric Association, Inc.
 P.O. Box 3518
 Anchorage, AK 99501

Dear Mr. Schultz:

Re Cost Differential

According to Rule 8.12.d.(2) of Chugach Electric Association, Inc.'s (CEA), filed and currently effective tariff the utility is required to develop annually the construction cost differential between underground and overhead facilities on a per-lineal foot basis to be used during the construction season commencing on March 1, of each year. This differential together with supporting data is to be submitted to the Commission not less than sixty days prior to the March 1, effective date.

A review of the Commission's files indicates that we have not as yet received the required filing for the current construction season, nor have we received the required information for the years 1979 and 1980.

Therefore, please submit the filing required by CEA's Tariff Rule 8.12.d.(2) for the years 1979, 1980 and 1981 by no later than 4:00 p.m., June 17, 1981.

BY DIRECTION OF THE COMMISSION

Very truly yours,
 ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
 Executive Director

CO.

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STATE OF ALASKA
 THE ALASKA PUBLIC UTILITIES COMMISSION

Carquest
~~*Superior*~~

Before Commissioners:

gsh

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

DS

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA18-8, by CHUGACH ELECTRIC ASSOCIA-)
 TION, INC., to Revise Schedule No. 59,)
 Underground Line Extension Differen-)
 tial)

U-78-48 ✓ *sc*
 ORDER NO. 2

ORDER CLOSING DOCKET

On April 6, 1978, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), filed a tariff revision, designated at TA18-8, to modify its underground line extension differential rate. CEA proposed to reduce the rate from \$7.00 per linear foot of primary facility to \$5.00 per linear foot of primary facility. CEA contended that the filing was being made and the differential cost determined pursuant to rule 8.12d, (2) of its currently effective tariff.

On April 25, 1978, the Commission Staff (Staff) presented its initial recommendation to the Commission regarding the disposition of the tariff filing. Staff recommended that the filing should become effective at end of the 45-day statutory notice period on ^{April 22, 1978.} 5/22/78. The basis of that recommendation was that the cost information submitted with the filing justified the differential and the filing was a reduction in rate for underground extensions. The Commission did not concur with Staff's recommendation.

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 ou *SIL* 8-11-81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

[Handwritten signature]

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

[Handwritten initials]
 In the Matter of the Filing of a
 Tariff Revision, Designated as
 TA22-8, by CHUGACH ELECTRIC ASSO-
 CIATION, INC., for an Interim and
 Permanent Rate Increase

1- *[Handwritten]*
 ORDER NO. 1

[Handwritten initials]
 In the Matter of the Consideration
 and Determination of Implementation
 of the Ratemaking Standards and
 Lifeline Rates in the Public
 Utility Regulatory Policies Act of
 1978 for CHUGACH ELECTRIC ASSOCIA-
 TION, INC.

U-80-92
 ORDER NO. 2

[Handwritten initials]
 In the Matter of the Investigation
 of CHUGACH ELECTRIC ASSOCIATION,
 INC.'s Who Power Billing
 Practices

U-81-20
 ORDER NO. 2

[Handwritten initials]
 In the Matter of the Investigation
 into the Management Practices and
 Procedures of CHUGACH ELECTRIC
 ASSOCIATION, INC.

U-81-53
 ORDER NO. 1

ORDER SUSPENDING OPERATION OF TARIFF
 REVISION, GRANTING INTERIM RATE INCREASE, AND
 REQUIRING MANAGEMENT AUDIT OF UTILITY

On June 26, 1981, CHUGACH ELECTRIC ASSOCIATION,
 INC. (CEA), filed a tariff revision, designated as TA22-8,
 requesting an interim and permanent rate increase of
 ✓ 25.6 percent to retail electric rates exclusive of security
 and street lights. In addition, CEA proposed the elimin-
 ation of rate differentials between urban and suburban
 classes by raising urban rates to the suburban level and
 then applying a percentage increase to rates of both classes.
 ✓ This results in a higher percentage increase in the bills of
 urban customers than in the bills of suburban customers.

