

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

Docket Nos. UE-060256

WUTC v. CASCADE

**RESPONSE OF PUBLIC COUNSEL TO STAFF
DATA REQUESTS**

Request No: 53
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. 53

Re: Witness Jim Lazar

Referring to page 34, lines 12 to 14 of Mr. Lazar's direct testimony, the witness states that "Second, it is more efficient. By pricing incremental usage closer to the cost of providing that service, a price signal is given to customers about the cost of supplying space heating service." Please provide all incremental cost studies that Mr. Lazar has done for the Cascade territory for the test year in this proceeding. In addition, please provide all metered load studies Mr. Lazar has done that separate space heating and non-space heating use for the Cascade service territory, so the incremental usage that Mr. Lazar is referring to may be specifically documented.

RESPONSE:

See Public Counsel's response to WUTC Data Request No. 16, which shows the marginal cost of gas supply alone is approximately \$2.17 per therm under the incremental cost and price assumptions set forth therein.

Mr. Lazar requested any load research which Cascade had prepared in Public Counsel's Data Request No. 52. Cascade did not have a typical load research study, including stratified load samples, as indicated in that response.

Mr. Lazar is not proposing that space heat and non-heating usage be tariffed separately. He is proposing a more conventional inverted rate design, which roughly captures space heating consumption in the end block. This is consistent with past Commission practice for over 25 years in relation to the electric utilities it regulates.