

DIRECT TESTIMONY

of

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Illinois Commerce Commission

Approval of Delivery Services Tariffs and
Delivery Services Implementation Plans

Illinois Power Company

Docket No. 01-0432

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Introduction

Q. Please state your name and business address.

A. My name is Peter Lazare. My business address is 527 East Capitol Avenue, P.O. Box 19280, Springfield, Illinois 62794-9280.

Q. What is your present position?

A. I am a Senior Economic Analyst with the Illinois Commerce Commission (“Commission”). I work in the Financial Analysis Division on rate design and cost-of-service issues.

Q. What is your experience in the regulatory field?

A. My experience includes nine years of employment at the Commission where I have provided testimony and performed related ratemaking tasks. My testimony has addressed cost-of-service, rate design, load forecasting and demand-side management issues that concern both electric and gas utilities.

Previously, I served as a Research Associate with the Tellus Institute, an energy and environmental consulting firm in Boston, Massachusetts. I also spent two years with the Minnesota Department of Public Service as a Senior Rate Analyst, addressing rate design issues and evaluating utility-sponsored energy conservation programs.

24

25 Q. Please discuss your educational background.

26 A. I received a B.A. in Economics and History from the University of
27 Wisconsin and an M.A. in Economics from the University of Illinois at
28 Springfield in 1996.

29

30 Q. What is the focus of your testimony in this case?

31 A. I focus on two areas: (1) The functional allocation of General and
32 Intangible Plant and Administrative and General (A&G) accounts to
33 distribution; and (2) the general design of delivery services rates for Illinois
34 Power Company.

35

36 General and Intangible Plant and A&G Accounts

37

38 Q. What is the context for the discussion of the functionalization of General
39 and Intangible Plant and A&G expenses to distribution?

40 A. The context is the Commission's order in IP's previous delivery services
41 case, Docket No. 99-0134. In that case IP proposed to functionalize costs
42 between the generation, transmission and distribution functions on the
43 basis of a detailed study of system costs. However, the Commission
44 rejected the Company's approach in favor of a general labor allocator for
45 allocating these costs to the distribution function. With respect to General

46 Plant, the Commission stated as follows:

47

48 The Commission concludes that IIEC's proposed labor allocator for
49 general plant is reasonable and should be approved. A labor
50 allocator has been commonly utilized for allocation of general plant.
51 The adoption of the labor allocator is particularly appropriate in light
52 of the problems associated with IP's Asset Separation Study. The
53 Commission agrees with IIEC's position that costs associated with
54 general plant may not be amenable to direct assignment to a
55 particular function. Also, both IIEC and Staff have presented
56 testimony that there was insufficient time to adequately review the
57 voluminous Asset Separation Study. Order 99-0120/99-0134, p.
58 16.

59

60 The Commission reached a parallel conclusion with respect to A&G
61 expenses, approving a labor allocator as follows:

62

63 The Commission concludes that IIEC's proposed labor allocator for
64 A&G expenses is reasonable and should be approved. A labor
65 allocator has been commonly utilized for allocation of A&G
66 expenses. The Commission agrees with IIEC that costs associated
67 with A&G expenses may not be amenable to direct assignment.

68 Also, indicated that the compressed schedule in this proceeding did
69 not provide adequate time for review of IP's A&G study. The
70 adoption of the labor allocator for A&G expenses is consistent with
71 the Commission's determination heretofore that the labor allocator
72 should be approved for general plant. Order 99-0120/99-0134, p.
73 30.

74

75 Q. Does IP propose a functional methodology in this case which it purports to
76 be consistent with the Commission Order in Docket No. 99-0134?

77 A. Yes. IP claims that its proposal is consistent with the Commission's
78 previous order. That proposal allocates General and Intangible plant and
79 A&G accounts between the transmission and distribution functions on the
80 basis of a labor allocator. According to Company witness, Peggy Carter:

81

82 An allocation of the General and Intangible Plant was first made to
83 the gas business, and the remaining assets were then allocated to
84 the electric distribution business employing labor allocators. This
85 allocation methodology is consistent with the methodology adopted
86 in the Commission's Order in the Company's 1999 DST case. IP
87 Ex. 1.1, p. 5.

88

89 Ms. Carter explains the Company's proposed functional allocation of A&G

90 expenses in similar terms:

91

92 The electric A&G expenses were functionalized employing a T&D
93 labor allocator. The calculation of the labor allocators is shown on
94 IP Exhibit 1.4. This methodology was adopted by the Commission
95 in the Company's 1999 DST case. IP Ex. 1.1, pp. 16-17.

96

97 Q. Has IP included generation in its proposed functional allocation process
98 for General and Intangible Plant and A&G expenses?

99 A. No, it has not.

100

101 Q. Why has IP excluded generation costs from the functional allocation
102 process?

103 A. IP appears to have relied on two events as the basis for its justification for
104 its exclusion of generation costs from the General and Intangible Plant
105 and A&G expense allocation process. One was the sale of the Clinton
106 nuclear power plant. The second was the spin-off of the Company's other
107 generation units to an unregulated subsidiary. IP apparently used the
108 divestiture of generation as an excuse for removing General and
109 Intangible Plant and A&G expenses from the regulated utility as it saw fit.

110

111 Q. Has IP's removal of generation from the allocation process provided the
112 foundation for a disproportionate increase in General and Intangible Plant
113 and A&G allocated to the distribution function?

114 A. Yes, the end-result is a disproportionate increase in both General and
115 Intangible Plant and A&G over the levels approved by the Commission in
116 Docket No. 99-0134. In that docket, the Commission approved a total of
117 \$109,978,000 in General and Intangible Plant. IP proposes that be
118 increased to \$275,529,000 in this case. That represents an increase of
119 \$165,551,000 or 151% over the Commission-approved level in Docket No.
120 99-0134. With respect to A&G expenses, the Commission approved a
121 total of \$23,860,000 in Docket No. 99-0134. In this docket, IP proposes
122 an increase of \$23,281,000 or 98% to \$47,141,000.

123

124 Q. What do you conclude about IP's proposal for allocating General and
125 Intangible Plant and A&G to the distribution function in this proceeding?

126 A. It is clearly deficient in a number of respects.

127

128 Q. What is the first problem with the Company's method of removing the
129 generation component of General and Intangible Plant and A&G
130 accounts?

131 A. The first problem is that IP has failed to explain how these costs were
132 removed from the regulated utility. IP has simply presented the applicable

133 amounts for the regulated transmission and distribution utility without
134 providing any accompanying support for how the generation component
135 was removed from these accounts. The lack of support makes it difficult
136 for the Commission to determine the reasonableness of IP's proposed
137 method of removing the generation component from these accounts.

138

139 Q. Despite this lack of information, can any conclusions be drawn about IP's
140 method of removing generation-related General and Intangible Plant and
141 A&G accounts from the revenue requirement?

142 A. Yes, the evidence indicates that IP did not follow the Commission's
143 method in Docket No. 99-0134 for removing the generation component
144 from General and Intangible Plant and A&G accounts. In that docket, the
145 largest allocation of General and Intangible Plant and A&G accounts went
146 to generation, with distribution receiving a much smaller share. In the
147 current case, the allocation of these accounts to distribution has risen
148 precipitously, which suggests that IP has deviated from the Commission's
149 approach for removing the generation component of these costs from the
150 revenue requirement.

151

152 Q. Has IP provided any explanation for apparently diverging from the
153 Commission Order in Docket No. 99-0134 with respect to generation?

154 A. No, it has not. Instead, IP focuses its discussion on the functionalization
155 of transmission and distribution. IP concludes that it has followed the

156 Commission Order in Docket No. 99-0134 by using a labor allocator to
157 allocate between these two functions.

158

159 Q. How do you assess this argument by IP?

160 A. This argument is notable in two respects. First, by seeking to align its
161 proposal with the Commission's conclusion in Docket No. 99-0134, IP
162 acknowledges the legitimacy of the labor allocator for functionalization in
163 this proceeding. If the Company had considered the labor allocator
164 inappropriate, it would have used an alternative approach.

165

166 However, having proclaimed the labor allocator to be a worthy objective,
167 IP then proposes an approach that clearly falls short of this goal. In
168 Docket No. 99-0134, the Commission applied the labor allocator not just to
169 transmission and distribution but to generation as well and under that
170 approach generation received the largest allocation of General and
171 Intangible and A&G accounts. By apparently excluding generation from
172 the labor allocation, IP undermines its purpose and value. Furthermore,
173 the Company compounds the problem by failing to explain to the
174 Commission why the allocator should be selectively applied.

175

176 Q. How does IP's approach compare to the use of the labor allocator by
177 Ameren in its current delivery service case (Docket No. 00-0802)?

178 A. IP falls short of Ameren's proposal for a labor allocator not just for

179 transmission and distribution, but for generation as well in order to be
180 consistent with the Commission's orders in the first round of delivery
181 services dockets. If the Commission acceded to IP's proposal in this
182 case, then it would be applying a double standard for utilities that favored
183 those utilities that disregard Commission opinions over utilities that adhere
184 to those opinions. That would be a dangerous precedent indeed.

185

186 Q. Does IP's selective use of the labor allocator create a consistency issue
187 for the allocation of General and Intangible Plant and A&G accounts to
188 generation, transmission and distribution?

189 A. Yes. If IP considers a labor allocator appropriate for separating out
190 transmission-related costs, the question arises why the Company should
191 find the allocator inappropriate for generation-related costs. IP fails to
192 explain why it apparently considers generation to be unique from the
193 standpoint of separating costs.