Chugach Electric Association

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1 OK MRW 9/11/81 STATE OF ALASKA
 2 OK WJ 4/11/81
 3 OK THE ALASKA PUBLIC UTILITIES COMMISSION
 4 CI 6-11-81 per phone call
 5 -11

4 Before Commissioners: Carolyn S. Guess, Chairman
 5 Marvin R. Weatherly
 6 Susan B. Knowles
 7 Stuart C. Hall

FINAL ORDER NO. 2
 U-81-52

7 In the Matter of the Filing of a)
 8 Tariff Revision, Designated as)
 9 TA22-8, by CHUGACH ELECTRIC ASSO-)
 10 CIATION, INC., for an Interim and)
 11 Permanent Rate Increase)

ORDER NO. 2

10 In the Matter of the Investi-)
 11 gation of CHUGACH ELECTRIC)
 12 ASSOCIATION, INC.'s Wholesale)
 13 Power Billing Practices)

U-81-20

ORDER No. 3

14 ORDER GRANTING PARTIAL RECONSIDERATION;
 15 ALLOWING INTERVENTION; AND ESTABLISHING DATES FOR
 16 PUBLIC HEARING AND SUBMISSION OF PRE-FILED TESTIMONY

16 On June 26, 1981, CHUGACH ELECTRIC ASSOCIATION,
 17 INC. (CEA), filed a tariff revision, designated as TA22-8,
 18 requesting an interim and permanent rate increase of 25.6
 19 percent to retail electric rates exclusive of security and
 20 street lights. In addition, CEA proposed the elimination of
 21 rate differentials between urban and suburban classes by
 22 raising urban rates to the suburban level and then applying
 23 a percentage increase to rates of both classes. This resulted
 24 in a higher percentage increase in the bills of urban customers
 25 than in the bills of suburban customers.

26 On August 10, 1981, the Commission issued Order
 27 No. 1 in Docket U-81-52 and Order No. 2 in Docket U-81-20
 28 suspending TA22-8 for an initial six-month period ending
 29 February 10, 1982. The suspension period would allow the
 30 Commission Staff (Staff) time to thoroughly investigate the
 31 reasonableness and propriety of CEA's proposed tariff revision.
 32 The Commission also granted the utility a 16.91 percent

ALASKA PUBLIC UTILITIES COMMISSION
 1100 MacKay Building - 338 Denali Street
 Anchorage, Alaska 99501
 Phone 276-6222

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan B. Knowles
 Stuart C. Hall

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In the Matter of the Investi-)
 gation of CHUGACH ELECTRIC)
 ASSOCIATION, INC.'s Wholesale)
 Power Billing Practices)

U-81-20
 ORDER NO. 3

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC ASSO-))
 CIATION, INC., for an Interim and)
 Permanent Rate Increase)

U-81-52
 ORDER NO. 2

ORDER GRANTING PARTIAL RECONSIDERATION;
DENYING INTERVENTION WITHOUT PREJUDICE; AND ESTABLISHING DATES FOR
PUBLIC HEARING AND SUBMISSION OF PRE-FILED TESTIMONY

On June 26, 1981, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), filed a tariff revision, designated as TA22-8, requesting an interim and permanent rate increase of 25.6 percent to retail electric rates exclusive of security and street lights. In addition, CEA proposed the elimination of rate differences between urban and suburban classes by raising urban rates to the suburban level and then applying a percentage increase to rates of both classes. This resulted in a higher percentage increase in the bills of urban customers than in the bills of suburban customers.

On August 10, 1981, the Commission issued Order No. 1 in Docket U-81-52 and Order No. 2 in Docket U-81-20 suspending TA22-8 for an initial six-month period ending February 10, 1982. The suspension period would allow the Commission Staff (Staff) time to thoroughly investigate the reasonableness and propriety of CEA's proposed tariff revision. The Commission also granted the utility a 16.91 percent

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| Knowles | OK | SK | 9-25-81 |
| Hall | OK | SH | 9-25-81 |

STATE OF ALASKA
THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

Note: This is not on May Call. Rough Draft only.
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In the Matter of the Filing of)
 a Tariff Revision, Designated)
 as TA228, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an)
 Interim and Permanent Rate In-)
 crease)

U-81-52
 ORDER NO. 2

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+ Center order title
ORDER GRANTING PETITION TO INTERVENE

On September 14, 1981, the Commission issued Order No. 2 in Docket U-81-52 which, among other things, denied without prejudice the Petition to Intervene by the ~~ANCHORAGE CONSUMER ADVISORY COMMITTEE~~ filed by the ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) on September 3, 1981.

On September 16, 1981, ACAP submitted a Revised Petition to Intervene by the Anchorage Consumer Advisory Committee for consideration by the Commission. A ~~STAFF~~ *(Staff)* response to Second Petition for Intervention was filed on September 22, 1981, *which opposes granting* opposing ACAP's status as an intervenor.

