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STATE OF ALASKA THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert A. Doyle, Chairman
John Espindola
Keith Kurber II
Robert M. Pickett
Janis W. Wilson

In the Matter of the Tariff Revision Designated as)
TA544-8 Filed by CHUGACH ELECTRIC)
ASSOCIATION, INC.

In the Matter of the Tariff Revision Designated as)
TA422-121 Filed by CHUGACH ELECTRIC)
ASSOCIATION, INC.

U-23-047

U-23-047

U-23-048

U-23-048

ORDER ACCEPTING ENSTAR'S SUR-REPLY, DENYING MOTION FOR EXPEDITED CONSIDERATION AS MOOT, AND DENYING RENEWABLE ENERGY ALASKA PROJECT'S MOTION TO COMPEL AND FOR SCHEDULING MODIFICATION

BY ADMINISTRATIVE LAW JUDGE NOLAN S. OLIVER:

Summary

I accept ENSTAR Natural Gas Company, LLC's (ENSTAR) Sur-reply. I deny Renewable Energy Alaska Project's (REAP) motion for expedited consideration as moot. I deny REAP's motion to compel discovery and to modify the procedural schedule.

Background

On December 18, 2023, REAP served its second set of discovery requests on Chugach Electric Association, Inc. (Chugach) seeking information on various usage data by Chugach customers on a per meter basis.¹ On December 22, 2023, Chugach,

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¹Renewable Energy Alaska Project's Motion to Compel and for Scheduling Modification, filed January 29, 2024 (REAP's Motion), Exhibit 4.

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REAP, and the Attorney General, Regulatory Affairs & Public Advocacy Section (RAPA) met to discuss the discovery request. On December 28, 2023, Chuqach objected to the request on various grounds. Chugach also stated that it was "verifying whether and how it can provide the requested data, and will supplement this response." On January 22, 2024, Chugach filed a supplemental response objecting to REAP's second set of discovery requests on various grounds.³

On January 29, 2024, REAP filed a motion to compel Chugach to produce substantive discovery requests submitted by REAP.4 REAP also requests that the procedural schedule be modified to allow REAP time to utilize the discovery.⁵ REAP filed a motion for expedited consideration, asking the Commission to issue a decision on REAP's Motion by February 13, 2024.6

On January 31, 2024, RAPA filed a response to REAP's Motion stating that, if the Commission were to grant the motion, the extended deadline for responsive testimony should be provided to all parties.⁷

On February 5, 2024, Chugach, ENSTAR, and Matanuska Electric Association, Inc. (MEA) filed oppositions to REAP's Motion.⁸ On February 6, 2024,

²REAP's Motion, Exhibit 5.

³REAP's Motion, Exhibit 6.

⁴REAP's Motion.

⁵REAP's Motion at 1.

⁶Motion for Expedited Consideration of REAP's Motion to Compel and for Scheduling Modification, filed January 29, 2024 (Motion for Expedited Consideration).

⁷Office of the Attorney General's Response to Renewable Energy Alaska Proiect's Motion for a Scheduling Modification, filed January 31, 2024.

⁸Chugach Electric Association, Inc.'s Opposition to Reap's Motion to Compel Discovery, filed February 5, 2024 (Chugach's Opposition); Opposition to Renewable Energy Alaska Project's Motion to Compel and for Scheduling Modification (ENSTAR'S Opposition), filed February 5, 2024; Matanuska Electric Association, Inc.'s Opposition to Renewable Energy Alaska Project's Motion to Compel, filed February 5, 2024 (MEA's Opposition).

Golden Valley Electric Association, Inc. filed a joinder to all three of the oppositions. 9 On February 7, 2024, Homer Electric Association, Inc. filed a joinder to all three oppositions.¹⁰ 2 On February 8, 2024, the City of Seward d/b/a Seward Electric Services filed a joinder to 3 all three oppositions. 11 4 On February 7, 2024, REAP filed a response to the oppositions to REAP's 5 Motion. 12 On February 9, 2024, ENSTAR filed a sur-reply to REAP's Response. 13 REAP 6 filed a non-opposition to ENSTAR's Sur-reply. 14 7 Discussion 8

ENSTAR's Sur-reply

Motions for leave to file reply or other pleadings not specifically authorized are considered on a case-by-case basis to determine if there is a good cause to allow a reply. 15 Due to the additional detail provided by ENSTAR and REAP's non-opposition to it, I find there is good cause to allow a reply and accept ENSTAR's Sur-reply.