194

195 Q. Does the Company's proposed approach for General and Intangible Plant
196 and A&G accounts raise any credibility issues with respect to IP's
197 divestiture of generation plant?

198 A. Yes, it calls into question assurances IP made concerning the impact its
199 divestiture of generation plant would have on both rates and competition in
200 the electricity market.

201

202 In the process of spinning off its generation to an unregulated affiliated
203 subsidiary, the Company indicated that there would be no deleterious
204 impact on electric customers. Company witness Dreyer had this to say on
205 the subject in Docket No. 99-0209:

206
207 Illinois Power's electric customers will see no difference in the level
208 or quality of service they receive, nor will the price they pay
209 increase as a result of the transfer to WESCO...The transaction will
210 be transparent to customers. IP Ex. 1.1, p. 8.

211
212 However, the Company's proposals with respect to common costs shows
213 this not to be the case. By dividing up common costs during the course of
214 spinning off generation, IP has shifted a considerable sum of common
215 costs to the regulated utility. This not only saddles delivery services
216 customers with potentially higher rates in the current proceeding, but it is
217 also laying the foundation for higher rates for all electric customers when
218 their bundled rates are updated to reflect the common costs calculated for
219 the newly constituted IP.

220
221 In addition, IP implied that the generation divestiture would be a boon to
222 competition. Mr. Dreyer had this to say in a July 8 PRNewswire about
223 how divestiture would impact competition in response to the Commission's

224 approval of the proposed divestiture:

225

226 “This new subsidiary will provide the flexibility we need to be
227 competitive in the rapidly changing energy industry,” said Alec G.
228 Dreyer senior vice president of Illinova and Illinois Power and
229 president of Illinova Generating Company. “The ICC’s decision
230 affirms our strategy and helps keep Illinois at the front of the
231 movement to bring the benefits of competition to energy
232 consumers.”

233

234 The problem is that IP’s words and actions are not consistent on the
235 competition front. When it comes to the disposition of common costs in
236 the divestiture process, IP’s actions weaken, rather than strengthen,
237 competition. By shifting a considerable sum of common costs to the
238 regulated utility, the Company lays the groundwork for delivery services
239 rates to rise relative to bundled rates. This clearly makes delivery services
240 a less attractive alternative to bundled service for IP customers and
241 thereby undermines the competitiveness of the electricity market.

242 However, Mr. Dreyer is certainly right in claiming that these changes will
243 enable IP “to be competitive in the rapidly changing energy industry”. By
244 driving up the cost of delivery services alternatives, IP makes its affiliates
245 more competitive at the expense of others.

246

247 Q. Does the divestiture of generation in and of itself justify wholesale
248 changes in the allocation of General and Intangible Plant and A&G
249 accounts?

250 Q. Not necessarily. The key to determining cost allocations is how costs are
251 caused. If IP's business structures change but the underlying cost
252 relationships remain intact, then cost allocations should not change.
253 Since Docket 99-0134 IP has restructured by divesting and selling its
254 generation. However, the Company has made it clear that the divestiture
255 did not change the way that the generation utility causes common costs to
256 be incurred. Company witness Alec Dreyer discussed this issue in the
257 context of the creation of IP's generation company, Illinova Power
258 Marketing, Inc, which he referred to as the wholesale electric service
259 company or "WESCO". He stated as follows:

260
261 Initially, WESCO plans to obtain administrative, overhead and
262 support services from Illinova or Illinois Power. These services will
263 include, for example, human resources (including payroll and
264 benefits administration), safety and health programs administration,
265 financial planning and management, cash management and
266 treasury, accounting, insurance and claims, internal auditing, legal
267 services and public affairs, information technology services, and
268 some procurement services (primarily relating to non-fuel operating
269 materials and supplies). In the future, WESCO may develop

270 internal capabilities to provide some or all of these services, or may
271 elect to obtain services from competitive third party providers. (IP
272 Ex. 1.1, p. 14, Docket No. 99-0209).

273
274 There is no indication from this statement that WESCO has materially
275 changed the way it obtains administrative, overhead and support services
276 from the parent company. Furthermore, Mr. Dreyer indicates that WESCO
277 has no concrete plans for making such a change in the future. From a
278 cost of service standpoint, this suggests that the costing relationships that
279 drove allocations in the past, specifically in Docket No. 99-0134, have not
280 changed in the face of IP's restructuring. Thus, the cost justification the
281 Commission relied on for its allocation of common costs in Docket No. 99-
282 0134 remains valid regardless of the new structure assumed by IP.

283
284 Q. Is IP's proposed allocation of General and Intangible Plant and A&G
285 accounts consistent with claims of potential savings from the Dynegy
286 merger?

287 A. No. The significant increases in common costs runs counter to savings
288 claims made for the Dynegy merger. In a Securities and Exchange
289 Commission Form S-4 filing, Dynegy identified projected revenue
290 enhancements and savings for the merger as follows:

291
292 The combination of the two companies is estimated to create

293 annual pre-tax revenue enhancements and cost savings ranging
294 from \$125 to \$165 million. Approximately two-thirds of the total
295 annual synergies are attributable to revenue enhancement
296 opportunities with the remaining one-third of the total annual
297 synergies attributable to cost savings. A significant portion of these
298 annual revenue enhancements and costs savings is estimated to
299 be realized in the first year of combined operations. P. 27.

300

301 In Docket No. 99-0419 IP provided additional details about these savings
302 estimates, indicating that more than \$30 million in savings were expected
303 from corporate and operations support staffing and more than \$20 million
304 from corporate and administrative programs. (IP Response to DLH-001,
305 Schedule DLH-001.1). According to the Company, the staffing reductions
306 include jobs in corporate functions as well as those in the field related to
307 generation plant operations and support, generation plant business and
308 project development, and power/gas trading and marketing. The
309 reductions in corporate and administrative programs include A&G
310 overhead expenses that are variable with the number of employees, the
311 elimination of duplicative advertising programs, and the elimination of
312 duplicative professional services, insurance and information services
313 costs. In addition, it is assumed that the combination of the benefits
314 programs will result in program administrative cost savings as well as
315 lower cost per employee benefit dollar based on the increased volumes.

316 (IP Response to DLH-001, Schedule DLH-001.2, p. 2).

317

318 The references to corporate functions, administrative programs, A&G
319 overhead and employee benefits, suggest that the proposed merger could
320 produce savings in A&G expenses, among other areas. Furthermore, the
321 statement by Dynegy that a significant portion of these savings should be
322 realized in the first year of operation suggests that the cost reductions will
323 show up sooner rather than later.

324

325 These forecasted savings have failed to materialize for IP delivery service
326 customers who instead are facing disproportionate increases in common
327 costs.

328

329 Q. Based on this discussion, what alternative approach do you propose for
330 the functional allocation of costs to distribution?

331 A. I propose an approach that seeks to maintain consistency with the spirit
332 and intent of the Commission Order in Docket No. 99-0134 on these
333 issues despite the structural and ownership changes that have taken
334 place for IP since the previous case.

335

336 The general principle that guides my proposed allocation for General and
337 Intangible Plant and A&G expenses is that the changes to these common
338 accounts should be proportional to changes to the direct accounts to

339 which they relate. So, for example, the increase for General and
340 Intangible Plant should be commensurate with the increase in other
341 distribution plant accounts. Similarly, any change in A&G expenses
342 should be consistent with the changes in direct O&M expenses.

343

344 Q. Why do you believe any change in General and Intangible Plant and A&G
345 accounts should be proportional to changes in other distribution O&M
346 expenses?

347 A. My conclusion is based on four factors. One concerns IP's statement that
348 electric ratepayers should not be adversely affected by IP's divestiture of
349 generation. In my estimation, any increase in these accounts resulting
350 from IP's divestiture of generation out of proportion to IP's proposed
351 increases in related accounts would conflict with IP's assurances on this
352 matter.

353

354 Second are the projected savings for the Dynegy merger in the area of
355 A&G expenses. These projections should serve to lower, rather than
356 increase, A&G expenses for one.

357

358 The third factor is the lack of explanation provided by IP for the
359 disproportionate increases proposed for General and Intangible Plant and
360 A&G accounts. The Company fails to provide evidence to indicate that the
361 disproportionate increase is due to any factor other than a reallocation of

362 these accounts from generation to the distribution revenue requirement.

363

364 Fourth is the issue of Commission precedent. One thing the Company

365 and Staff agree upon is the importance of Commission precedence for

366 allocating General and Intangible plant and A&G accounts to the

367 distribution function in this proceeding. Unlike the Company, Staff

368 proposes to apply that precedent in a manner that produces consistent

369 results with Docket No. 99-0134. With generation removed from the

370 regulated utility, consistency can best be achieved by ensuring that

371 changes in A&G expenses are commensurate with changes in other

372 distribution O&M expenses. A commensurate change will best preserve

373 the relationships that were established by the Commission in Docket No.

374 99-0134.

375

376 Q. Please describe your proposed approach to these accounts.

377 A. I have developed four adjustments to IP's proposed revenue requirement

378 based on my alternative methodology. For General and Intangible Plant, I

379 propose in Schedule 5.1 that the increase in these accounts be limited to

380 the same 20.91% percentage increase IP proposes for distribution plant.

381 This produces a proposed increase in General and Intangible plant from

382 \$109,978,000 to \$132,972,000 and a downward adjustment of

383 \$142,557,000 in General and Intangible plant from the Company proposed

384 level of \$275,529,000. Parallel analyses produce an increase of

385 \$3,911,000 in General and Intangible Reserve and a decrease of
386 \$8,763,000 in General Plant depreciation and Intangible Plant amortization
387 expense.