The Commission has examined ACAP's Petition against the standards for ~~for~~ intervention set out in 3 AAC 48.110, particularly subsections (b) and (c) of that section, as well as its policy concerning intervention set out in U-77-16(2), pages 3-4, and has considered the counter-arguments presented by Staff in its response. Based on this analysis, the Commission concludes that the facts and reasons set out in ACAP's Petition for Intervention sufficiently meet the

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THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

In the Matter of the Invest-)
 gation of CHUGACH ELECTRIC)
 ASSOCIATION, INC.'s Wholesale)
 Power Billing Practices)

U-81-20 *sdls*
 ORDER NO. 4

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC ASSO-)
 CIATION, INC., for an Interim and)
 Permanent Rate Increase)

U-81-52 *sdls*
 ORDER NO. 4

ORDER AMENDING SCHEDULES FOR
SUBMISSION OF PRE-FILED TESTIMONY AND
PUBLIC HEARINGS

On September 14, 1981, the Commission issued Order Nos. 3 and 2 in Dockets U-81-20 and U-81-52, respectively, which, among other things, established the dates for public hearing and submission of pre-filed testimony. CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), was required to file its list of witnesses and written prepared testimony by [REDACTED] September 30, 1981, and Commission Staff (Staff) was directed to file its witness list and pre-filed testimony by [REDACTED] October 7, 1981. While Order Nos. 3 and 2 denied intervention to the ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) on behalf of Anchorage Consumer Advisory Committee, ACAP was placed on notice that if it was granted intervenor status in a subsequent order, its witness list and pre-filed testimony would be due October 14, 1981. The public hearing on the revenue requirement portion of CEA's proposed tariff revision was scheduled for October 21, 1981, at 9:00 a.m., in the Commission's offices in Anchorage, Alaska.

Based upon a revised petition to intervene filed [REDACTED] on September 16, 1981, the Commission in Order No. 3 in

1188 MACKEY BUILDING
 333 DENALI STREET
 ANCHORAGE, ALASKA 99501
 PHONE 276-2122

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

FINAL CHECKED BY *ST & SP*
 C. TO RELEASE

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA14-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for a Permanent)
 General Rate Increase)

U-77-68

ORDER NO. 8

**ORDER ALLOCATING COSTS
 AND CLOSING DOCKET**

On October 13, 1980, the Commission issued Order No. 7 in this proceeding which, among other things, approved TA14-8 and TA14-8(1) filed by CHUGACH ELECTRIC ASSOCIATION, INC. (CEA); required CEA to file revised tariff sheets reflecting the approved rate design and rates; gave notice to CEA that in future cost-of-service studies and rate designs the deficiencies identified therein in its methodology and supporting documentation are to be rectified; and provided that outstanding cost-of-service and rate-design issues in this proceeding would be considered within the context of the Commission's consideration of the applicability of the ratemaking standards in the Public Utility Regulatory Policies Act of 1978 (PURPA) to CEA.

On November 14, 1980, CEA filed revised tariff sheets in compliance with the Commission's order. Subsequently, on December 12, 1980, in an administrative meeting, the Commission approved and made effective CEA's revised tariff sheets reflecting the rate design and rates approved in Order No. 7 thus concluding consideration of the outstanding substantive issues in this proceeding.

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STATE OF ALASKA

2 THE ALASKA PUBLIC UTILITIES COMMISSION

3
4 Before Commissioners: Carolyn S. Guess, Chairman
5 Marvin R. Weatherly
6 Susan M. Knowles
7 Stuart C. Hall
8 Diana E. Snowden

7 In the Matter of the Investigation of CHUGACH ELECTRIC)
8 ASSOCIATION, INC.'s Wholesale) U-81-20
9 Power Billing Practices) ORDER NO. 5

11 In the Matter of the Filing of a)
12 Tariff Revision, Designated as) U-81-52
13 TA22-8, by CHUGACH ELECTRIC ASSO-) ORDER NO. 5
14 CIATION, INC., for an Interim and)
15 Permanent Rate Increase)

14 ORDER GRANTING PETITIONS FOR INTERVENTION, *Relocating Hearing*
15 ~~AND DENYING ADDITIONAL INTERIM RATE INCREASES~~ WITHOUT
16 Orders No. 4, Issued September 29, 1981, granted an

17 extension of time to CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), in
18 which to designate witnesses from the Rural Electrification Admin-
19 istration (REA) and National Rural Utilities Cooperative Finance
20 Corporation (CFC) and submit their written prepared testimony.
21 The witness list and pre-filed testimony for representatives from
22 agencies were required to be filed by 4:00 p.m., October 14, 1981.
23 In order to allow the Commission Staff (Staff) adequate time in
24 which to address the issues raised in the testimony filed by REA
25 and CFC witnesses, Orders No. 4 extended Staff's filing require-
26 ment deadline to October 23, 1981, and rescheduled the public
27 hearing from October 21 to October 27, 1981.