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⁹Golden Valley Electric Association, Inc.'s Joinder in Matanuska Electric Association. Inc's Opposition to Renewable Energy Alaska Project's Motion to Compel. ENSTAR's Opposition to Renewable Energy Alaska Project's Motion to Compel and for Scheduling Modifications, and Chugach Electric Association, Inc's Opposition to Reap's Motion to Compel Discovery, filed February 5, 2024.

¹⁰Joinder of Homer Electric Association, Inc. in MEA, CEA, and ENSTAR Oppositions to REAP Motion to Compel, filed February 7, 2024.

¹¹Joinder of Seward Electric Services in Opposition to REAP Motion to Compel, filed February 8, 2024.

¹²REAP's Response to Opposition to its Motion to Compel and for Scheduling Modification, filed February 7, 2024 (REAP's Response).

¹³ENSTAR's Request to Accept Sur-reply and Sur-reply to REAP's Response to Opposition to its Motion to Compel and for Scheduling Modification, filed February 9, 2024 (ENSTAR's Sur-reply).

¹⁴REAP'S Non-opposition to ENSTAR's Motion to Accept Sur-reply, filed February 12, 2024 (REAP'S Non-Opposition).

¹⁵Order U-18-024(13), Order Granting Motion to Strike, Granting in Part Petition for Confidential Treatment, and Requiring Filing, dated October 15, 2018.

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Motion for Expedited Consideration

REAP filed a motion asking for expedited consideration of REAP's Motion, requesting that the Commission issue a decision to REAP's Motion by February 13, 2024. 16 I was not able to meet the date requested by REAP. Therefore, the request for expedited consideration is moot. The request is denied.

Legal Standard

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All relevant evidence which, in the opinion of the presiding officer, is the best evidence reasonably obtainable, with due regard to its necessity, availability, and trustworthiness, is admissible. 17 A party may obtain discovery from another party regarding any matter, not privileged, that is relevant to the subject matter of the proceeding, if the matter is admissible in evidence or appears reasonably calculated to lead to the discovery of admissible evidence. 18 Discovery may be limited if the burden and expense of the requested discovery outweighs its likely benefit. 19

The Commission must have a full and adequate record on which to make a decision in any docket. In order to accomplish that goal, the Commission needs the free and open exchange of information during the discovery process. Although the formal Rules of Civil Procedure do not govern the Commission, it looks to those principles in decisions regarding discovery disputes.²⁰

¹⁶Motion for Expedited Consideration.

¹⁷3 AAC 48.154(a).

¹⁸3 AAC 48.141.

¹⁹3 AAC 48.141.

²⁰3 AAC 48.154(a); Order U-06-002(6), Order Granting the Attorney General's Motion to Compel Production, Denying Request for Oral Testimony, Finding Moot the Motion for Decision, Holding in Abeyance Walker's Motions to Compel and for Sanctions, Granting Unopposed Motion to Extend Statutory Timeline, and Affirming Bench Ruling Adopting Proposed Procedural Schedule, dated May 25, 2006.

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REAP's Motion

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REAP seeks from Chugach: 1) the service addresses including ZIP codes of its accounts or meters, 2) monthly kilowatt-hour consumption totals by account or meter for the test year, 3) applicable tariff numbers for each account, 4) monthly coincident peak data by account or meter for the test year, 5) monthly non-coincident peak data by account or meter for the test year, and 6) applicable customer charges for the test year.²¹ REAP states that it is "highly likely that it will be necessary to create a new customer class and/or establish non-flat rates in one or more customer classes" and that the information it is requesting will be necessary for a rate redesign.²² In support of the position that a new customer class is highly likely, REAP attached the affidavit of Dr. Antony Scott. Dr. Scott states that since the proposed rates between the two service territories do not closely match, "it is a matter of algebra that the twin requirements in the acquisition order...all but require the creation of a new customer class, establishing non-flat rates within one or more customer classes, or both."²³

REAP states that this information is commonly available to intervenors in rate cases in other jurisdictions and is commonly used in rate design.²⁴ As such, REAP states that the information is well within the scope of discovery.²⁵

Chugach's Opposition

Chugach argues that REAP's Motion should be denied.²⁶ Chugach states that it has already produced extensive hourly load data by district and rate class.²⁷

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²¹REAP's Motion, Exhibit 4 at 7-9.

²²REAP's Motion at 12.

²³REAP's Motion, Exhibit 3 at 2.

²⁴REAP's Motion at 10-11.

