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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

T.W. Patch, Chairman
Paul F. Lisankie
Robert M. Pickett
Norman Rokeberg
Janis W. Wilson

In the Matter of the Tariff Filings Designated as)
TA835-2 and TA836-2 Filed by ALASKA POWER)
COMPANY)

U-14-002

ORDER NO. 4

ORDER GRANTING PETITIONS TO INTERVENE BY THE MUNICIPALITY OF SKAGWAY, THE CITY OF CRAIG, THE CITY OF COFFMAN COVE, THE CITY OF THORNE BAY, AND THE HAINES BOROUGH; DENYING PETITION TO INTERVENE BY DEHART; DENYING MOTIONS TO SET PROCEDURAL SCHEDULE; ESTABLISHING PROCEDURAL SCHEDULE; SCHEDULING CONSUMER INPUT HEARING; AND EXTENDING SUSPENSION PERIODS

BY THE COMMISSION:

Summary

We grant the petitions to intervene filed by the Municipality of Skagway (Skagway); the City of Craig, the City of Coffman Cove, and the City of Thorne Bay (collectively, the Cities); and the Haines Borough. We deny the petition to intervene filed by Mary Frances DeHart (DeHart). We deny the motion to adopt a procedural schedule and extend the statutory timeline filed by the Attorney General (AG). We deny the motion for adoption of a procedural schedule filed by the Alaska Power Company (APC). We establish a procedural schedule and schedule a consumer input hearing for this proceeding.

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Background

We suspended TA835-2, filed by Alaska Power Company into this docket for further investigation.¹ We invited participation by the AG and petitions to intervene. The AG elected to participate and filed a motion to set a prehearing conference, which we granted.² Skagway, the Cities, the Haines Borough, and DeHart filed petitions to intervene.³ APC filed responses to the petitions to intervene filed by Skagway, the Cities, the Haines Borough, and DeHart.⁴ The AG filed non-oppositions to the petitions to intervene filed by Skagway, the Cities and Dehart.⁵

On February 27, 2014, we held a prehearing conference to establish a procedural schedule. However, APC, the AG, and the other potential intervenors were

¹Order U-14-002(1) *Order Suspending TA835-2, Granting Request for Interim and Refundable Rates, Establishing Interest Rate on Refunds and Requiring Filing, Approving Tariff Sheets, Inviting Participation by the Attorney General and Intervention, Addressing Timeline for Decision, Designating Commission Panel, and Appointing Administrative Law Judge*, dated January 13, 2014 (Order U-14-002(1)).

²*Notice of Election to Participate*, filed February 7, 2014; *Motion to Set a Prehearing Conference*, filed February 7, 2014; Order U-14-002(3), *Order Granting Motion to Set a Prehearing Conference and Scheduling a Prehearing Conference*, dated February 13, 2014.

³*Municipality of Skagway Petition to Intervene*, filed February 12, 2014 (Skagway Petition); *Petition to Intervene from the City of Craig, City of Coffman Cove, and City of Thorne Bay*, filed February 12, 2014 (Cities Petition); *Haines Borough's Petition to Intervene*, filed February 12, 2014 (Haines Borough Petition); *Request to Participate and Intervene*, filed February 10, 2014 (DeHart Petition).

⁴*Alaska Power Company's Response to DeHart Petition to Intervene*, filed February 18, 2014 (APC Opposition to DeHart); *Alaska Power Company's Response to Skagway's, Haines', and Cities' Petitions to Intervene*, filed February 19, 2014 (APC Response to Skagway, Cities, and Haines Borough).

⁵*Attorney General's Non-Opposition to Petition to Intervene from the Municipality of Skagway*, filed February 12, 2014; *Attorney General's Non-Opposition to Petition to Intervene from the City of Craig, City of Coffman Cove, and City of Thorne Bay*, filed February 12, 2014 (collectively, AG Non-Opposition to Skagway and the Cities); *Attorney General's Non-Opposition to Petition to Intervene from Mary Frances DeHart*, filed February 20, 2014 (AG Non-Opposition to DeHart).