28 Orders No. 4 also clarified the Commission's intent to
29 hold separate public hearings in these proceedings. A public
30 hearing was scheduled for November 9, 1981 to examine and address
31 CEA's wholesale power billing practices and procedures. Staff was
32 required to address the wholesale power billing practices issue in

1100 MACKEY BUILDING
100 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0278

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| Reviewed by | 12/21 |
| Prepared by | 12/23 |
| Checked by | 12/23 |
| Approved by | 12/23 |

OK MFA 12/24/81
OK SU 12-25-81
OK TP 12-30-81
OK DAS 12-30-81

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

FILED
12/21/81

RKB

RKB

In the Matter of the Filing of a)
Tariff Revision, Designated as)
TA22-8, by CHUGACH ELECTRIC ASSO-)
CIATION, INC., for an Interim and)
Permanent Rate Increase)

U-81-52

ORDER NO.

7

ORDER AFFIRMING PREVIOUS ORDERS AND DENYING
RELEASE OF STAFF WORK PAPERS

On November 6, 1981, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA) filed a Request For Clarification Of Order And Release Of Staff Work-Papers. Specifically, CEA requested a clarification of the following paragraph four i on page 4, U-81-52(2))

The Commission has reviewed the utility's petition and Staff's response thereto and is prepared to grant partial reconsideration of Order No. 1. Specifically, the Commission concurs with CEA that the actual, rather than an imputed, TIER requirement should be considered for interim rate-making purposes in the instant case. At the same time, the Commission agrees with Staff that it would be unreasonable to impose full responsibility for all TIER in excess of 1.0 on the retail customers. Accordingly, the Commission will allow the utility an across-the-board interim, refundable increase in all tariffed rates sufficient to yield a TIFR of 1.34 on the retail revenue requirement only, i.e. not on the total company revenue requirement. In the absence of a cost of service study, it is difficult for the Commission or its Staff to compute the interim rate increase percentage which results from this decision without making certain arbitrary assumptions. Therefore, if the utility wishes to further increase its interim rates as allowed by this Order before the permanent revenue requirement determination, it will be necessary for CEA to perform the numerical

| COMMISSION ACTION | | | |
|-------------------|----------|----------|--------|
| Referred to | OK or NO | Initials | Date |
| | OK/CG | by Su | 2-3-82 |
| | OK | Su | 2-3-82 |
| | OK | des | 2-3-82 |

| STAFF ACTION | | |
|--------------|----------|------|
| ACTION | INITIALS | DATE |
| Drafted by | SMK | |
| Typed by | DKD | 2/3 |
| Checked by | RDM | 2/3 |
| Approved by | | |
| " | " | " |
| " | " | " |

2nd draft

DM
JBJ

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an Interim)
 and Permanent Rate Increase)

U-81-52
 ORDER NO. 8

ORDER GRANTING PETITION TO ENLARGE TIME
 AND ESTABLISHING SCHEDULES FOR SUBMISSION OF PREFILED TESTIMONY
 AND FOR PUBLIC HEARING

On October 22, 1981, CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), filed a Petition for an Order Continuing Hearing and Scheduling Supplemental Filing in this proceeding. By Bench Order issued October 23, 1981, the Commission scheduled a hearing for October 26, 1981, to allow the utility, the Commission Staff (Staff), and the ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) to present oral argument on CEA's petition. At the conclusion of the hearing the Commission issued a Bench Order granting CEA's request for a continuance subject to the following three conditions:

(1) By February 15, 1982, CEA is required to submit a new revenue requirement filing, subject to the requirements of 3 AAC 48.275, with an updated 1981 test year with appropriate adjustments to revenues, expenses and rate base.

(2) CEA is required to pursue the issue of TIER for generation and transmission as mandated in Order No. 2, to continue to request an [sic] RFA policy

| COMMISSION ACTION | | | |
|-------------------|----------|------------|--------|
| Referred to | OK or NO | Initials | Date |
| Guess | OK | SMK for CG | 2-5-82 |
| Weatherly | | | |
| Knowles | OK | SMK | 2-5-82 |
| Snowden | OK | DKS | 2/5/82 |

| ACTION | INITIALS | DATE |
|-------------|----------|------|
| Drafted by | SMK | 2/5 |
| Typed by | DKD | 2/5 |
| Checked by | | |
| Approved by | | |
| | | |
| | | |

FINAL CHECKED BY DK & ST


OK TO RELEASE 

STATE OF ALASKA


THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall
 Diana E. Snowden

 In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA22-8, by CHUGACH ELECTRIC)
 ASSOCIATION, INC., for an Interim)
 and Permanent Rate Increase)

U-81-52

Order No. 9 

ORDER STAYING ORDER NO. 8 PENDING INTERVENOR RESPONSE
~~AND SCHEDULING SHOW CAUSE HEARING~~

On February 3, 1982, the Commission issued Order No. 8 in this proceeding which, among other things, granted the request of CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), for an extension of time in which to file its revenue requirement study from February 15, 1982, to March 10, 1982.

