BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket Nos. UE-060256

WUTC v. CASCADE

RESPONSE OF PUBLIC COUNSEL TO STAFF DATA REQUESTS

Request No:	44
Directed to:	Judith Krebs
Date Received:	August 21, 2006
Date Produced:	September 6, 2006
Prepared by:	Jim Lazar
Witnesses:	Jim Lazar

WUTC STAFF DATA REQUEST NO. 44

Re: Witness Jim Lazar

Please provide all embedded cost studies done by Mr. Lazar that show the revenue-to-cost ratio of residential heating customers on the Cascade system, done on the same basis as Mr. Dickey's study but with the effect of the inverted block revenues from his rate design proposal. Also, please provide the same studies that show the revenue-to-cost ratios for the entire residential class and the residential non-heating class with the revenues based on the proposed inverted block rate design.

RESPONSE:

Cascade does not segregate their heating customers from other customers in their cost of service study. Therefore no studies of the type requested have been performed. It would be fundamentally inappropriate to do such a study without adequate load research (which Cascade does not have) to accurately estimate the load factor differences of the different classes of customers. However, as shown in WUTC-16 Demand and Commodity.xls, the cost of service per therm for space heat usage (including both demand and commodity costs) is approximately 30% higher than the cost of service for water heat usage. This is consistent with the rate blocking proposed by Mr. Lazar.

Puget Sound Energy's electric cost of service study sometimes has been broken down by three residential subclasses; Lights & Appliances, Water Heat, and Space Heat. When this has been done, the space heating class is shown to have the highest cost of service. Cascade's study has not been broken down in this manner, and it appears that Cascade has not collected the load research necessary to do such a study.