1 unable to agree on a procedural schedule at the prehearing conference.⁶ The AG filed
2 a motion for adoption of a procedural schedule proposing dates for discovery, prefiled
3 testimony, and hearing.⁷ The motion requested that we extend the statutory timeline to
4 accommodate the dates in the proposed procedural schedule.⁸ APC filed a motion for
5 adoption of a procedural schedule proposing dates different from those proposed by the
6 AG.⁹ No extension of the statutory timeline is necessary under APC's proposed
7 procedural schedule. Skagway and the Cities, the Haines Borough, and DeHart each
8 filed a notice of joinder to the AG's motion for a procedural schedule and extension of
9 the statutory timeline.¹⁰

10 Discussion

11 Petitions to Intervene

12 We evaluate petitions to intervene under 3 AAC 48.110. A person with a
13 statutory right to be made a party to a proceeding will be permitted to intervene.¹¹
14 Further, we have the discretion to permit intervention by any person whose participation
15 will be conducive to the ends of justice and will not unduly delay the conduct of the

16 ⁶Tr. 11, 13.

17 ⁷*Attorney General's Motion for Adoption of a Procedural Schedule and to Extend*
18 *Statutory Deadline*, filed March 7, 2014 (AG Motion for Procedural Schedule).

19 ⁸AG Motion for Procedural Schedule.

20 ⁹*Alaska Power Company's Motion to Adopt Procedural Schedule*, filed March 7,
2014 (APC Motion for Procedural Schedule).

21 ¹⁰*Municipalities of Craig, Coffman Cove, Skagway, and Thorne Bay's Joinder to*
22 *Attorney General's Motion for Adoption of a Procedural Schedule and to Extend*
23 *Statutory Deadline*, filed March 6, 2014; *Haines Borough's Joinder to Attorney General's*
24 *Motion for Adoption of a Procedural Schedule and to Extend Statutory Deadline*, filed
March 7, 2014; *Mary Frances DeHart's Joinder to Attorney General's Motion for*
Adoption of a Procedural Schedule and to Extend Statutory Deadline, filed March 7,
2014.

25 ¹¹3 AAC 48.110(a).

1 proceeding.¹² We consider the following factors, among others, in deciding on a petition
2 to intervene:

3 (1) the nature of the petitioner's right under statute to be made a party to the
4 proceeding;

5 (2) the nature and extent of the property, financial, or other interest of the
6 petitioner;

7 (3) the effect on petitioner's interest of the order which may be entered in the
8 proceeding;

9 (4) the availability of other means by which the petitioner's interest may be
10 protected;

11 (5) the extent to which petitioner's interest will be represented by existing
12 parties;

13 (6) the extent to which petitioner's participation may reasonably be expected
14 to assist in the development of a sound record, including the issues that
15 petitioner intends to address in the proceeding; and

16 (7) the extent to which participation of the petitioner will broaden the issue or
17 delay the proceeding.¹³

18 A person wishing to intervene is required to file a petition setting out the facts and
19 reasons why that person should be granted permission to intervene, and should make
20 specific reference to the factors identified above.¹⁴

21 Skagway Petition

22 Skagway asserts that there are two bases to support its petition to
23 intervene. First, Skagway argues that it and its school district are large customers of
24 APC and that as a result, it has a statutory right to intervene.¹⁵ Skagway cites Order
25 U-00-088(2) for the proposition that customers have a statutory right to intervene in rate

26 ¹²3 AAC 48.110(a).

¹³3 AAC 48.110(b).

¹⁴3 AAC 48.110(c).

¹⁵Skagway Petition at 2.

1 proceedings.¹⁶ Skagway also files its petition to intervene in representation of its
2 residents, all or most of whom buy electricity from APC.¹⁷ Second, Skagway argues
3 that even if it does not have a statutory right to intervene, it should be permitted to
4 intervene under the factors for permissive intervention under 3 AAC 48.110(b).¹⁸

5 Skagway asserts that it has both direct and indirect interests in APC's
6 rates. Skagway states that it represents the interests of approximately 927 residents, all
7 or most of whom purchase power from APC and would be directly affected by a rate
8 increase. Skagway also asserts that the proposed rate increase will have a direct and
9 significant effect on the population of Skagway through the residents' own rate
10 payments.¹⁹

11 Skagway states that it provides crucial infrastructure and services to the
12 community, funded in large part by sales tax revenue collected in the community.
13 Skagway argues that as costs increase, the community becomes less able to support its
14 own infrastructure.²⁰

15 Skagway states that the school district spent \$48,993.81 on electricity in
16 FY13. Skagway argues that although it does not directly pay for the school's electricity,

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19 ¹⁶Skagway Petition at 3; Order U-00-088(2), *Order Granting Petitions to*
20 *Intervene filed by Aurora Power Resources, Marathon Oil Company, and Marathon*
21 *Alaska Natural Gas Company; and Denying Petition to Intervene filed by Matanuska*
22 *Electric Association, Inc.*, dated February 5, 2001 (Order U-00-088(2)). See also, Order
23 U-10-029(4), *Order Granting Petition to Intervene In Part, Requiring Filings, and*
24 *Scheduling Prehearing Conference*, dated July 27, 2010 (Order U-10-029(4)).