On February 4, 1982, intervenor ALASKA CONSUMER ADVOCACY PROGRAM (ACAP) filed a Petition for Reconsideration of Order No. 8. ACAP stated that CEA failed to comply with 3 AAC 48.090(h) which requires that filings in a proceeding be served on all parties of record, and, therefore, the utility's Petition to Enlarge Time in Which to File Application for Rate Relief was void. According to ACAP, the following actions were necessitated by this deficiency:

4. The Commission must order Chugach to serve their motion on us and then the Commission must give us the requisite number of days to respond to the motion.

| COMMISSION ACTION | | | |
|-------------------|-------------|----------|-----------------|
| Numbered by | OK or NO | initials | Date |
| 709 | OK | WJ | 2/11/82 |
| | | TD | |
| | | SL | 2/11/82 by B.S. |
| | | TD | |
| 80220 | OK | WJS | 2/11/82 |

| STATE ACTION | | |
|--------------|------|------|
| ACTION | DATE | DATE |
| Numbered by | | |
| 709-0-01 | AKO | 2/11 |
| 80220-01 | ROZ | |
| Addressed to | | |
| | | |
| | | |

WJ
Joy

STATE OF ALASKA

ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Stuart C. Hall
Diana E. Snowden

RICB

REF

In the Matter of the Filing of a)
Tariff Revision, Designated as)
TA22-8, by CHUGACH ELECTRIC)
ASSOCIATION, INC., for an)
Interim and Permanent Rate)
Increase)

U-E'-52

ORDER NO. 10

ORDER AFFIRING ORDER NO. 8 AND SUPPLEMENTING
SCHEDULE FOR SUBMISSION OF PRE-FILED TESTIMONY

On February 3, 1982, the Commission issued Order No. 8 in this proceeding granting the request of CHUGACH ELECTRIC ASSOCIATION, INC. (CEA), for an extension of time in which to file its revenue requirement study from February 15, 1982, to March 10, 1982. Order No. 8 also established deadlines for submission of pre-filed testimony by CEA and the Commission Staff (Staff) on March 10 and April 23, 1982, respectively, and scheduled a public hearing on the proposed rate increase to convene on May 5, 1982.

On February 4, 1982, intervenor ALASKA CONSUMER ADVOCACY PROGRAM (ACAP), filed a Petition for Reconsideration requesting cancellation of Order No. 8 pending ACAP receipt of and response to the utility's Petition to Enlarge Time in Which to File Application for Rate Relief. The Commission subsequently issued Order No. 9, dated February 5, 1982, staying the operation of Order

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Phone (907) 276-8222

February 11, 1982

| COMMISSION ACTION | | | |
|-------------------|-------|----------|---------|
| Referred to | OK or | Initials | Date |
| | OK | CLG | 2/11/82 |
| | OK | TMM | 2/11/82 |
| | OK | SK | 2-11-82 |
| Snowden | | | |

Chugach Electric Association
Tom Kolasinski, Acting Manager
P.O. Box 3518
Anchorage, Alaska 99501

Dear Mr. Kolasinski:

The Commission has been advised that the salary information required on page 104 of Chugach Electric Association's (CEA) 1990 Annual Report to the Commission has not been provided. In addition, the Commission has been informally advised by its Staff that CEA does not wish to file this information because it believes this action could violate the right to privacy of some of its employees.

CEA is hereby placed on notice that it shall file the required salary information by Friday, February 19, 1982 at 4:00 p.m. If the utility wishes to request that this information be treated as proprietary the following procedure which supplements the Commission's present statute and regulations governing public disclosure of information AS 42.05.671 and 3 AAC 48.040 should be followed:

PROCEDURE FOR THE TREATMENT OF MATERIAL OF
INFORMATION FOR WHICH PROPRIETARY
OR PRIVILEGED STATUS IS REQUESTED

1. Written Petition for Proprietary or Privileged Status.

2. If no written request has been made to designate material or information as proprietary or otherwise privileged, all material and information that is filed with, served upon, or otherwise made available to the Commission shall be available for examination by the public. Any person wishing to protect material or information filed with, served upon or otherwise made available to the Commission shall file with the Commission a formal written petition identifying the material or information sought to be protected and setting forth the facts, reasons, or other grounds upon which the Commission should classify that material or information as proprietary or otherwise privileged.

