

1 developed in PSE's 2004 GRC in response to customers with large loads that are
2 either typically in a campus configuration or share a distribution feeder with other
3 customers. The rate first became effective on March 17, 2005 and was voluntary
4 until the GRC following the third anniversary of that date. This rate is ~~not~~now
5 mandatory for those customers that qualify. The rate requires a cost study to be
6 performed by PSE to establish a customer-specific distribution charge, and
7 customers can only be added or removed in a GRC.

8 **Q. Has PSE identified any customers that should be added to Schedule 40 in this**
9 **case?**

10 A. Yes. As noted above, Schedule 40 is now mandatory once a qualifying customer
11 has been identified and approved for Schedule 40 service in a general rate case.
12 There are two additional customers who now qualify for this rate. These
13 customers have been included in Schedule 40.

14 **Q. Has PSE identified any customers that should be removed from Schedule 40**
15 **in this case?**

16 A. Yes. There is one customer who no longer qualifies for this rate. This customer
17 has been proformed out of the calculation of Schedule 40 rates in this case and
18 proformed into the appropriate alternative rate schedules.

19 **Q. Please summarize the rate design for Schedule 40.**

20 A. Rates for Schedule 40 are calculated using the same calculated rate methodology
21 used in PSE's 2009 GRC. Schedule 40 has customer-specific distribution rates