25 ¹⁷Skagway Petition at 3.

26 ¹⁸Skagway Petition at 3.

¹⁹Skagway Petition at 4.

²⁰Skagway Petition at 4.

1 a substantial increase in the electric rates will impact the use of funding from Skagway
2 by diverting some of those funds from education to paying increased electricity rates.²¹

3 Skagway states that while its seasonal, tourism-based economy is strong,
4 the pursuit of more year-round jobs and economic opportunities is a high priority of
5 Skagway and its residents. Skagway argues that the proposed rate represents a
6 substantial increase, which will make it more difficult to establish new businesses and
7 more difficult for existing businesses to continue to operate at current levels of service.²²

8 Skagway states that there is no other means for it to protect the interests
9 of its residents except through participation as a party in this proceeding.²³ Skagway
10 also states that even with the AG's participation, its interests are not adequately
11 protected.²⁴ Skagway further states that it will neither unduly broaden the issues nor
12 delay the proceeding.²⁵

13 *The Cities Petition*

14 The Cities assert that there are two bases to support their petition to
15 intervene. First, the Cities argue that they and the City of Craig School District are large
16 customers of APC and that the Cities have a statutory right to intervene.²⁶ The Cities
17 also rely upon Order U-00-088(2) for the proposition that customers have a statutory
18 right to intervene in rate proceedings.²⁷ The Cities also file their petition to intervene in
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20 ²¹Skagway Petition at 4.

21 ²²Skagway Petition at 4-5.

22 ²³Skagway Petition at 5.

23 ²⁴Skagway Petition at 5.

24 ²⁵Skagway Petition at 6.

25 ²⁶Cities Petition at 2.

26 ²⁷Cities Petition at 3.

1 representation of their residents, all or most of whom buy electricity from APC.²⁸
2 Second, the Cities argue that, even if it does not have a statutory right to intervene, they
3 should be permitted to intervene under the factors for permissive intervention under
4 3 AAC 48.110(b).²⁹

5 The Cities assert that the proposed rate increase will have a direct and
6 significant effect on the population of the Cities on Prince of Wales Island, the Craig City
7 School District, and municipal services provided by the City of Craig, the City of
8 Coffman Cove, and the City of Thorne Bay.³⁰

9 The Cities assert that although the City of Craig does not directly pay for
10 the Craig City School District's electric service, a substantial increase in the electric
11 rates will impact the use of funding from the City of Craig by diverting some of those
12 funds from education to paying increased electricity rates. The Cities argue that the
13 proposed rate increase will have a direct financial impact on the Craig School District
14 and reduce funds available for other school district services and direct services to
15 students.³¹ The Cities argue that they will be directly affected by the proposed rate
16 increases as any increase will reduce both general fund and enterprise fund services.³²

17 The Cities state that they are the centers for commerce and industry on
18 Prince of Wales Island. The Cities argue that the proposed rate increase will have a
19 direct and significant impact on the cost of services provided locally and the general
20 cost of doing business. The Cities assert that many businesses located in these
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22 ²⁸Cities Petition at 4.

23 ²⁹Cities Petition at 2.

24 ³⁰Cities Petition at 4.

25 ³¹Cities Petition at 5.

26 ³²Cities Petition at 6.