| | | | |
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| CO. I. ION CTIC | | | |
| Referred | OK or I.C. | nt | atn |
| | OK | MPW | 4/3/81 |
| | | | 4/6/81 |
| | OK | Su | 4-3-81 |
| | | | 4/1/81 |

| STAFF ACTION | | |
|----------------|----------|--------|
| ACTION | INITIALS | DATE |
| Created by | | |
| Transferred to | | |
| Checked by | JAA | 4/2/81 |
| Approved by | JAA | |

April 2, 1981

In reply refer to: Tariffs
TA132-120

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of a general rate examination, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JBF/ga
Enclosure

Handwritten notes:
Do you
want
to
know
the
reason
for
this?

| Referral | OK or I.C. | nt | at |
|----------|------------|----|--------|
| | OK | | 4/3/81 |
| | | | 4/6/81 |
| | OK | | 4-3-81 |
| | | | 4/4/81 |

| ACTION | INITIALS | DATE |
|-------------|----------|--------|
| Created By | | |
| Typed by | | |
| Checked by | JMS | 4/2/81 |
| Approved by | JMS | |

April 2, 1981

In reply refer to: Tariffs
TA132-120

A.C. Pistorius, General Manager
Anchorage Telephone Utility
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on February 6, 1981, by Anchorage Telephone Utility. This filing, designated as TA132-120, has an effective date of March 27, 1981.

In consideration of the manner in which the amount of the credit for returning telephone sets was derived, the Commission directs ATU to monitor the appropriateness of the \$5.00 credit amount and be prepared, at the time of a general rate examination, to provide the Commission with evidence as to why the credit should be continued or, as appropriate, modified.

BY DIRECTION OF THE COMMISSION.

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

JBF/ga
Enclosure

| | | |
|-------------|----------------|---------|
| Referred to | OK or | |
| | | |
| Approved | OK MRW 5/26/81 | |
| | OK | 5-26-81 |

| STAFF ACTION | | |
|--------------|----------|---------|
| ACTION | INITIALS | DATE |
| Drafted by | | |
| Typed by | | |
| Checked by | GMW | 5/26/81 |
| Approved by | KWH | 5/26/81 |

May 26, 1981

OK JCA 5-26-81
 Check EAS study
 deadline should be July 1st

In reply refer to: Tariffs
 TA138-120
 U-80-42
 U-81-19

45 days end 5/26/81.

A.C. Pistorius, General Manager
 Anchorage Telephone Utility
 600 East 38th Avenue
 Anchorage, Alaska 99503

Dear Mr. Pistorius:

The Commission has approved the proposal of Anchorage Telephone Utility (ATU) to cancel its adopted tariff of the Greater Anchorage Borough Telecommunications Company, Inc. (GAB-TEL), and to apply its present Anchorage area tariff to the areas served under the GAB-TEL tariff. This filing has an effective date of May 26, 1981.

Should be final

As a part of its consideration of this filing, the Commission observed that the feasibility study on the provision of extended area service (EAS) to the former GAB-TEL area still has not been filed with the Commission. This report was originally anticipated in July, 1980. The Commission understands that ATU is presently analyzing traffic data and expects to complete the study shortly. Therefore, the Commission directs that the EAS feasibility study be filed with the Commission no later than August 1, 1981.

A list of the validated tariff sheets being returned at this time is attached. As the Staff has discussed with ATU, the following procedural matters are still required to complete the application of the Anchorage area tariff to the GAB-TEL area.

| START ACTION | | |
|--------------|------|---------|
| ACTION | DATE | BY |
| Draft to | IW | |
| Reviewed | YB | 5-15-81 |
| Checked | IW | 5-15 |
| Approved | B | 5-18 |
| | JBT | |

OK MRW 5/27/81
 OK 5-27-81
 OK 5-27-81
 OK 5-27-81

May 15, 1981

Note: This is a second routing of this draft - 1st draft has apparently been lost.

Ted Burns, Esq.
 Municipal Attorney
 Municipality of Anchorage
 632 West 6th Avenue
 Anchorage, Alaska 99501

Dear Mr. Burns:

Re: Certification of Garbage and Refuse Public Utilities

The enactment of Ch. 136, SLA 1980 (FCCS SB 577) repealed the language of AS 42.05.221(f) and ^{portions of} AS 42.05.711(b) which exempted garbage and refuse collection and disposal public utilities operating within municipal boundaries (as they existed on January 1, 1973) from having to obtain a certificate of public convenience and necessity for the service area within these boundaries.

