

## PUGET SOUND POWER & LIGHT

WUTC Docket Nos. UE-920433, UE-920499, and UE-921262

### First Set of Data Requests to Federal Executive Agencies (FEA)

#### Item No. 525

Please provide the basis for the statement on Page 9, Line 13 of Mr. Knobloch's testimony that the peak credit ". . . is not a well recognized method in the utility industry."

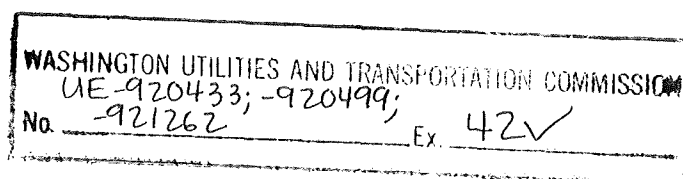
#### Response

Attached is a summary report prepared by the National Association of Regulatory Utility Commissioners (NARUC) summarizing the various demand cost allocation methods used in each state in the United States. Note that the only mention of the peak credit method is in Arizona.

Also, the consultants at Mr. Knobloch's firm (Drazen-Brubaker & Associates) regularly testify on cost of service and rate design issues in over 35 states in the United States. None of these regulatory jurisdictions approve the peak credit method for use in allocating costs in their class cost of service study. These states include Arkansas, California Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin and Wyoming.

Finally, the NARUC Cost Allocation Manual, which the Company uses as a guide in cost allocation, does not discuss the peak credit cost allocation method.

See attachment of 2 pages, following.



# 1990 ANNUAL REPORT ON UTILITY AND CARRIER REGULATION



**National Association of  
Regulatory Utility Commissioners**

**Price \$70.00**

**TABLE 152 - SEASONAL PEAKING ELECTRIC UTILITIES,  
DEMAND COST ALLOCATION METHODS USED, CUSTOMER CAN CHOOSE UTILITY**

AGENCY	Electric Utilities Display Seasonal Peaking	Which Cost Allocation Method Does Agency Use to Allocate Demand Cost Among Customer Classes: A=COINCIDENT PEAK METHOD B=AVERAGE AND EXCESS DEMAND	If Coincident Peak Method Please Describe	Are Large Commercial/Industrial Customers Allowed to Choose Retail Provider From More Than One Utility
ALABAMA PSC ALASKA PUC ARIZONA CC	Summer only Summer/Winter	Coincident Peak Demands	12-month average.	-
ARKANSAS PSC	Summer only	No firm policy; reviews results of including peak credit No firm policy; has recently used	Coincident Peak & Average and Peak methods	NO -
CALIFORNIA PUC	Summer/Winter	B		
COLORADO PUC	Summer only	B		NO
CONNECTICUT DPUC	Summer only	A and B; Other methods as needed	Four-month	NO
DELAWARE PSC	Summer only	B		NO
DC PSC	Summer only	A + 1/13th weighted average demand	12-month average + 1/13th weighted average demand	NO
FLORIDA PSC	Summer/Winter			
GEORGIA PSC	Summer only	A	Transmission - 4-mo.; Production - 12-mo aver.	YES MIN 900 kW LOAD
HAWAII PUC	Summer/Winter	A, Weighted Coincident Peak, Other	12-month average	NO
IDAHO PUC	Summer/Winter			
ILLINOIS CC	Summer only	A	12-month average	NO
INDIANA URC	Summer only	A	12-month average	NO
IOWA UB	Summer/Winter	A, B	12-month average	NO
KANSAS SCC	Summer/Winter	A, B	12-month average	NO
KENTUCKY PSC	Summer/Winter	No specified method; case by case		NO
LOUISIANA PSC	Summer/Winter	A, B	4-month	NO
MAINE PUC	Winter only	A	Combination of one-month (highest) & 4-month 4-month	NOT ADDRESSED
MARYLAND PSC	Summer/Winter	A, B		
MASSACHUSETTS DPU	Summer/Winter	Probability of dispatch		NO
MICHIGAN PSC	Summer/Winter	A	12-month average	
MINNESOTA PUC	Summer/Winter	A, B & stratification method	One-month highest	NOT GENERALLY
MISSISSIPPI PSC	Summer only	A	12-month average	NO
MISSOURI PSC	Summer/Winter	Time of Use (hourly cost alloc.)		
MONTANA PSC	Winter only	A	Highest winter and summer	
NEBRASKA PSC				
NEVADA PSC				
NEW HAMPSHIRE PUC	Winter only	A	One-month (highest)	NO
NEW JERSEY BPU	Summer only	System Planning and HCAM		NO
NEW MEXICO PSC	Summer/Winter	A, B	12-month average	NO
NEW YORK PSC	Summer/Winter	A, Energy demand % relationship, Probability of negative margin	Peak 20 hours	NO
NORTH CAROLINA UC	Summer only	A, Peak and Average	One-month highest	NO
NORTH DAKOTA PSC	Summer/Winter	A, B	12-month average	IN CITIES WHERE > 1 UTIL. HAS FRANCHISE
OHIO PUC	Summer only	A, B, Non-Coincident Peak	12-month average	NO
OKLAHOMA CC	Summer only	A, B	One-month highest	NO
OREGON PUC	Summer/Winter	A	One-Month highest	NO
PENNSYLVANIA PUC	Summer/Winter	B, Multiple Coincident Peaks		NO
RHODE ISLAND PUC				
SOUTH CAROLINA PSC	Summer/Winter	A, B	12-month average	NO
SOUTH DAKOTA PUC	Winter only	A	12-month average	NO
TENNESSEE PSC				
TEXAS PUC				
UTAH PSC	Winter only	A		YES, ON BORDERS
VERMONT PSB				
VIRGINIA SCC	Summer/Winter	A, B	12-month average	
WASHINGTON UTC	Winter only	A	One-month highest	NO
WEST VIRGINIA PSC				
WISCONSIN PSC				
WYOMING PSC	Summer/Winter	B		NO
NATL ENERGY BOARD				
ALBERTA PUB	Winter only	A	12-month aver., weighted	NO
BRITISH COL. UC	Winter only	1st-ever rate design for BC Hydro scheduled for later in 1991		NO