1 municipalities include the cost of power as a large part of their operational costs and
2 operate on narrow profit margins. The Cities argue that the direct significant financial
3 impact of the proposed rate will make it more difficult to establish new businesses in the
4 Cities and make it more difficult for existing businesses to continue to operate at current
5 levels of service.³³

6 The Cities argue that an 18.6 percent across the board increase
7 represents a substantial increase for an area that continues to struggle financially from
8 the loss of the logging industry that fueled the economy in the late 1980s and early
9 1990s, along with continued restrictions and costs related to commercial fishing.³⁴ The
10 Cities state that there is no way to protect the interest of their residents except through
11 participation as parties in this proceeding.³⁵ The Cities assert that even with AG
12 participation, their interests are not likely to be adequately protected.³⁶ The Cities
13 assert that they will neither unduly broaden the issues nor delay the proceeding.³⁷

14 Haines Borough Petition

15 The Haines Borough seeks a discretionary grant of intervention under the
16 factors set out in 3 AAC 48.110(b)(1)-(7).³⁸ The Haines Borough argues that it and the
17 Haines School District are significant customers of APC and will be substantially
18 affected if the proposed permanent rate increase is approved.³⁹ The Haines Borough
19 further argues that its interests are closely aligned with those of its affected residents

20 ³³Cities Petition at 7.

21 ³⁴Cities Petition at 7.

22 ³⁵Cities Petition at 8.

23 ³⁶Cities Petition at 8.

24 ³⁷Cities Petition at 9.

25 ³⁸Haines Borough Petition at 1-2, 3.

26 ³⁹Haines Borough Petition at 2, 7.

1 and property owners. The Haines Borough states that the businesses and residents of
2 Haines comprise a significant percentage of APC's customers, all of whom have
3 substantial financial interests in ensuring that the rates charged by APC are appropriate
4 and justified.⁴⁰

5 The Haines Borough states that APC is the only supplier of electricity in
6 the Haines area. The Haines Borough asserts that energy costs are already one of the
7 most significant operating costs in the Haines Borough's budget and for residents. The
8 Haines Borough also asserts that it cannot easily pass along increases in energy costs
9 to its residents and it cannot look elsewhere for its energy needs. The Haines Borough
10 states that the proposed increase will significantly strain the Haines Borough's budget
11 and the increase may come at the expense of its other services.⁴¹

12 The Haines Borough states that there is no means other than intervention
13 by which it can adequately protect its interests. The Haines Borough argues that it will
14 need to examine the details of APC's revenues and expenses during the test year to
15 determine whether the proposed increase is reasonable, which it will not be able to do
16 without performing its own discovery as a party to this proceeding. The Haines Borough
17 states that residents of Haines could petition to join this proceeding, but it would be
18 inefficient and would require residents to bear a potentially significant financial burden.
19 The Haines Borough argues that it should be allowed to intervene and protect the rights
20 of ratepayers in the Haines service area and rate group.⁴²

21 The Haines Borough asserts that no other party can adequately represent
22 its interests. The Haines Borough states that while the AG's participation may represent

23 _____
⁴⁰Haines Borough Petition at 2-3.

24 ⁴¹Haines Borough Petition at 4.

25 ⁴²Haines Borough Petition at 5.

1 the interest of the general public throughout APC’s service area, the AG’s interests may
2 or may not align with those of the Haines Borough and its citizens.⁴³

3 The Haines Borough states that it has engaged experienced counsel and
4 a ratemaking consultant to coordinate its effective and efficient participation and to
5 ensure its participation is meaningful, relevant, and focused on issues that are likely to
6 affect the outcome of this docket.⁴⁴

7 The Haines Borough seeks to address the justness and reasonableness
8 of APC’s proposed rates as they affect the Haines area customers. The Haines
9 Borough states that the issues it might address include, but are not limited to: the
10 issues raised by us with regard to APC’s debt cost and structure, the cost of capital
11 adjustment for “additional risk,” the Coffman Cove loss, and the Border station contract
12 cancellation.⁴⁵ The Haines Borough also states that it believes there are significant
13 policy concerns arising from the juxtaposition of community efforts to reduce energy
14 consumption with APC’s proposal to raise rates in part because its sales are declining.⁴⁶

15 The Haines Borough maintains that its participation will not broaden the
16 issues nor delay this proceeding.⁴⁷

17 DeHart Petition

18 DeHart states that as an individual APC customer she would be able to
19 add input regarding power production on the Glenn Highway/Copper Valley area.
20 DeHart also states that she has filed a formal complaint, in Docket U-14-007, which

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22 ⁴³Haines Borough Petition at 5-6.

23 ⁴⁴Haines Borough Petition at 7.

24 ⁴⁵Haines Borough Petition at 7 (citing Order U-14-002(1)).

25 ⁴⁶Haines Borough Petition at 7.

26 ⁴⁷Haines Borough Petition at 7.