388
389 My analysis for A&G is presented in Schedule 5.2. The analysis indicates
390 that the Company actually proposes a decrease in distribution O&M
391 expenses from Docket No. 99-0134, which would provide the foundation
392 for a decrease in A&G expenses in this case. To give the Company the
393 benefit of the doubt, I have chosen instead to set A&G expenses equal to
394 the \$23,860,000 approved by the Commission in Docket No. 99-0134.

395 This proposal produces a \$23,281,000 downward adjustment in the
396 \$47,141,000 in A&G expenses proposed by IP.

397

398 Q. Have other Accounting Staff also made adjustments to General and
399 Intangible Plant, Reserve and Depreciation and Amortization and A&G
400 expense accounts?

401 A. Yes.

402

403 Q. How are your proposed adjustments related to the other Staff adjustments
404 in these areas?

405 A. My adjustments represent Staff's preferred position in this case. If they
406 are approved, the other Staff adjustments in these areas are no longer
407 relevant. If, however, the Commission decides against my proposed

408 adjustments, then it should give consideration to the other Staff
409 adjustments in this area.

410
411 So, for example, I propose an adjustment of \$23,281,000 for A&G while
412 other Staff proposed adjustments of \$7,032,000. If my adjustment is
413 approved, the Commission should downwardly adjust the revenue
414 requirement by \$23,281,000 and no longer consider the additional
415 \$7,032,000 in adjustments proposed by Staff. However, if the
416 Commission rejects my proposed adjustment, it should consider the other
417 \$7,032,000 in Staff-proposed adjustments.

418
419 For General and Intangible Plant I propose a downward adjustment of
420 \$142,557,000; for General and Intangible Reserve an increase of
421 \$3,911,000; and for Depreciation and Amortization, a downward
422 adjustment of \$8,763,000. If my adjustments are approved, the
423 Commission should no longer consider the additional adjustments
424 proposed by Staff of minus \$3,660,000 for General and Intangible Plant;
425 \$865,000 for associated Reserve and minus \$161,000 for related
426 Depreciation and Amortization. However, if the Commission rejects my
427 proposed adjustment, it should consider those other Staff-proposed
428 adjustments.

429

430 Delivery Services Rate Design

431
432 Q. What do you conclude concerning IP's proposed delivery services rates?

433 A. I find that the proposed rates present two sets of problems. First there are
434 problems of omission. IP has failed to explain the basis for a number of its
435 proposed rates. Second, are problems of commission. The Company has
436 erred in its allocation of the revenue requirement among rate classes and
437 in the design of certain delivery services rates.

438

439 Cost of Service Issues

440 Q. Have you reviewed the cost of service study sponsored by Company
441 witness Althoff?

442 A. Yes.

443

444 Q. What do you conclude from your review?

445 A. I find the study to be acceptable for ratemaking in this case. It is based on
446 the same allocation methodology that the Commission approved in IP's
447 last delivery services proceeding (Docket No. 99-0134) and therefore may
448 be regarded as a reasonable foundation for ratemaking in this case.

449

450 Allocation of the Revenue Requirement

451 Q. What is the next step in the design of delivery services rates for IP?

452 A. That step involves allocating the proposed revenue requirement among

453 the rate classes.

454

455 Q. What is IP's proposal for allocating the revenue requirement?

456 A. IP proposes that the allocation be based on both cost and non-cost
457 considerations. The starting point for IP's proposed allocation is the class
458 revenue requirements determined by its cost of service study. However,
459 IP deviates from costs by making an exception for the Lighting class,
460 which receives an allocation based on current bundled rates. This
461 increases the revenue allocation for the lighting class by \$1.1 million (IP
462 Ex. 6.1, p. 5). Then, to prevent an overcollection, IP proposes that
463 revenues for other classes be reduced on a pro-rata basis to balance the
464 increase for Lighting.

465

466 Q. What does IP specifically propose for the Lighting Class?

467 A. IP begins with the corresponding bundled rates for the class. IP subtracts
468 from this total the energy component embedded in bundled Lighting rates
469 to generate the corresponding delivery services rates.

470

471 Q. How does IP justify this approach for the Lighting class?

472 A. IP justifies this proposal on two counts. First, the Company contends that
473 it is necessary to prevent a disparity between the delivery services rates
474 for Lighting. According to IP, the Company's proposed approach allows
475 lighting customers to base their choice of suppliers on comparisons to the

476 energy costs embedded in bundled rates (IP Ex. 6.1, p. 4). Second, IP
477 notes that the Commission approved this same approach for Lighting in its
478 previous delivery services case (Docket No. 99-0134).

479

480 Q. What is your opinion of the Company's proposed allocation for the Lighting
481 class?

482 A. The proposal is fundamentally flawed. IP appears to be driven by a desire
483 to protect Lighting revenues. IP's claim that a disparity exists with bundled
484 Lighting rates is based on a concern that the delivery services cost of
485 service is too low. If these costs become the basis for delivery services
486 rates, delivery services may become an attractive alternative for Lighting
487 customers creating the potential for an erosion of Lighting revenues. IP's
488 effort to forestall this alternative by raising delivery service rates for the
489 Lighting class places the utility's interests ahead of the interests of
490 Lighting customers and cost of service ratemaking principles. This is an
491 arbitrary and unfair proposal that clearly should be rejected by the
492 Commission.

493

494 Q. Does the proposal present corollary problems for other rate classes?

495 A. Yes, the proposal would distort the relationship between rates and costs
496 for all other rate classes as well. The corresponding reduction in the
497 allocation for all other rate classes would create a gap between their rates
498 and the underlying costs. This would further undermine the Commission's

499 longstanding objective of cost-based rates.

500

501 Q. Please address IP's claim of Commission precedent for the Company
502 proposal.

503 A. The fact that the Commission approved this approach in Docket No. 99-
504 0134 is a factor to consider on this issue. However, the key consideration
505 should be what proposal best promotes fairness and equity for all parties
506 in this proceeding. The Commission's longstanding standard for fairness
507 is the cost of service. That should be the standard for ratemaking unless
508 good reasons exist for an alternative approach. A proposal designed to
509 protect the Company at the expense of Lighting customers does not
510 constitute sufficient reason to deviate from costs.

511

512 Q. What alternative allocation do you propose for the Lighting class?

513 A. I propose an allocation based solely on the cost of service for the Lighting
514 class. This proposal offers the advantage of conforming to the
515 longstanding Commission objective of cost-based rates for the Lighting
516 class. Setting the Lighting allocation at cost also ensures that the
517 allocations for other rate classes are based on the appropriate cost of
518 service. My proposed allocations for individual rate classes are presented
519 in Schedule 5.3.

520

521 IP's Proposed Rate Design

522 Q. What criteria does IP claim to use in the design of delivery services rates?

523 A. According to Company witness Jones, the Company's proposed rate
524 design is shaped by three factors: (1) applicable bundled rates; (2)
525 marginal costs; and (3) embedded costs (IP Ex. 6.1, p. 7). Bundled rates
526 were factored into the equation as a way to promote rate continuity.
527 Marginal costs were chosen for specific rate elements such as
528 transformation and reactive demand charges to send appropriate price
529 signals to customers and embedded costs were used as a guide for
530 demand charges by voltage level (Id.).

531

532 Q. Does the Company explain in its filing how these factors were employed to
533 develop individual rate structures?

534 A. No, it does not. After identifying what are supposed to be the key factors
535 shaping the Company's proposed rates, IP witness Jones then fails to
536 explain how these factors were actually used to design individual rate
537 elements. Beyond these general statements that cost and non-cost
538 factors were taken into account in the design of delivery services rates, IP
539 provides no specific evidence of how these factors were taken into
540 account in the design of individual rate elements. This lack of evidence
541 calls into question the justification for the Company's proposed rate
542 design.

543

544 Facilities Charges

545 Q. Please explain how facilities charges are structured for IP’s delivery
 546 services customers.

547 A. IP’s tariffs present a variety of different facilities charges for customers
 548 within rate classes depending on: (a) whether they receive single or three-
 549 phase service and (b) the voltage levels at which they are served.

550

551 Q. Please describe the kinds of changes IP is proposing for these charges.

552 A. The following table presents IP’s current and proposed Facilities Charges
 553 for Non-Residential delivery service customers:

554

	Current	Proposed	Change	Percent
<u>Small Use General Service</u>				
Single Phase	\$9.53	\$6.56	-\$2.97	-31.2%
Three Phase	\$19.53	\$7.12	-\$12.41	-63.5%

559

560 Demand Metered General Service

Single Phase	\$35.79	\$16.72	-\$19.07	-53.3%
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562 Three Phase

Under 200 kV	\$35.32	\$17.94	-\$17.38	-49.2%
200 kV - 2.4 kV	\$65.65	\$44.53	-\$21.12	-32.2%
2.4 – 12.47 kV	\$280.14	\$144.88	-\$135.26	-48.3%
34.5 – 69 kV	\$660.54	\$730.41	\$69.87	10.6%

566

567 138 kV \$1,786.62 \$3252.66 \$1466.04 82.1%

568 (Source: IP Ex. 6.4, pp. 1 and 2 of 5)

569

570 As the above table indicates, IP's proposals shift the recovery for costs
571 associated with facilities charges from lower voltage to higher voltage
572 customers on the system. While smaller customers would incur
573 reductions of up to 63.5% on their current charges, customers on the
574 system receiving service at the 138 kV level would receive an increase of
575 82.1% on their monthly facilities charge costs.