²⁵REAP's Motion at 10.

²⁶Chugach's Opposition at 1.

²⁷Chugach's Opposition at 1.

Chugach states that it has already provided an Excel file containing Chugach load data by district and rate class for every hour of every day between April 1, 2022, through March 31, 2023.²⁸ Chugach states that this is the format in which the data actually exists and was the data used by Chugach in developing the proposed rates.²⁹

Chugach states that REAP's request would require Chugach to conduct extensive new analyses to further disaggregate rate class data down to the level of every service address for every one of Chugach's 113,000 meters. Ohugach asserts that it is not obligated to create datasets in response to a discovery request. Chugach maintains that to comply with REAP's request would require Chugach to spend thousands of dollars and more than 140 hours of employee and consultant time and resources. Chugach argues that REAP's request is unduly burdensome because aggregated customer usage data has already been provided to the parties.

ENSTAR's Opposition

ENSTAR argues that REAP's Motion should be denied as it seeks information outside the allowable scope of discovery under 3 AAC 48.154.³⁴ Further, ENSTAR states that the cases REAP uses to support its argument are misplaced.³⁵ ENSTAR states that the cited Michigan settlement contains the express condition that it cannot be referenced in any way as a precedent.³⁶ ENSTAR also argues that the

²⁸Chugach's Opposition at 3.

²⁹Chugach's Opposition at 3.

³⁰Chugach's Opposition at 3.

³¹Chugach's Opposition at 5.

³²Chugach's Opposition at 12.

³³Chugach's Opposition at 12.

³⁴ENSTAR's Opposition at 3.

³⁵ENSTAR's Opposition at 3.

³⁶ENSTAR's Opposition at 4.

Commission should protect granular information about non-party customers from disclosure without those customers' consent or waiver. 37

MEA's Opposition

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MEA argues that REAP's Motion is baseless and irrelevant. 38 MEA states that REAP's only purported basis for the requested information is Dr. Scott's assertion that creating a new customer class or non-flat rate requires the information.³⁹ MEA states that this is an "incredibly vague and unfounded basis" for the requested information. 40 MEA notes that there is no discussion provided by REAP why aggregated anonymous data cannot be used for the rate design REAP thinks it would need to propound.41

MEA continues that REAP fails to show that the requested information is relevant to the matter at issue. 42 MEA argues that REAP's claim of relevance is Dr. Scott's statement regarding "algebra" and provides no basis for the Commission to find that the personal data is relevant to this matter as opposed to aggregated anonymous information compiled by group or category. 43 MEA also asserts that the information REAP requests would not be admissible, and therefore is outside the scope of discovery.44

³⁷ENSTAR's Opposition at 6.

³⁸MEA's Opposition at 4.

³⁹MEA's Opposition at 3-4.

⁴⁰MEA's Opposition at 4.

⁴¹MEA's Opposition at 4.

⁴²MEA's Opposition at 5-6.

⁴³MEA's Opposition at 5.

⁴⁴MEA's Opposition at 6.

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REAP's Reply

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REAP argues that its intent to offer a proposed rate design is squarely within the scope of this proceeding.⁴⁵ REAP states that RCA regulations contemplate that intervening parties may propose alternative rate designs and cites to 3 AAC 48.550(a), which states:

"[T]he [C]ommission will, in its discretion, consider requests to increase or decrease the fixed charge when the electric utility or any other party submits to the commission appropriate justification and analysis which relates to its pricing objectives."

REAP states that since it signaled in its petition to intervene that it intended to propose "innovative rate structures" and that the Commission accepted its intervention, REAP has the right to make proposals for an improved rate design to the Commission.⁴⁶

REAP notes that third party analysts have previously been provided with disaggregated Alaska customer usage data, citing two instances of ENSTAR doing so.⁴⁷ In the first, REAP states that ENSTAR provided the GasDay Project with 24 million individual meter reading records spanning from 1996 to 2014. In the second, REAP states that ENSTAR provided university research including specific information for each customer, including personally identifiable data.⁴⁸ REAP states that a similar confidentiality agreement to those used by ENSTAR would be sufficient to provide REAP with the requested data.49

⁴⁵REAP's Response at 7.

⁴⁶REAP's Response at 8.

⁴⁷REAP's Response at 5.

⁴⁸REAP's Response at 5.

⁴⁹REAP's Response at 6.