1 includes comments filed in TA835-2.⁴⁸ DeHart asserts that she is very familiar with
2 power generation and personally invested in, serviced, and maintained her own
3 generating system for over 50 years, while successfully selling power to an Air Force
4 substation and the Slana school. DeHart notes that she may not be able to participate
5 in any or all Anchorage proceedings, but could be available telephonically.⁴⁹

6 APC Response to Skagway, the Cities, and Haines Borough Petitions

7 APC argues that Skagway, the Cities, and the Haines Borough have no
8 statutory right to intervene in these proceedings nor do they have authority to intervene
9 on behalf of their residents.⁵⁰ APC acknowledges that it may be appropriate to allow
10 Skagway, the Cities, and Haines Borough to intervene as customers of APC under
11 3 AAC 48.110(b)'s discretionary factors.⁵¹ APC, however, asserts that allowing them to
12 intervene separately would not be conducive to the ends of justice and would unduly
13 delay this proceeding.⁵² APC requests that if we grant their petitions to intervene, we
14 allow intervention on their own behalf and not as representatives of their residents.
15 APC further requests that we consolidate their interventions in the interest of
16 administrative efficiency.⁵³

17 APC Opposition to DeHart Petition

18 APC states that DeHart should be invited to participate as a consumer and
19 submit comments, and be permitted to testify if she chooses at the evidentiary hearing,
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21 ⁴⁸DeHart Petition.

22 ⁴⁹DeHart Petition at 2.

23 ⁵⁰APC Response to Skagway, Cities, and Haines Borough at 1-2.

24 ⁵¹APC Response to Skagway, Cities, and Haines Borough at 4.

25 ⁵²APC Response to Skagway, Cities, and Haines Borough at 8.

26 ⁵³APC Response to Skagway, Cities, and Haines Borough at 1-2.

1 but should not be allowed to intervene as a party.⁵⁴ APC argues that DeHart's interest
2 as a consumer will be fully protected by the participation of the AG. APC submits that
3 the nature of DeHart's petition demonstrates that her full participation in this proceeding
4 has some potential to divert us and the parties into unprofitable avenues. APC asserts
5 that DeHart's petition requests amendment of the certificates of both APC and Copper
6 Valley Electric Association, Inc. to change their respective service areas. APC asserts
7 that DeHart may not be aware of or prepared to take on the burdens of an intervening
8 party including adhering to the regulations, responding to discovery, participating in
9 hearings, and bearing an allocated portion of costs.⁵⁵

10 Decision on Petitions to Intervene

11 *Skagway, the Cities, and Haines Borough Petitions Granted*

12 We have considered the petitions to intervene filed by Skagway, the
13 Cities, and the Haines Borough, under the standards and factors in 3 AAC 48.110(a)
14 and (b). The AG did not oppose any of these petitions⁵⁶ and APC did not wholly oppose
15 them.⁵⁷

16 Although Skagway and the Cities argued they have a statutory right to
17 intervene, neither has cited a statute expressly granting them a right to intervene. In
18 Order U-08-058(5), we specifically repudiated Order U-00-088(2) cited as authority by
19 Skagway and the Cities.⁵⁸ It remains our position, as articulated in Order U-08-058(5),

20 ⁵⁴APC Opposition to DeHart.

21 ⁵⁵APC Opposition to DeHart at 3-4.

22 ⁵⁶AG Non-Opposition to Skagway and the Cities.

23 ⁵⁷APC Response to Skagway, Cities, and Haines Borough at 4.

24 ⁵⁸Order U-08-058(5), *Order Granting Petitions to Intervene Filed by Fairbanks*
25 *Natural Gas, LLC; Aurora Power Resources, Inc.; Chugach Electric Association, Inc.;*
26 *and Homer Electric Association, Inc. and Alaska Electric and Energy Cooperative, Inc.,*
dated June 12, 2008, at 10-11 (citing Order U-00-088(2)). See also, Order U-10-029(4).

1 that unless petitioners can cite a specific statute granting them a right to intervene, they
2 have no statutory right to intervene under 3 AAC 48.110(a). Therefore, we hold that
3 Skagway and the Cities do not have a statutory right to intervene.