576

577 Q. Do these proposed revisions to current facilities charges present any
578 problems?

579 A. Yes, IP has failed to provide any meaningful support for these proposed
580 facilities charge changes. While IP discusses in general terms the role of
581 costs and rate continuity in shaping delivery services rates, the
582 Company's witness, Mr. Jones, fails to provide an explanation or evidence
583 of how these factors were employed in the design of numerous rate
584 elements.

585

586 For example, Company witness Jones limits his explanation of facilities
587 charges for the Residential class to the following:

588

589 The proposed Facilities Charges are \$8.43 and \$13.62 for single

590 and three-phase service, and \$7.30 for multi-family service. (IP Ex.
591 6.1, p. 11.

592

593 Mr. Jones is similarly uninformative about the derivation of facilities
594 charges for Small Use General Service SC 110, stating only:

595

596 The facilities charge in SC 110 for these customers is \$6.56 and
597 \$7.12 for single and three-phase service, respectively. (IP Ex. 6.1,
598 p. 12)

599

600 The discussion of facilities charges for Demand-metered customers under
601 2.4 kV follows a similar pattern:

602

603 The Facilities Charge (exclusive of the Meter Charge) is \$16.72 and
604 17.94 for single and three phase service, respectively. (IP Ex. 6.1,
605 p. 15).

606

607 Mr. Jones also fails to support the proposed facilities charges for Demand-
608 metered customers above 2.4 kV, stating only the following:

609

610 Finally, the Facilities Charge has been changed to \$144.88,
611 \$730.41 and \$3,252.66 for primary, subtransmission and
612 transmission voltage level service, respectively (IP Ex. 6.1, p. 15).

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Q. What do you conclude about IP's proposed changes to facilities charges?

A. The proposed changes to IP's facilities charges should be rejected. If IP sees a need to revise its proposed rate design, then it has the responsibility to justify the proposed changes. However, the Company has failed to meet that responsibility and, as a result, there is no basis for making the changes IP has proposed.

Q. What alternative proposal do you make for designing delivery services facilities charges?

A. I propose that facilities charges begin with the charges that are currently in place. The existing charges should be increased on an equal percentage basis to ensure recovery of the applicable customer costs for each rate class.

Q. What is the advantage of your proposed approach?

A. My proposed rates are most consistent with the rates that have been found by the Commission to be just and reasonable in Docket No. 99-0134. Absent any record evidence for an alternative rate design, the current structure of facilities charges must be regarded as the most reasonable approach for ratemaking in this case. Thus, the task from a ratemaking perspective is to preserve to the extent possible that existing rate structure in conforming to the Company's updated cost of service

636 study results. I have done this by increasing existing facilities charges
637 within individual rate class on an equal percentage basis to recover (along
638 with unbundled meter rates) the associated customer costs for each rate
639 class.

640

641 Q. What do you propose for the Residential class, for which there are no
642 current delivery services rates on file?

643 A. The most reasonable solution for the Residential class is to revert to the
644 most applicable rates that have been found just and reasonable for that
645 class which are the current bundled service rates. The facilities charges
646 for residential customers are \$6.33 per month for multi-family service;
647 \$8.46 per month for single phase service and \$17.00 per month for three-
648 phase service (Ill. C.C. No. 31, Fourth Revised Sheet No. 13, Effective
649 August 1, 1998.) These charges should then be adjusted on an equal
650 percentage basis to produce the applicable customer costs for the
651 Residential class.

652

653 Demand Charges

654 Q. What does the Company propose for demand charges in this case?

655 A. IP proposes that current demand charges be revised in two ways. First,
656 the Company proposes to replace the single delivery service demand
657 charge with two charges, a Distribution Capacity Charge and the Demand
658 Charge. Second, the Company proposes significant revisions to the

659 demand charges within individual rate classes, which shift the burden of
660 recovery of demand costs from lower voltage to higher voltage customers
661 within rate classes.

662

663 Q. Beginning with the proposed Distribution Capacity Charge, is this charge
664 calculated in the same manner as the Demand Charge?

665 A. No, it is not. While the Demand Charge is based on the maximum
666 monthly demand for individual customers, the Distribution Capacity
667 Charge is based on the customer's maximum demand over the previous
668 12 month period.

669

670 Q. How does the Company justify this alternative calculation for the
671 Distribution Capacity Charge?

672 A. Company witness Jones justifies the Company's proposal for the
673 Distribution Capacity Charge as follows:

674

675 This charge is designed to recover the cost of low voltage facilities
676 that for the most part do not share in the load diversity of the larger
677 system. As such, the customer's Distribution Capacity (the
678 maximum 12-month demand reached by the customer) provides a
679 better fit to the manner in which the costs are incurred. IP Ex. 6.1,
680 pp. 15-16.

681

682 Mr. Jones goes on to note: “this charge operates identically to the
683 Distribution Capacity Charge assessed to bundled service customers.”
684 Id., p. 16.

685

686 Q. What is your opinion of IP’s proposed method of calculating the
687 distribution capacity charge?

688 A. The proposal is problematic. The use of the maximum peak demand over
689 a twelve-month period to calculate these costs on a monthly basis is
690 known as a demand ratchet. While the ratchet magnifies the importance
691 of the customer’s peak as a signal to control demands, it diminishes the
692 need to control monthly peak demands, which have no effect on the
693 Distribution Capacity Charge as long as they remain below the 12 month
694 peak.

695

696 Q. Please address the Company’s claim that the 12 month ratchet is justified
697 by a lack of diversity for low voltage facilities.

698 A. The claim does not withstand scrutiny even for low voltage facilities that
699 are shared by a small number of customers. There is no evidence that the
700 small number of customers that share common low voltage facilities will
701 experience their peaks during the same hour, the same day or even the
702 same month. If there is any load diversity for these customers, then there
703 will be less incentive for those customers not experiencing their 12 month
704 peaks to curb their demands at the time local demand reaches a peak.

705 Demand charges based on individual monthly peaks would encourage
706 ratepayers to curb demands even when their monthly demands fall below
707 the system peak. To the extent that there is diversity for local facilities,
708 monthly demand charges would provide a greater incentive for ratepayers
709 that are not experiencing their 12 month peak to curb their demands,
710 thereby alleviating the overall stress on those facilities.

711

712 Q. What position has the Commission taken on demand ratchets for delivery
713 services rates?

714 A. The Commission has uniformly opposed demand ratchets proposed by
715 utilities. The Commission had this to say about demand ratchets in
716 ComEd's initial Delivery Service proceeding (Docket No. 99-0117):

717

718 The Commission Agrees with Staff's arguments on this issue and is
719 of the opinion that the demand ratchet proposals should not be
720 adopted. The Commission has not looked favorably on demand
721 ratchets in prior rate proceedings. Ratchets prevent customers
722 from having control over a substantial portion of their bills for a
723 year. The customer is forced to continue to pay high demand
724 charges even if there is an economic downturn, while the utility is
725 insulated from the same downturn. Order, p. 65.

726

727 The Commission's opinion in the ComEd case is relevant for this

728 proceeding as well.

729

730 Q. What about the statement by Mr. Jones that a demand ratchet would
731 make delivery services rates consistent with bundled rates?

732 A. There are two problems with this argument. First, the Company's concern
733 about consistency is undermined by its failure to implement a demand
734 ratchet in its previous delivery services case (Docket No. 99-0134). Thus,
735 IP's proposal can be regarded as inconsistent with current delivery
736 services

737 Second, it should be remembered that the bundled rates referenced by
738 Mr. Jones were approved almost a decade ago. Since then, the
739 Commission has clearly voiced its opposition to demand ratchets and IP's
740 bundled rates clearly conflict with this position. Instead of extending a
741 flawed rate design to delivery services, the proper course is to reject the
742 demand ratchets associated with distribution capacity charges in this case
743 and then take advantage of the next opportunity to remove demand
744 ratchets for bundled customers.

745

746 Q. Please explain the changes proposed by the Company to demand
747 charges for demand-metered customers.

748 A. IP has proposed significant increases in demand charges for higher
749 voltage customers. This is evidenced by the following table, which
750 presents current and proposed demand charges for 34.5-69 kV and 138

751 kV customers:

752

753		Current	Proposed	Change	Percent
754	<u>Up to 1000 kV</u>				
755	34.5 – 69 kV	\$0.263	\$0.533	\$0.270	102.7%
756	138 kV	\$0.016	\$0.053	\$0.037	231.3%
757					
758	<u>1000 kV and over</u>				
759	34.5 – 69 kV	\$0.239	\$0.463	\$0.224	93.7%
760	138 kV	\$0.015	\$0.046	\$0.031	206.7%
761					

762 (Source: IP Ex. 6.4, pp. 1 and 2 of 5)

763

764 Q. What is the issue with respect to these proposed changes?

765 A. The issue, as with facilities charges, is the lack of support for the
 766 Company’s proposals. IP fails to provide supporting evidence for what are
 767 clearly significant changes to proposed demand charges at higher voltage
 768 levels. For demand-metered customers under 1,000 kV, Company
 769 witness Jones limits his discussion to the following:

770

771 The proposed Demand Charge is \$0.548 per kW, \$0.533 per kW
 772 and \$0.053 per kW for primary, subtransmission and transmission
 773 level supply voltages, respectively. (IP Ex. 6.1, p. 16).

774

775 For demand-metered customers over 1,000 kV, Company witness Jones
 776 states as follows:

777

778 The Distribution Capacity Charge and the Demand Charge is also
779 set at the same levels as the Distribution Capacity Charge and the
780 Demand Charge for the other demand metered customers, except
781 that the Distribution Capacity Charge and the Demand Charge for
782 the large SC 110 customers has been reduced to account for the
783 separate charge to those customers for reactive demand. (IP Ex.
784 6.1, p. 17)

785
786 Conspicuously absent from the discussion by Mr. Jones is any explanation
787 why demand charges at these higher voltage levels need to be increased
788 by up 231.3%.