REAP states that any delay in the proceedings is attributable to Chugach.⁵⁰ REAP states that it first sent its discovery requests on November 20, 2023, twelve days after REAP was allowed to intervene.⁵¹ REAP states that Chugach has not made any attempt to provide a partial response to its request and took until January 22, 2024, to object to each subpart of its requested data set.⁵²

REAP argues that Chugach has not established that the requested production involves an undue burden.⁵³ REAP states that Chugach has not provided sufficient detail as to its estimate of "more than 140 hours of labor" and fails to provide how many employees or consultants would be engaged in the work and how many days it would take to produce the data.⁵⁴ REAP states that it is very likely that Chugach will need to perform the work at some point given the board's directive to investigate rate designs over the next year and a half.⁵⁵

ENSTAR's Sur-reply

ENSTAR states that both instances cited by REAP are distinguishable.⁵⁶ ENSTAR states that REAP's reference to ENSTAR's relationship with the GasDay Project is not comparable to REAP's instant request as ENSTAR spent months developing data accumulation and reports to provide the GasDay Project with the necessary information while protecting customer information.⁵⁷ ENSTAR states that the information provided to

⁵⁰REAP's Response at 9.

⁵¹REAP"s Response at 10.

⁵²REAP's Response at 10-11.

⁵³REAP's Response at 11.

⁵⁴REAP's Response at 11.

⁵⁵REAP's Response at 12.

⁵⁶ENSTAR's Sur-reply at 1-2.

⁵⁷ENSTAR's Sur-reply at 2.

the Alaska Center for Energy and Power required similar amounts of effort as those of the GasDay Project.⁵⁸

Denying REAP's Motion

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I find that REAP has not sufficiently articulated the benefit that its rate design will provide beyond being an alternative proposal. REAP has not adequately explained the need for the requested data beyond that it is required for a rate structure that REAP wishes to propose. I find that REAP has not sufficiently articulated why non-flat rate structure is necessary. REAP also states that its experts estimate it would take a minimum of seven weeks to perform the necessary analysis on the data requested in REAP's Motion which would unduly delay these proceedings.⁵⁹

Weighted against REAP's Motion, Chugach states that REAP's request would require Chugach to conduct extensive new analyses to further disaggregate rate class data down to the level of every service address for every one of Chugach's 113,000 meters. 60 Chugach states that to comply with REAP's request would require Chugach to spend thousands of dollars and more than 140 hours of employee and consultant time and resources. 61 REAP does not directly dispute Chugach's estimated time and expense but states only that Chugach's estimate contains insufficient detail.

I find that the burden and expense of the requested discovery outweighs its likely benefit. I further find that granting the motion would unduly delay these proceedings. Therefore, I deny REAP's request to compel discovery. Accordingly, I also deny REAP's request for schedule modification.

⁵⁸ENSTAR's Sur-reply at 2-3.

⁵⁹REAP's Motion at 16.

⁶⁰Chugach's Opposition at 3.

⁶¹Chugach's Opposition at 12.

Parties are aware of the procedural schedule and time constraint in these proceedings. This order provides the opportunity to remind parties that they are expected to respond to discovery requests within the time specified in our regulations⁶² by either objecting to a discovering party's request or providing the information requested. A party should not delay the filing of a motion concerning discovery by implying that it might provide the information at a later date. The only acceptable delay in filing a motion concerning discovery (either a motion by the responding party for an order limiting discovery or a motion by the requesting party to compel discovery) is the time it takes for the affected parties to confer in good faith to resolve the dispute.⁶³ Given the established procedural schedule, the time taken by Chugach and REAP to confer in good faith to resolve the dispute should have been numbered in days, not weeks.

ORDER

THE ADMINISTRATIVE LAW JUDGE FURTHER ORDERS:

- 1. ENSTAR's Request to Accept Sur-reply and Sur-reply to REAP's Response to Opposition to its Motion to Compel and for Scheduling Modification, filed February 9, 2024, by ENSTAR Natural Gas Company, LLC is accepted.
- 2. The Motion for Expedited Consideration of REAP's Motion to Compel and for Scheduling Modification, filed January 29, 2024, by Renewable Energy Alaska Project is denied as moot.

⁶²³ AAC 48.144(b).

⁶³³ AAC 48.144(d).

3. The Renewable Energy Alaska Project's Motion to Compel and for Scheduling Modification, filed January 29, 2024, by Renewable Energy Alaska Project is denied.

DATED AND EFFECTIVE at Anchorage, Alaska, this 26th day of February 2024.

Nolan S. Oliver

Administrative Law Judge