4 We find that Skagway, the Cities, and the Haines Borough each have an
5 interest in participating in this proceeding; that the order we issue in this proceeding will
6 impact that interest; that there are no means other than intervention to protect that
7 interest; that no other party will represent Skagway's, the Cities', or the Haines
8 Borough's interest; and that participation by Skagway, the Cities, and the Haines
9 Borough may assist in the development of a sound record. We further find that
10 participation will be conducive to the ends of justice and will not unduly delay conduct of
11 the proceeding. Accordingly, we grant the petitions to intervene by Skagway, the Cities,
12 and the Haines Borough. We do not consolidate their interventions as requested by
13 APC because we do not know, at this time, whether their interests are aligned in this
14 proceeding.

15 *DeHart Petition Denied*

16 We have considered the petition to intervene filed by DeHart under the
17 standards and factors in 3 AAC 48.110(a) and (b). The AG did not oppose DeHart's
18 petition;⁵⁹ however, APC did oppose the petition.⁶⁰ The DeHart petition does not
19 address the standards and factors for intervention under 3 AAC 48.110. It also appears
20 that DeHart does not have the ability to comply with all of the rights and obligations we
21 require of parties under 3 AAC 48.155(b), as she states that she would likely not be able
22 to attend the proceedings in Anchorage. Therefore, we find that her participation will
23 not be conducive to the ends of justice and may unduly delay conduct of the

24 ⁵⁹AG Non-Opposition to DeHart.

25 ⁶⁰APC Response to Skagway, Cities, and Haines Borough at 4.

1 proceeding. Accordingly, we deny DeHart's petition. We encourage DeHart to
2 participate in the consumer input hearing scheduled in this proceeding for April 30,
3 2014, and comment at that time. Comment may be made by telephone.

4 Motions for Adoption of Procedural Schedule and Extension of Time

5 AG's Motion for Adoption of Procedural Schedule and Extension of Time

6 The AG submitted a proposed procedural schedule and motion to extend
7 the statutory timeline.⁶¹ The AG argues that he is currently participating in a large
8 number of dockets, many of which were filed by utilities almost at the same time. The
9 AG states that this has created substantial scheduling constraints for the AG in
10 preparing testimony and in scheduling hearings.⁶²

11 The AG attests that all potential intervenors agree with the proposed
12 procedural schedule and also agreed at the prehearing conference to extend the
13 statutory timeline as necessary to accommodate the AG's scheduling request. Because
14 APC is unwilling to extend the statutory timeline beyond its current date, the AG
15 requests that we exercise our authority under AS 42.05.175(f)(3) to extend the timeline
16 by 90 days to allow AG testimony to be filed in November 2014, with a hearing to be
17 held in February 2015.⁶³

18 APC's Motion for Adoption of Procedural Schedule

19 APC submitted a proposed procedural schedule that is within the statutory
20 timeline, and notes that it would be amenable to a different hearing date.⁶⁴ APC states
21 that the statutory timeline in this proceeding is adequate for APC's presentation, the

22 _____
23 ⁶¹AG Motion for Procedural Schedule.

24 ⁶²AG Motion for Procedural Schedule at 1, 3-4.

25 ⁶³AG Motion for Procedural Schedule at 2.

26 ⁶⁴APC Motion for Procedural Schedule.

1 participation of the AG and any intervenors, and our review. APC asserts that the
2 prefiled direct testimony accompanying TA835-2 gave parties a head start in
3 understanding the issues in APC's requested tariff revisions. APC also asserts that,
4 demonstrated by that testimony, APC's revenues are insufficient. APC argues that its
5 analysis shows it needs a significant rate increase and that its interim rate relief is less
6 than half of what APC needs. APC asserts that an undue delay of this proceeding
7 would exacerbate the difficulties APC is experiencing as a result of the deficit.⁶⁵

8 APC states that the legislature enacted AS 42.05.175(f)(1)-(3) to remedy
9 delays in commission proceedings that were disrupting the ability of utilities in Alaska to
10 effectively conduct business. APC notes that the legislature requires that we report all
11 extensions to the legislature and that if we fail to act by the statutory deadline, the
12 application under consideration is deemed approved by operation of law.⁶⁶

13 APC asserts that the public interest in participating in this proceeding can
14 be accommodated by our consideration of the public comments filed in response to our
15 notice of the tariff filing. APC also asserts that no specific prejudice has been identified
16 by the AG or the individual or entities seeking intervention, other than complaints that
17 the sooner we approve permanent rates the sooner those rates will have to be paid.⁶⁷

18 Decision on Procedural Schedule

19 Legislation enacted in 2002 established timelines for the issuance of final
20 orders in most utility proceedings. For filings that change a utility's revenue requirement
21 or rate design, the legislature established a timeline of 15 months within which we must
22

23 ⁶⁵APC Motion for Procedural Schedule at 2-3.