The repeal of this language means that all municipal garbage and refuse utilities must possess a certificate of public convenience and necessity for the area ~~it serves~~ ^{served} AS 42.05.221(a), 42.05.701(2)(F), (5)(A). This is required even though, as a municipal utility, under the remaining language in 42.05.711(b) or under the new 42.05.711(j) (annual gross revenues of \$200,000 or less) they may not be subject to economic regulation by the Commission.

Notes regarding the requirement section above a utility may not be exempted from at any portion of these sections if on a Commission hearing or legislative public hearing all a utility's revenues comply with AS 22.05.11(d).

CONFIDENTIAL

| STAFF | | |
|-------------|--------|---------|
| Drafted by | JMW | 6/1/81 |
| Typed by | SKM | 6/1/81 |
| Checked by | JMW | 6/19/81 |
| Approved by | T-1/19 | 6/1/81 |

ND
 OR
 SKM
 6-19-81
 ML SKM 6/19/81

45 days end
 7/24; utility
 must have advance
 approval to bill 7/1/81

June 19, 1981

In reply, refer to: Tariffs
 TA34-121

Thomas R. Stahr, General Manager
 Municipal Light & Power Department
 Municipality of Anchorage d/b/a
 1200 East First Avenue
 Anchorage, Alaska 99501

Dear Mr. Stahr:

Enclosed are validated copies of tariff sheets filed on June 10, 1981, by Municipal Light and Power (ML&P). This filing, designated as TA34-121, has an effective date of June 1, 1981.

Although the Commission has approved this filing, it is concerned about the continuing lack of generation by the waste heat unit. ML&P is directed to include in its next gas cost rate adjustment filing an explanation of the lack of reported steam generation and ML&P's plans for use of the waste heat unit.

BY DIRECTION OF THE COMMISSION

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John B. Parleigh
 Executive Director

NOTICE

Refer to:

NP

OL 109 6/19/81

OL 54 6/19/81

MP 94 6/19/81

| STAFF ACTIONS | | |
|---------------|----------|---------|
| AC | INITIALS | DATE |
| Drafted by | SMW | 6/19/81 |
| Typed by | SKM | 6/19/81 |
| Checked by | JMW | 6/19/81 |
| Approved by | TLM | 6/19/81 |
| | | |
| | | |

June 19, 1981

45 days
end
7/2/81

In reply refer to: Tariffs
TA146-120

A. C. Pistorius, General Manager
600 East 38th Avenue
Anchorage, Alaska 99503

Dear Mr. Pistorius:

Enclosed is a validated copy of the tariff sheet filed on May 18, 1981, by Anchorage Telephone Utility (ATU). This filing, designated as TA146-120, has an effective date of July 2, 1981.

In its study of this filing, the Commission reviewed a number of previous filings affecting the Secretarial Answering Service Schedule and noted that the large TASCUM answering system, which was the subject of TA 98-120, TA111-120, and TA115-120, is not presently tariffed. The Commission urges ATU to review its offerings in the Secretarial Answering Service ^{Schedule} to assure that all offerings are properly tariffed.

BY DIRECTION OF THE COMMISSION

Very truly yours,
ALASKA PUBLIC UTILITIES COMMISSION

John B. Farleigh
Executive Director

| | |
|-------------|-----------------|
| STATE | |
| ACTION | |
| Filed by | J. S. [unclear] |
| Typed by | [unclear] |
| Checked by | [unclear] |
| Approved by | [unclear] |
| | 5-11-81 |
| | 5/11/81 |
| | 5/12 |

OK MRU 5/12/81
 OR [unclear] 5/11/81
 OK/NO [unclear] 5/11/81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

45 days
 end to [unclear]
 5/11/81

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

FINAL ORDER BY [unclear]
 [unclear]

NOTE: 2
 TA files attached
 [unclear]

In the Matter of the Filing of)
 Tariff Revisions, Designated as)
 TA135-120 and TA136-120, by)
 ANCHORAGE TELEPHONE UTILITY)
 for Rates for Straight Line)
 Feature Telephones)

U-81-29 ✓
 ORDER NO. 1

to [unclear]
 ANCHORAGE 2/16/81
 [unclear]

ORDER SUSPENDING TARIFF REVISION AND GRANTING INTERIM RATES

On March 25, 1981, ANCHORAGE TELEPHONE UTILITY

(ATU) filed two tariff revisions (TA135-120 and TA136-120) to add a nonrecurring charge of \$17.55 and a monthly rate of \$2.35 for straight line feature telephones (wall and desk models) to the rate schedules for three PBX systems: the Rolm CBX (Class H), Rolm SCBX (Class I), and SL-1 (Class J).