789
790 Q. What do you thereby conclude concerning the Company's proposal to
791 revise demand charges?

792 A. The proposals should be rejected because they are not accompanied by
793 any meaningful support.

794
795 Q. Given your opposition to IP's proposed Distribution Capacity Charge and
796 the Company's proposed Demand Charge changes, what alternative do
797 you propose for these charges?

798 A. I propose that demand charges be based on the current delivery services
799 demand charges. The existing charges should be increased on an equal
800 percentage basis to ensure recovery of the applicable customer costs for

801 each rate class.

802

803 Q. What is the advantage of your proposed approach?

804 A. This approach is most consistent with the rates that have been found by
805 the Commission to be just and reasonable. Absent any record evidence
806 for an alternative rate design, the current structure of demand charges
807 must be considered the most reasonable approach for ratemaking in this
808 case. As with facilities charges, the task from a ratemaking perspective is
809 to preserve to the extent possible that existing rate structure in conforming
810 to the Company's updated cost of service study results. I have
811 accomplished this task by increasing existing demand charges within
812 individual rate class on an equal percentage basis to recover the
813 applicable demand costs for each rate class.

814

815 Residential and Small-Use General Service Energy Charges

816 Q. What proposal does IP make for Residential and Small Use General
817 Service energy charges?

818 A. The Company proposes a two-block delivery charge for both classes. In
819 both cases, the Company proposes that the dividing point between the
820 two blocks be set at 300 kWhs per month for each class.

821

822 Q. How does the Company justify declining block delivery charges for
823 Residential and Small Use General Service customers?

824 A. IP contends that the two-block structure accurately reflects the incurrence
825 of low voltage demand costs. According to IP witness Jones:

826
827 Local secondary facilities (lines and transformers) may serve from
828 one to a few customers, and are sized to meet the customer's (or
829 customers') expected maximum demand. Since these customers
830 are not demand metered, we cannot use a charge based on a
831 rolling 12-month maximum demand to recover transformation costs,
832 as is done for the Demand Metered General Service customers and
833 for demand metered bundled service customers. Therefore, these
834 costs are appropriately recovered through a fixed facilities charge
835 or a first block energy charge. We have elected to recover these
836 costs through the initial block in the Delivery Charge in order to
837 maintain some usage sensitivity to this component of cost recovery.

838 (IP Ex. 6.1, p. 12)

839

840 Q. Do you find this argument persuasive?

841 A. No, I do not. Mr. Jones has failed to explain why the costs of local
842 secondary facilities should be recovered solely from the first 300 kWhs
843 delivered to customers each month. The need to exclude all other
844 monthly usage from the recovery of these costs is not explained by Mr.
845 Jones.

846

847 Q. Is there reason to believe that all kWhs should be included in the recovery
848 of these costs?

849
850 A. Yes. As Mr. Jones acknowledged, these facilities are sized to meet the
851 expected maximum demands of customers. However, those demands are
852 shaped by all usage, not just the first 300 kWhs. For example, it would be
853 reasonable to assume that a customer using 3,000 kWhs per month would
854 require larger secondary facilities than a customer using 300 kWhs per
855 month. Nevertheless, IP proposes that both customers pay the same
856 amount for local secondary facilities.

857
858 Mr. Jones confuses the issue by stating that IP chose to recover local
859 secondary facilities costs through the first block to maintain some usage
860 sensitivity for recovery of these costs. The question Mr. Jones fails to
861 answer is: if these costs are usage sensitive, why are they sensitive only
862 to the first 300 kWhs of usage?

863
864 Q. What alternative approach do you propose for recovery of these local
865 facilities costs?

866 A. I propose that these costs be recovered from both Residential and Small
867 Use General Service customers over all kWhs of delivery service. This
868 would result in a single flat rate on all kWhs delivered to these customers,
869 rather than the declining block rate proposed by the Company.

870

871 Q. What would be the advantages of your proposed approach?

872 A. It would more accurately reflect how these local secondary facilities costs
873 are incurred. As stated by the Company, these costs are incurred to meet
874 the maximum demands expected for customers. Those maximum
875 demands more closely relate to the overall level of monthly usage, not just
876 the first 300 kWhs. In addition, this proposal would better achieve Mr.
877 Jones' stated goal of making these costs usage sensitive. By limiting
878 recovery to the first 300 kWhs, the IP proposal significantly reduces the
879 usage sensitivity of local secondary facilities for all consumers that use
880 more electricity on a monthly basis.

881

882 Q. Are there any other reasons to favor a flat rate over a declining block
883 delivery rate for these customers?

884 A. Yes. A flat rate would send consumers in higher usage brackets a more
885 appropriate price signal to conserve energy. The higher rate applying to
886 higher usage levels would encourage these customers to reduce wasteful
887 consumption; thereby mitigating upward pressures on power prices and
888 benefiting the environment accordingly.

889

890 Unmetered Service and Reactive Demand Charges

891 Q. What issue arises with respect to Reactive Demand Charges and
892 Unmetered Service?

893 A. The issue Again concerns the lack of support for the Company's
894 proposals. IP has simply identified proposed changes to these rates
895 without providing accompanying support. This presents a particular
896 problem for the Reactive Demand charge, which IP proposes to double
897 from \$0.10 per kvar to \$0.20 per kvar and for the unmetered service
898 delivery charge, which IP proposes to increase by 723% from \$0.0014 to
899 \$0.01152 per kWh.

900

901 Q. What do you conclude about these proposals?

902 A. These proposals also should be rejected because they are not supported
903 in the Company filing. The appropriate remedy Again is to return to the
904 Company's current charges for use as a basis to develop the proposed
905 rates.

906

907 Q. Have you reviewed the metering cost study and the applicable unbundled
908 metering rates for IP delivery services customers?

909 A. Yes, I have.

910

911 Q. What do you conclude concerning the Company's proposed study?

912 A. I find that it provides a reasonable foundation for determining unbundled
913 metering rates in this case.

914

915 Q. What do you conclude concerning the Company's proposed unbundled

916 meter rates?

917 A. I have the same concerns about unbundled meter rates as I have for
918 facilities and demand charges. IP has proposed to restructure the
919 proposed unbundled metering charges within rate classes but has failed to
920 provide support for the restructuring. So, for example, IP proposes an
921 increase in the unbundled meter charge for 138 kV customers from the
922 current \$113.38 to \$1,418.84. (IP Ex. 6.4, p. 1 of 5) Why these customers
923 should receive more than a ten-fold increase in their unbundled meter
924 charge is not explained.

925

926 Q. What alternative approach do you propose for setting unbundled metering
927 rates?

928 A. I propose using a similar approach to my recommendations for facilities
929 and demand charges. That would entail starting with the current
930 unbundled meter charges within individual rate classes, which would then
931 be adjusted on an equal percentage basis to produce the metering
932 revenue requirements for each rate class.

933

934 Q. Do you have any additional request of the Company with respect to
935 unbundled metering rates?

936 A. I request that the Company in its rebuttal develop unbundled meter rates
937 for the Residential class using the same methodology the Company has
938 proposed for non-residential customers in this case. The placement of

939 these rates on the record will give the Commission the option to unbundle
940 metering service for residential customers if it so desires.

941

942 Staff's Proposed Rate Design

943 Q. Have you developed an alternative set of delivery services rates for IP?

944 A. Yes, I have. My proposed Residential rates are presented in Schedule
945 5.4; Small Use General Service rates in Schedule 5.5; Demand Metered
946 General Service rates in Schedule 5.6 and Lighting rates in Schedule 5.7.

947

948 Q. Please summarize the general principles that support your proposed
949 rates.

950 A. There are two basic principles. The first is that the proposed rates are, to
951 the extent possible, cost-based. This means that the rates for each class
952 recover the applicable revenue requirement based on the results of IP
953 cost of service study. In addition, facilities charges and meter charges
954 recover the applicable customer-related costs for each class while
955 demand and/or energy charges recover the applicable demand-related
956 costs for each rate class.

957

958 The second principle concerns the design of individual rate elements.

959 Given the lack of support for the Company's proposed rate design
960 changes, I have based my proposed facilities and demand charges on the
961 rates currently in effect. I have then increased or decreased the charges

962 on an equal percentage basis to ensure that facilities (in addition to meter
963 charges where applicable) fully recover customer-related costs and that
964 demand charges and/or energy charges fully recover demand-related
965 costs.

966

967 Q. What is the basis for your proposed Lighting rates?

968 A. The starting point for those rates is a revenue requirement based on the
969 class cost of service. I have then developed individual rate elements by
970 adjusting on a pro-rated basis IP's proposed rates for the Lighting class
971 until they conform to my proposed class revenue requirement. Since IP's
972 proposed rates correspond to a higher class revenue requirement, I
973 propose a downward adjustment in Lighting rates.

974

975 Billing Determinants

976 Q. Has IP indicated to you that it has made errors in the billing determinants
977 filed for this proceeding?

978 A. Yes, it has through direct conversations and in responses to data
979 requests.

980

981 Q. Has the Company presented a revised set of billing determinants to
982 correct those errors?

983 A. Yes, the Company forwarded revised billing determinants on August 29.

984

985 Q. Have you had an opportunity to conduct a thorough review of those billing
986 determinants since they were sent by IP?

987 A. No, I have not. The available time was insufficient to complete my
988 testimony and conduct a satisfactory review of the revised billing
989 determinants provided.