24 ⁶⁶APC Motion for Procedural Schedule at 3.

25 ⁶⁷APC Motion for Procedural Schedule at 4.

1 decide issues in a rate case.⁶⁸ An amendment effective July 1, 2008, substituted “450
2 days” for “15 months.”⁶⁹

3 In 2011 reauthorization legislation, the legislature directed us to provide a
4 proposal to reduce the 450-day timeline for tariff filings that change a utility’s revenue
5 requirement or rate design.⁷⁰ In its directive, the Alaska Legislature stated:

6 LEGISLATIVE INTENT. In order for the legislature to evaluate the
7 desirability of extending the Regulatory Commission of Alaska beyond
8 June 30, 2014, it is the intent of the legislature that, before January 17, 2012,
9 the Regulatory Commission of Alaska shall provide a proposal to the
10 legislature to reduce the statutory timeline for tariff filings that change a
11 utility’s revenue requirement or rate design.⁷¹

12 In response to this directive we changed our practices to gradually reduce the time it
13 takes us to resolve rate cases.⁷²

14 The existing statutory timeline for this proceeding is February 20, 2015. In
15 light of our commitment to the legislature we are not willing to extend the statutory
16 timeline on our own motion at this time. We deny the AG’s motion for adoption of a
17 procedural schedule and to extend the statutory timeline.

18 After reviewing APC’s motion for a procedural schedule, we found that the
19 hearing dates that APC proposed were not available. Therefore, we deny APC’s motion
20 for adoption of a procedural schedule.

21 ⁶⁸House Bill 3001, ch. 2 TSSLA 2002. AS 42.05.175(c).

22 ⁶⁹House Bill 209, ch. 36 SLA 2007.

23 ⁷⁰House Bill 24, ch. 2 FSSLA 2011.

24 ⁷¹House Bill 24, ch. 2 FSSLA 2011.

25 ⁷²*A Report to the Legislature by the Regulatory Commission of Alaska, On a
26 Proposal to Reduce the Statutory Timeline for Tariff Filings that Change a Utility’s
Revenue Requirement or Rate Design*, dated January 17, 2012 (Report). The Report
may be accessed at <http://rca.alaska.gov/RCAWeb/Documents/Statutes/Regs/FINAL%20HB24.pdf>.

1 Procedural Schedule

2 We establish the following procedural schedule for this proceeding.

	Date	Procedural Matter
3		
4	A. July 22, 2014	Discovery closes on APC testimony (last day to propound).
5	B. August 1, 2014	The AG and Intervenors shall file responsive testimony.
6		Discovery opens on the AG and Intervenor's responsive testimony.
7		
8	C. August 28, 2014	Discovery closes on the AG and Intervenor's responsive testimony (last day to propound).
9		
10	D. September 4, 2014	APC shall file reply testimony.
11		Discovery opens on APC's reply testimony.
12		
13	E. October 8, 2014	Discovery closes on APC's reply testimony (last day to propound).
14	F. October 15, 2014	Deadline for discovery and dispositive motions.
15	G. November 21, 2014	Parties shall file witness lists, errata, and statement of issues.
16	H. 9:30 a.m., December 1, 2014	Prehearing conference shall convene in the East Hearing Room at the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska to mark exhibits. ⁷³

20 ⁷³If you are a person with a disability who may need a special accommodation, auxiliary aid, service, or alternative communication format in order to participate in the scheduled event, please contact Joyce McGowan at 1-907-276-6222, TTY 1-907-276-4533, toll free at 1-800-390-2782, or send your request via electronic mail to rca.mail@alaska.gov, at least three business days before the scheduled event to make the necessary arrangements.

24 Any party wishing to appear telephonically at the scheduled event must advise us in advance and provide a telephone number where it may be reached for that appearance.