The filings were noticed to the public on April 2, 1981, with a closing date of May 4, 1981, for the submission of statements in support of, or in opposition to, the proposed tariff revisions. On May 4, 1981, the Commission received a protest of the filings from Comtec, Inc. (Comtec), a company engaged in selling, installing, and maintaining telephone equipment, including PBX equipment.

Comtec states that it appears that the straight line feature telephone is a standard push button telephone that can be used in any residential home or with several other PBX systems in ATU's tariff. Comtec's protest includes three specific charges, [unclear]

Commissioner
 Referred to
 Date: 2/11/81
 2/11/81
 on SN 6:1-81
 on for

| STAFF ACTION | | |
|--------------|----------|------|
| ACTION | INITIALS | DATE |
| Drafted by | | |
| Typed by | | |
| Checked by | | |
| Approved by | | |
| | | |
| | | |

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

In the Matter of the Filing of a)
 Tariff Revision, Designated as)
 TA139-120, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a ANCHORAGE TELE-)
 PHONE UTILITY To Change the)
 Conditions and Rates for Coin)
 Telephone Service)

U-81- 33
 ORDER NO. 1

ORDER SUSPENDING OPERATION OF TARIFF REVISION,
 INSTITUTING INVESTIGATION, ESTABLISHING
 DATES FOR PUBLIC HEARING AND SUBMISSION
 OF PRE-FILED TESTIMONY

On April 17, 1981, the MUNICIPALITY OF ANCHORAGE
 d/b/a ANCHORAGE TELEPHONE UTILITY (ATU) filed a tariff
 revision, designated as TA139-120, which proposed changes to
 the conditions and rates for coin telephone service. The
 utility proposed to

- 1) increase the per message rate charges for public and semi-public coin telephone service from \$10¢ to \$20¢ per call;
- 2) increase the minimum monthly revenue required as a basis for continuing service at each location, ~~from two times the regular business line rate (local only) to three times the regular business line rate (local and toll);~~
- 3) increase installation charges for semi-public telephone enclosure/supports;

Handwritten note:
 This is not a public utility...
 (The text is partially obscured and difficult to read)

Referral

Centers

| STAFF ACTION | | |
|--------------|---------|-----------|
| ACTION | DATE | BY |
| Drafted by | | |
| Typed by | 6-15-81 | <i>MT</i> |
| Checked to | 6-15-81 | <i>MT</i> |
| Approved by | | |
| | | |
| | | |

6/12 NEW 6/15/81
 6/15/81
 6/15/81

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Carolyn S. Guess, Chairman
 Marvin R. Weatherly
 Susan M. Knowles
 Stuart C. Hall

TCM

In the Matter of the Filing of)
 a Tariff Revision, Designated as)
 TA23-126, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a ANCHORAGE SEWER)
 UTILITY for Consolidation of)
 Service Areas and Permanent)
 Reduction of Rates)

U-81-36 ✓
 ORDER NO. 1 ✓

In the Matter of the Filing of)
 a Tariff Revision, Designated as)
 TA20-126, by the MUNICIPALITY OF)
 ANCHORAGE d/b/a ANCHORAGE SEWER)
 UTILITY for a Rate Increase, in)
 the Anchorage, Eagle River, and)
 Girdwood-Alyeska Sewer Service)
 Areas.)

U-80-4
 ORDER NO. 10 ✓
adding a rate
addition

ORDER SUSPENDING SERVICE AREA CONSOLIDATION

On May 1, 1981, the MUNICIPALITY OF ANCHORAGE
 d/b/a MUNICIPAL SEWER UTILITY (ASU) filed a tariff revision,
 designated as TA23-126, requesting the immediate permanent
 reduction ^{of} ~~in~~ rates for sewer service in the Eagle River
 Sewer Service Area (ERSSA) and the Girdwood-Alyeska Sewer
 Service Area (GASSA). ASU requested that customers in the
 ERSSA and GASSA be integrated into the appropriate rate
 schedule of the Anchorage Bowl Service Service Area (ABSSA);
 all that ERSSA and GASSA rate schedules except for those
 based on meter water consumption be deleted; that definitions
 and other tariff references for Service Area 40 (ABSSA) and
 Service Area 50 (ERSSA) be deleted; and that a definition be
 added for the Anchorage Sewer Service Area (ASSA) as "that
 area established by Anchorage, Alaska, Ordinance 81-23...."