990

991 Q. How do you plan to proceed on this billing determinant issue?

992 A. I will await the Company discussion of the issue in rebuttal to review the
993 revised billing determinants.

994

995 Q. Does this conclude your direct testimony?

996 A. Yes, it does.

General and Intangible Plant Adjustment
 (000s)

Based on Staff-Proposed Functional Allocation Approach

Development of Staff-Proposed General and Intangible Plant Allocation

Distribution Plant (Excl. Gen, Int.) - IP Adjusted

99-0134	\$	1,209,931	
01-0432	\$	1,462,905	
Increase	\$	252,974	20.91%

General, Intangible Plant

99-0134	\$	109,978	
Staff Proposed Increase	\$	22,994	20.91%
01-0432 - Staff Proposal	\$	132,972	

01-0432 - IP Proposal

General Plant	\$	204,382	
Intangible Plant	\$	71,147	
Total - IP Proposal	\$	275,529	

Staff Adjustment	\$	(142,557)	
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General and Intangible Plant Adjustment
(000s)

Determination of Net Adjustment

<u>Staff Adjustment</u>	\$ (142,557)
Other Staff Gen, Int Plant Adjustments	\$ (3,660)
<u>Staff Net Adjustment</u>	\$ (138,897)

General and Intangible Reserve Adjustment
 (000s)

Based on Staff-Proposed Functional Allocation Approach

Development of Staff-Proposed General and Intangible Reserve Allocation

Distribution Reserve (Excl. Gen, Int.) - IP Adjusted

99-0134	\$	(460,659)	
01-0432		(573,562)	
Change	\$	(112,903)	24.51%

General, Intangible Reserve

99-0134		(64,296)	
Staff Proposed Increase	\$	(15,758)	24.51%
01-0432 - Staff Proposal	\$	(80,054)	

01-0432 - IP Proposal (83,965)

Staff Adjustment	\$	3,911	
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General and Intangible Reserve Adjustment
(000s)

Determination of Net Adjustment

<u>Staff Adjustment</u>	\$	<u>3,911</u>
Other Staff Gen, Int Plant Adjustments	\$	865
<u>Staff Net Adjustment</u>	\$	<u>3,046</u>

General Depreciation and Intangible Amortization Adjustment
 (000s)

Based on Staff-Proposed Functional Allocation Approach

Development of Staff-Proposed General Depreciation
 and Intangible Amortization Allocation

Distribution Depreciation (Excl. Gen, Int.) - IP Adjusted

99-0134	\$	26,496	
01-0432	\$	33,581	
Increase	\$	7,085	26.74%

General Depreciation and Intangible Amortization

99-0134	\$	2,899	
Staff Proposed Increase	\$	775	26.74%
01-0432 - Staff Proposal	\$	3,674	

01-0432 - IP Proposal	\$	12,437	
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Staff Adjustment	\$	(8,763)	
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General Depreciation and Intangible Amortization Adjustment
(000s)

Determination of Net Adjustment

Staff Adjustment	\$	(8,763)
Other Staff Gen, Int Plant Adjustments	\$	(161)
Net Staff Adjustment	\$	(8,602)

Administrative and General Adjustment
 (000s)

Based on Staff-Proposed Functional Allocation Approach

Development of Staff-Proposed A&G Allocation			
Distribution O&M (Excl. A&G) - IP Adjusted			
99-0134	\$	75,198	
01-0432		68,280	
Change	\$	(6,918)	-9.20%
A&G Expenses			
99-0134	\$	23,860	
Staff Proposed Change	\$	-	0.00%
01-0432 - Staff Proposal	\$	23,860	
01-0432 - IP Proposal	\$	47,141	
Staff Adjustment	\$	(23,281)	

Administrative and General Adjustment
(000s)

Determination of Net Adjustment

<u>Staff Adjustment</u>	\$ (23,281)
Other Staff A&G Adjustments	\$ (7,032)
<u>Staff Net Adjustment</u>	\$ (16,249)

Allocation of Delivery Services Revenue Requirement

	Cost of Service	IP Proposed Allocations	Staff Proposed Allocations	Difference
Residential	185,935,000	185,198,534	185,935,000	736,466
Small Use General Service	9,328,000	9,291,053	9,328,000	36,947
Demand Metered General Service	85,746,000	85,406,371	85,746,000	339,629
Lighting	21,333,000	22,446,042	21,333,000	(1,113,042)
Total	302,342,000	302,342,000	302,342,000	-

Design of Residential Rates

Facilities Charge	Number of Customers	Billing Units	Current Charges	Annual Revenues	Company Proposed Charges	Annual Revenues	Staff Proposed Charges	Annual Revenues
Multi-Family	97,199	1,166,388	\$ 6.33	\$ 7,383,236	\$ 7.30	\$ 8,514,632	\$ 6.53	\$ 7,616,514
Single Family	388,468	4,661,616	\$ 8.46	\$ 39,437,271	\$ 8.43	\$ 39,297,423	\$ 8.73	\$ 40,695,908
Three Phase	18,115	217,380	\$ 17.00	\$ 3,695,460	\$ 13.62	\$ 2,960,716	\$ 17.56	\$ 3,817,193
Subtotal		6,045,384		\$ 50,515,967		\$ 50,772,771		\$ 52,129,614
Residential Customer Costs								\$ 52,130,719
Delivery Charge								
<300 kWh		1,717,524,376	\$ -	\$ -	\$ 0.03438	\$ 59,048,488	\$ 0.02582	\$ 44,346,479
>300 kWh		3,464,006,274	\$ -	\$ -	\$ 0.02176	\$ 75,376,777	\$ 0.02582	\$ 89,440,642
Subtotal		5,181,530,650		\$ -		\$ 134,425,265		\$ 133,787,121
Residential Demand Costs								133,804,281
Total Residential Revenues				\$ 50,515,967	\$ 185,198,035		\$ 185,916,736	
Residential Revenue Requirement								185,935,000

Design of Small Use General Service Rates

Facilities Charge	Number of Customers	Billing Units	Current Charges	Annual Revenues	Company Proposed Charges	Annual Revenues	Staff Proposed Charges	Annual Revenues
Single Phase	25,339	304,068	\$ 9.53	\$ 2,897,768	\$ 6.56	\$ 1,994,686	\$ 5.43	\$ 1,651,089
Three Phase	7,977	95,724	\$ 19.53	\$ 1,869,490	\$ 7.12	\$ 681,555	\$ 11.13	\$ 1,065,408
Unmetered Service								
Facilities Charge	2,206	26,472	\$ 8.50	\$ 225,012	\$ 8.50	\$ 225,012	\$ 4.84	\$ 128,124
Subtotal		399,792		\$ 4,992,270		\$ 2,901,253		\$ 2,844,622
Small Use General Service Non-Metering Customer Costs								\$ 2,845,962
Meter Charge								
Single Phase	25,339	304,068	\$ 3.47	\$ 1,055,116	\$ 3.48	\$ 1,058,157	\$ 4.54	\$ 1,380,469
Three Phase	7,977	95,724	\$ 3.47	\$ 332,162	\$ 7.92	\$ 758,134	\$ 4.54	\$ 434,587
Subtotal		399,792		\$ 1,387,278		\$ 1,816,291		\$ 1,815,056
Small Use General Service Metering Costs								\$ 1,819,000
Total Small Use General Service Facilities Charge Revenues				\$ 6,379,548		\$ 4,717,544		\$ 4,659,678
Small Use General Service Customer Costs								\$ 4,664,962
Delivery Charge								
<300 kWh		83,963,728	\$ 0.00140	\$ 117,549	\$ 0.02359	\$ 1,980,704	\$ 0.01787	\$ 1,500,432
>300 kWh		142,414,616	\$ 0.00140	\$ 199,380	\$ 0.01538	\$ 2,190,337	\$ 0.01787	\$ 2,544,949
Unmetered Service								
Delivery Charge		34,832,456	\$ 0.00140	\$ 48,765	\$ 0.01152	\$ 401,270	\$ 0.01787	\$ 622,456
Subtotal		261,210,800		\$ 365,695		\$ 4,572,311		\$ 4,667,837
Small Use General Service Demand Costs								\$ 4,663,038
Total Small Use General Service Revenues				\$ 6,970,255		\$ 9,289,855		\$ 9,327,515
Small Use General Service Revenue Requirement								9,328,000