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	Date	Procedural Matter
I.	Immediately following the prehearing conference, December 1-5, 2014	Evidentiary hearing shall convene in the East Hearing Room at the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska. ⁷⁴

Consumer Input Hearing

We schedule a consumer input hearing to convene at 6 p.m. on April 30, 2014, in Haines, Skagway, and Anchorage. The consumer input hearing in Haines will convene at the Borough Assembly Chambers located at 213 Haines Highway, Haines, Alaska. In Skagway, the consumer input hearing will convene, at the same time, at the Assembly Chambers located at City Hall, 700 Spring Street, Skagway, Alaska. In Anchorage, the consumer input hearing will convene in the East Hearing Room of the Regulatory Commission of Alaska at 701 West Eighth Avenue, Suite 300, Anchorage, Alaska. The Haines, Skagway, and Anchorage locations will be linked telephonically. The assigned administrative law judge, or at the convenience of the commission another administrative law judge, and any attending commissioners will hear public comment from interested persons starting promptly at 6 p.m. The consumer input hearing will adjourn at 9 p.m. or when comments of all attendees wishing to speak are received. Participants should limit comments to 10 minutes. APC shall have a representative present in Haines to explain the filings in this proceeding and answer questions posed by hearing participants.

⁷⁴ *Id.*

1 Extending Suspension Periods

2 TA835-2 was initially suspended into this docket for further investigation
3 until July 13, 2014.⁷⁵ TA836-2 was initially suspended into this docket for further
4 investigation until July 30, 2014.⁷⁶ To accommodate the procedural schedule, we find
5 good cause to extend the suspension periods of TA835-2 and TA836-2 until
6 February 20, 2015, so that the end of the suspension periods coincides with the final
7 order timeline.

8 ORDER

9 THE COMMISSION FURTHER ORDERS:

10 1. The *Municipality of Skagway Petition to Intervene*, filed February 12,
11 2014, is granted.

12 2. The *Petition to Intervene from the City of Craig, City of Coffman Cove,*
13 *and City of Thorne Bay*, filed February 12, 2014, is granted.

14 3. The *Haines Borough's Petition to Intervene*, filed February 12, 2014, is
15 granted.

16 4. The *Request to Participate and Intervene*, filed February 10, 2014, by
17 Mary Francis DeHart is denied.

18 5. The *Attorney General's Motion for Adoption of a Procedural Schedule*
19 *and to Extend Statutory Deadline*, filed March 7, 2014, is denied.

20 6. The *Alaska Power Company's Motion to Adopt Procedural Schedule,*
21 *filed March 7, 2014, is denied.*

22
23 ⁷⁵Order U-14-002(1) at 5.

24 ⁷⁶Order U-14-002(2), *Order Suspending TA836-2, Approving Interim and*
25 *Refundable Surcharges, Rates and PCE Levels, Approving Tariff Sheets, and*
26 *Amending Docket Title*, dated January 30, 2014, at 3.

1 7. The procedural schedule set forth in the body of this order is
2 established.

3 8. A consumer input hearing⁷⁷ is scheduled to convene at 6 p.m. on
4 April 30, 2014, in Haines, Skagway, and Anchorage. In Haines, the consumer input
5 hearing will convene at the Borough Assembly Chambers located at 213 Haines
6 Highway, Haines, Alaska. In Skagway, the consumer input hearing will convene at the
7 Assembly Chambers located at City Hall, 700 Spring Street, Skagway, Alaska. In
8 Anchorage, the consumer input hearing will convene in the East Hearing Room of the
9 Regulatory Commission of Alaska at 701 West Eighth Avenue, Suite 300, Anchorage,
10 Alaska.

11 9. The suspension period of the Alaska Power Company tariff revision
12 designated as TA835-2, filed November 27, 2013, is extended until February 20, 2015.
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16 ⁷⁷If you are a person with a disability who may need a special accommodation,
17 auxiliary aid, service, or alternative communication format in order to participate in the
18 scheduled event, please contact Joyce McGowan at 1-907-276-6222,
19 TTY 1-907-276-4533, toll free at 1-800-390-2782, or send your request via electronic
20 mail to rca.mail@alaska.gov, at least three business days before the scheduled event to
21 make the necessary arrangements.
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25 us in advance and provide a telephone number where the person may be reached for
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10. The suspension period of the Alaska Power Company tariff revision designated as TA836-2, filed December 16, 2013, is extended until February 20, 2015. DATED AND EFFECTIVE at Anchorage, Alaska, this 3rd day of April, 2014.

BY DIRECTION OF THE COMMISSION



Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533