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."

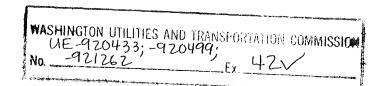
Response

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

Electric Utilities Display AGENCY Seasonal Peaking B=AVERAGE AND EXCESS DEMAND ALABAMA PSC ALASKA PUC ARIZONA CC Summer only No firm policy; reviews results of several alternatives, including peak credit No firm policy; has recently used Coincident Peak & Average and Peak methods CALIFORNIA PUC COLORADO PUC CONNECTICUT DPUC DELAMARE PSC Summer only B Summer only A and B; Other methods as needed Four-month NO	arge Commer- Industrial mmers Allowed moose Retail der From More One Utility
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KENTUCKY PSC Summer/Winter No specified method; case by case LOUISIANA PSC Summer/Winter A, B 4-month NO	
LOUISIANA PSC Summer/Winter A, B 4-month NO	
MAINE PUC Winter only A Combination of one-month NOT A	ADDRESSED
	DUKESSED
(highest) & 4-month	
MARYLAND PSC Summer/Winter A, B 4-month	
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 G	GENERALLY
MISSISSIPPI PSC Summer only A 12-month average NO	
MISSOURI PSC Summer/Winter Time of Use (hourly cost alloc.) NO	
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, Peak 20 hours NO	
Probability of negative margin	
	1
	ITIES WHERE > 1
	<u>. HAS FRANCHISE</u>
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	
SOUTH DAKOTA PUC Summer/Winter A , B 12-month average NO	
TENNESSEE PSC Winter only A 12-month average NO	
TEXAS PUC	
	ON BORDERS
VERMONT PSB	
WASHINGTON UTC Winter only A One-month highest NO	
WEST VIRGINIA PSC	
WISCONSIN PSC	
WYOMING PSC Summer/Winter B NO	
INAII ENERGT KOARI)	V
NATL ENERGY BOARD	
ALBERTA PUB Winter only A 12-month aver., weighted NO	190-20
	1900