Demand-Metered General Service Rate Design

<200 kV

Facilities Charge	Number of Customers	Billing Units	Current Charges	Annual Revenues	Company Proposed Charges	Annual Revenues	Staff Proposed Charges	Annual Revenues
Single Phase	11,924	143,088	\$ 35.79	\$ 5,121,120	\$ 16.72	\$ 2,392,431	\$ 18.21	\$ 2,605,632
Three Phase								
<2.4 kV	17,283	207,396	\$ 35.32	\$ 7,325,227	\$ 17.94	\$ 3,720,684	\$ 17.97	\$ 3,726,906
2.4-12.47 kV	90	1,080	\$ 280.14	\$ 302,551	\$ 144.88	\$ 156,470	\$ 142.59	\$ 153,997
34.5-69 kV	7	84	\$ 660.54	\$ 55,485	\$ 730.41	\$ 61,354	\$ 336.21	\$ 28,242
138 kV		-	\$ 1,786.62	\$ -	\$ 3,252.66	\$ -	\$ 909.38	\$ -
Subtotal	29,304	143,088		\$ 12,804,383		\$ 6,330,940		\$ 6,514,777
Meter Charge								
Single Phase	11,924	143,088	\$ 5.46	\$ 781,260	\$ 8.82	\$ 1,262,036	\$ 6.71	\$ 960,120
Three Phase								
<2.4 kV	17,283	207,396	\$ 15.68	\$ 3,251,969	\$ 16.33	\$ 3,386,777	\$ 19.28	\$ 3,998,595
2.4-12.47 kV	90	1,080	\$ 94.86	\$ 102,449	\$ 150.95	\$ 163,026	\$ 116.67	\$ 126,004
34.5-69 kV	7	84	\$ 99.46	\$ 8,355	\$ 361.24	\$ 30,344	\$ 122.33	\$ 10,276
138 kV		-	\$ 113.38	\$ -	\$ 1,418.94	\$ -	\$ 139.45	\$ -
Subtotal	29,304	143,088		\$ 4,144,033		\$ 4,842,183		\$ 5,094,995
Total <200 kV Facilities Charge Revenues				\$ 16,948,416		\$ 11,173,123		\$ 11,609,772
<200 kV Customer Costs								\$ 4,664,962
Distribution Capacity Charge	1,113,850	13,366,200	\$ -	\$ -	\$ 2.165	\$ 28,937,823	\$ -	\$ -
Demand Charge								
<=12.47 kV	1,058,078	12,696,936	\$ 2.136	\$ 27,120,655	\$ 0.548	\$ 6,957,921	\$ 3.083	\$ 39,138,359
34.5-69 kV	17,472	209,664	\$ 0.263	\$ 55,142	\$ 0.533	\$ 111,751	\$ 0.581	\$ 121,851
138 kV	-	-	\$ 0.016	\$ -	\$ 0.053	\$ -	\$ 0.058	\$ -
Subtotal		12,906,600		\$ 27,175,797		\$ 7,069,672		\$ 39,260,210
Up to 200 kV Demand Charges				\$ 27,175,797		\$ 36,007,495		\$ 39,260,210
Transformation Charges	884,934	10,619,208	\$ 0.500	\$ 5,309,604	\$ 0.500	\$ 5,309,604	\$ 0.545	\$ 5,789,486
Total Demand Charges				\$ 32,485,401		\$ 41,317,099		\$ 45,049,696
Total Up to 200 kV Revenues				\$ 49,433,817		\$ 52,490,222		\$ 49,773,583
Up to 200 kV Revenue Requirement								43,925,173

Demand-Metered General Service Rate Design

200-1000 kV

Facilities Charge	Number of Customers	Billing Units	Current Charges	Annual Revenues	Company Proposed Charges	Annual Revenues	Staff Proposed Charges	Annual Revenues
Facilities Charge								
Three Phase								
<2.4 kV	748	8,976	\$ 65.65	\$ 589,274	\$ 44.53	\$ 399,701	\$ 33.41	\$ 299,888
2.4-12.47 kV	94	1,128	\$ 280.14	\$ 315,998	\$ 144.88	\$ 163,425	\$ 142.59	\$ 160,842
34.5-69 kV	15	180	\$ 660.54	\$ 118,897	\$ 730.41	\$ 131,474	\$ 336.21	\$ 60,518
138 kV	1	12	\$ 1,786.62	\$ 21,439	\$ 3,252.66	\$ 39,032	\$ 909.38	\$ 10,913
Subtotal	858	-	\$	1,045,609	\$	733,632	\$	532,160
Meter Charge								
Three Phase								
<2.4 kV	748	8,976	\$ 34.35	\$ 308,326	\$ 18.32	\$ 164,440	\$ 42.25	\$ 379,236
2.4-12.47 kV	94	1,128	\$ 94.86	\$ 107,002	\$ 150.95	\$ 170,272	\$ 116.67	\$ 131,604
34.5-69 kV	15	180	\$ 99.46	\$ 17,903	\$ 361.24	\$ 65,023	\$ 122.33	\$ 22,019
138 kV	1	12	\$ 113.38	\$ 1,361	\$ 1,418.94	\$ 17,027	\$ 139.45	\$ 1,673
Subtotal	858	-	\$	434,591	\$	416,762	\$	534,533
Total 200-1000 kV Facilities Charge Revenues				\$ 1,480,200		\$ 1,150,394		\$ 1,066,693
200-1000 kV Customer Costs								\$ 4,664,962
Distribution Capacity Charge	371,656	4,459,872	\$ -	\$ -	\$ 2.165	\$ 9,655,623	\$ -	\$ -
Demand Charge								
<=12.47 kV	362,606	4,351,272	\$ 2.136	\$ 9,294,317	\$ 0.548	\$ 2,384,497	\$ 3.017	\$ 13,128,142
34.5-69 kV	64,812	777,744	\$ 0.263	\$ 204,547	\$ 0.533	\$ 414,538	\$ 0.581	\$ 452,003
138 kV	771	9,252	\$ 0.016	\$ 148	\$ 0.053	\$ 490	\$ 0.058	\$ 535
Subtotal		5,129,016	\$	9,499,012	\$	2,799,525	\$	13,580,680
Up to 200 kV Demand Charges				\$ 9,499,012		\$ 12,455,148		\$ 13,580,680
Transformation Charges	389,522	4,674,264	\$ 0.500	\$ 2,337,132	\$ 0.500	\$ 2,337,132	\$ 0.545	\$ 2,548,362
Total Demand Charges				\$ 11,836,144		\$ 14,792,280		\$ 16,129,042
Total Up to 200 kV Revenues				\$ 13,316,344		\$ 15,942,674		\$ 17,195,735
200-1000 kV Revenue Requirement								18,245,643

Demand-Metered General Service Rate Design
 >1000 kV

Facilities Charge	Number of Customers	Billing Units	Current Charges	Annual Revenues	Company Proposed Charges	Annual Revenues	Staff Proposed Charges	Annual Revenues
Facilities Charge								
Three Phase								
<2.4 kV	50	600	\$ 65.65	\$ 39,390	\$ 44.53	\$ 26,718	\$ 33.41	\$ 20,046
2.4-12.47 kV	91	1,092	\$ 280.14	\$ 305,913	\$ 144.88	\$ 158,209	\$ 142.59	\$ 155,708
34.5-69 kV	71	852	\$ 660.54	\$ 562,780	\$ 730.41	\$ 622,309	\$ 336.21	\$ 286,451
138 kV	10	120	\$ 1,786.62	\$ 214,394	\$ 3,252.66	\$ 390,319	\$ 909.38	\$ 109,126
Subtotal	222	-	\$	\$ 1,122,477	\$	\$ 1,197,555	\$	\$ 571,331
Meter Charge								
Three Phase								
<2.4 kV	50	600	\$ 34.35	\$ 20,610	\$ 18.32	\$ 10,992	\$ 42.25	\$ 25,350
2.4-12.47 kV	91	1,092	\$ 94.86	\$ 103,587	\$ 150.95	\$ 164,837	\$ 116.67	\$ 127,404
34.5-69 kV	71	852	\$ 99.46	\$ 84,740	\$ 361.24	\$ 307,776	\$ 122.33	\$ 104,225
138 kV	10	120	\$ 113.38	\$ 13,606	\$ 1,418.94	\$ 170,273	\$ 139.45	\$ 16,734
Subtotal	222	-	\$	\$ 222,543	\$	\$ 653,879	\$	\$ 273,713
Total >1000 kV Facilities Charge Revenues				\$ 1,345,020	\$	\$ 1,851,434	\$	\$ 845,044
>1000 kV Customer Costs							\$	\$ 4,664,962
Distribution Capacity Charge	201,182	2,414,184	\$ -	\$ -	\$ 1.879	\$ 4,536,252	\$ -	\$ -
Demand Charge								
<=12.47 kV	197,352	2,368,224	\$ 1.948	\$ 4,702,830	\$ 0.476	\$ 1,127,275	\$ 2.124	\$ 5,030,250
34.5-69 kV	940,181	11,282,172	\$ 0.239	\$ 2,947,624	\$ 0.463	\$ 5,223,646	\$ 0.261	\$ 2,940,143
138 kV	228,455	2,741,460	\$ 0.015	\$ 90,593	\$ 0.046	\$ 126,107	\$ 0.016	\$ 44,838
Subtotal	1,365,988	16,391,856	\$	\$ 7,741,048	\$	\$ 6,477,027	\$	\$ 8,015,232
>1000 kV Demand Charges				\$ 7,741,048	\$	\$ 11,013,279	\$	\$ 8,015,232
Standby Capacity Requirement								
Distribution Capacity <12.47 kV	4,140	49,680	\$ -	\$ -	\$ 1.879	\$ 93,349	\$ -	\$ -
<12.47 kV	4,140	49,680	\$ -	\$ -	\$ 0.476	\$ 23,648	\$ 2.124	\$ 105,523
34.5-69 kV	110,383	1,324,596	\$ -	\$ -	\$ 0.463	\$ 613,288	\$ 0.261	\$ 345,191
138 kV	309,896	3,718,752	\$ -	\$ -	\$ 0.046	\$ 171,063	\$ 0.016	\$ 60,823
				\$ -	\$ -	\$ 901,347	\$	\$ 511,537
Transformation Charges								
<3 mW	118,159	1,417,908	\$ 0.500	\$ 708,954	\$ 0.500	\$ 708,954	\$ 0.545	\$ 773,029
>3 mW	75,899	910,788	\$ 0.750	\$ 683,091	\$ 0.750	\$ 683,091	\$ 0.818	\$ 744,829
Reactive Demand Charge	755,889	9,070,668	\$ 0.100	\$ 907,067	\$ 0.200	\$ 1,814,134	\$ 0.109	\$ 989,047
Total Demand Charges				\$ 10,040,160	\$	\$ 15,120,805	\$	\$ 11,033,675
Total >1000 kV Revenues				\$ 11,385,180	\$	\$ 16,972,239	\$	\$ 11,878,718
Over 1000 kV Revenue Requirement							\$	\$ 12,680,195

	Current Charges	Company Proposed Charges	Staff Proposed Charges
Total Facilities Charges	\$ 14,972,469	\$ 8,262,128	\$ 7,618,268
Total Non-Metering Customer-Related Costs			\$ 7,621,406
Total Unbundled Meter Charges	\$ 4,801,167	\$ 5,912,824	\$ 5,903,240
Total Meter Costs			\$ 5,912,000
Total Customer-Related Costs			\$ 13,533,406
Total Demand-Related Charges	\$ 54,361,705		\$ 72,212,413
Total Demand Costs			\$ 72,212,594
Total Class Revenues	\$ 74,135,341		\$ 85,733,921
Total Demand Metered Revenue Requirement			85,746,000

Residential Outdoor Area Lighting Service Rate Design

Area Lighting	Lumens	Number of Lamps	IP Monthly Price per Lamp	Revenues	Staff Monthly Price per Lamp	Revenues
Incandescent	2,500	133	\$ 6.86	\$ 10,949	\$ 6.51	\$ 10,390
	4,000	30	\$ 7.23	\$ 2,603	\$ 6.87	\$ 2,473
	6,000	19	\$ 7.63	\$ 1,740	\$ 7.25	\$ 1,653
	10,000	2	\$ 8.57	\$ 206	\$ 8.14	\$ 195
Mercury Vapor	6,400	19,486	\$ 4.20	\$ 982,094	\$ 3.99	\$ 932,990
	9,400	5,149	\$ 4.64	\$ 286,696	\$ 4.40	\$ 271,867
	16,000	228	\$ 6.45	\$ 17,647	\$ 6.12	\$ 16,744
	45,200	1	\$ 11.81	\$ 142	\$ 11.22	\$ 135
Sodium Vapor	8,500	2,888	\$ 4.85	\$ 168,082	\$ 4.60	\$ 159,418
	15,000	4,451	\$ 5.05	\$ 269,731	\$ 4.79	\$ 255,843
	22,000	270	\$ 6.35	\$ 20,574	\$ 6.03	\$ 19,537
	45,000	191	\$ 7.37	\$ 16,892	\$ 7.00	\$ 16,044
Metal Halide	24,600	5	\$ 11.91	\$ 715	\$ 11.31	\$ 679
Directional Lighting						
Mercury Vapor	16,000	38	\$ 7.65	\$ 3,488	\$ 7.27	\$ 3,315
	45,200	5	\$ 10.77	\$ 646	\$ 10.23	\$ 614
Sodium Vapor	22,000	118	\$ 9.11	\$ 12,900	\$ 8.65	\$ 12,248
	45,000	197	\$ 8.97	\$ 21,205	\$ 8.52	\$ 20,141
Metal Halide	24,600	82	\$ 8.03	\$ 7,902	\$ 7.63	\$ 7,508
	83,000	56	\$ 14.21	\$ 9,549	\$ 13.50	\$ 9,072
Total		33,349		\$ 1,833,759		\$ 1,740,867

Non-Residential Outdoor Area Lighting Service Rate Design

Area Lighting	Lumens	Number of Lamps	Monthly		Staff Monthly	
			Price per Lamp	Revenues	Price per Lamp	Revenues
Incadescent	2,500	59	\$ 8.88	\$ 6,287	\$ 8.43	\$ 5,968
	4,000	16	\$ 9.52	\$ 1,828	\$ 9.04	\$ 1,736
	6,000	16	\$ 10.19	\$ 1,956	\$ 9.68	\$ 1,859
	10,000	4	\$ 11.73	\$ 563	\$ 11.14	\$ 535
Mercury Vapor	6,400	6,219	\$ 5.56	\$ 414,932	\$ 5.28	\$ 394,036
	9,400	4,371	\$ 6.22	\$ 326,251	\$ 5.91	\$ 309,991
	16,000	3,203	\$ 8.70	\$ 334,393	\$ 8.26	\$ 317,481
	45,200	588	\$ 16.39	\$ 115,648	\$ 15.57	\$ 109,862
Sodium Vapor	8,500	1,376	\$ 6.24	\$ 103,035	\$ 5.93	\$ 97,916
	15,000	6,012	\$ 6.56	\$ 473,265	\$ 6.23	\$ 449,457
	22,000	3,337	\$ 8.38	\$ 335,569	\$ 7.96	\$ 318,750
	45,000	5,134	\$ 9.88	\$ 608,687	\$ 9.38	\$ 577,883
Metal Halide	24,600	88	\$ 15.56	\$ 16,431	\$ 14.78	\$ 15,608
Directional Lighting						
Mercury Vapor	16,000	676	\$ 10.20	\$ 82,742	\$ 9.69	\$ 78,605
	45,200	633	\$ 15.09	\$ 114,624	\$ 14.34	\$ 108,927
Sodium Vapor	22,000	1,460	\$ 11.83	\$ 207,262	\$ 11.24	\$ 196,925
	45,000	6,240	\$ 11.88	\$ 889,574	\$ 11.29	\$ 845,395
Metal Halide	24,600	1,797	\$ 10.71	\$ 230,950	\$ 10.17	\$ 219,306
	83,000	3,682	\$ 19.40	\$ 857,170	\$ 18.43	\$ 814,311
Total		44,911		\$ 5,121,167		\$ 4,864,551

Municipal Street Lighting Service Rate Design

Incandescent	Lumens	Number of Lamps	Monthly Price per Lamp	Revenues	Staff	
					Monthly Price per Lamp	Revenues
A	1,000	47	\$ 11.58	\$ 6,531	\$ 11.00	\$ 6,204
	2,500	507	\$ 11.83	\$ 71,974	\$ 11.24	\$ 68,384
	4,000	2,034	\$ 12.37	\$ 301,927	\$ 11.75	\$ 286,794
	6,000	820	\$ 12.69	\$ 124,870	\$ 12.06	\$ 118,670
	10,000	1	\$ 14.08	\$ 169	\$ 13.38	\$ 161
B	4,000	41	\$ 22.92	\$ 11,277	\$ 21.78	\$ 10,716
	6,000	26	\$ 23.19	\$ 7,235	\$ 22.03	\$ 6,873
C	1,000	42	\$ 3.08	\$ 1,552	\$ 2.92	\$ 1,472
	2,500	129	\$ 3.38	\$ 5,232	\$ 3.21	\$ 4,969
	4,000	32	\$ 3.72	\$ 1,428	\$ 3.53	\$ 1,356
	6,000	42	\$ 4.09	\$ 2,061	\$ 3.88	\$ 1,956
Mercury Vapor						
A	7,200	36,553	\$ 10.26	\$ 4,500,405	\$ 9.75	\$ 4,276,701
	11,000	5,294	\$ 10.72	\$ 681,020	\$ 10.18	\$ 646,715
	17,000	6,566	\$ 13.40	\$ 1,055,813	\$ 12.73	\$ 1,003,022
	30,000	41	\$ 18.08	\$ 8,895	\$ 17.18	\$ 8,453
	46,000	250	\$ 19.69	\$ 59,070	\$ 18.71	\$ 56,130
B	7,200	1,442	\$ 20.96	\$ 362,692	\$ 19.91	\$ 344,523
	11,000	232	\$ 21.32	\$ 59,355	\$ 20.26	\$ 56,404
	17,000	3,246	\$ 23.25	\$ 905,634	\$ 22.09	\$ 860,450
	30,000	106	\$ 27.68	\$ 35,209	\$ 26.30	\$ 33,454
	46,000	214	\$ 29.04	\$ 74,575	\$ 27.59	\$ 70,851
C	7,200	125	\$ 1.71	\$ 2,565	\$ 1.62	\$ 2,430
	17,000	36	\$ 3.05	\$ 1,318	\$ 2.89	\$ 1,248
	46,000	41	\$ 5.34	\$ 2,627	\$ 5.07	\$ 2,494
Sodium Vapor						
A	8,700	12,789	\$ 10.74	\$ 1,648,246	\$ 10.20	\$ 1,565,374
	15,000	12,463	\$ 12.86	\$ 1,923,290	\$ 12.22	\$ 1,827,574
	23,000	7,642	\$ 14.13	\$ 1,295,778	\$ 13.42	\$ 1,230,668
	46,500	2,780	\$ 16.18	\$ 539,765	\$ 15.37	\$ 512,743
B	8,700	1,023	\$ 21.39	\$ 262,584	\$ 20.32	\$ 249,448
	15,000	1,126	\$ 23.51	\$ 317,667	\$ 22.34	\$ 301,858
	23,000	2,244	\$ 25.93	\$ 698,243	\$ 24.64	\$ 663,506
	46,500	1,550	\$ 26.43	\$ 491,598	\$ 25.11	\$ 467,046
C	8,700	69	\$ 1.89	\$ 1,565	\$ 1.79	\$ 1,482
	15,000	125	\$ 2.76	\$ 4,140	\$ 2.62	\$ 3,930
	23,000	166	\$ 4.93	\$ 9,821	\$ 4.68	\$ 9,323
	46,500	27	\$ 7.63	\$ 2,472	\$ 7.25	\$ 2,349
	130,200	8	\$ 23.65	\$ 2,270	\$ 22.47	\$ 2,157
Metal Halide	9,600	111	\$ 7.69	\$ 10,243	\$ 7.30	\$ 9,724
		99,990		\$ 15,491,116		\$ 14,717,610
Lighting Total				\$ 22,446,043		\$ 21,323,028