

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application )	Docket No. 06-035-21
Of PacifiCorp for Approval of )	PRE-FILED SURREBUTTAL
Its Proposed Electric Service )	TESTIMONY OF
Schedules and Electric )	ANTHONY J. YANKEL
Service Regulations )	FOR THE COMMITTEE OF
)	CONSUMER SERVICES

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October 23, 2006

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1 **INTRODUCTION**

2

3 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS**  
4 **ADDRESS.**

5 A. I am Anthony J. Yankel. I am President of Yankel and Associates, Inc. My  
6 address is 29814 Lake Road, Bay Village, Ohio, 44140.

7 **Q. ARE YOU THE SAME ANTHONY J. YANKEL THAT HAS PREVIOUSLY**  
8 **TESTIFIED ON BEHALF OF THE COMMITTEE IN THIS CASE?**

9 A. Yes.

10 **Q. DO YOU HAVE A SUMMARY OF THE KEY ISSUES AND CONCERNS**  
11 **ADDRESSED IN YOUR SURREBUTTAL TESTIMONY?**

12 A. Yes I do. There has been considerable testimony submitted in this case  
13 regarding Residential rate design. Some of that testimony is in agreement  
14 with the Committee's position and some is opposed. As previously  
15 discussed in my Direct Testimony, rate design is more of an art than a  
16 science. Consequently, one would expect a variety of opinions regarding  
17 how Residential rates should be established. The testimony submitted  
18 provides a wide array of perspectives.

19 The Commission should recognize that it is being asked to set policy  
20 (art) and is not expected to develop a precise relationship of cost causation  
21 for each of the approximately 656,000 Residential customers (science).  
22 While rates should be designed such that there is a reasonable expectation  
23 that the Company's revenue requirement will be met and should reflect

24 general cost causation principles, the Committee strongly urges the  
25 Commission to carefully consider the specific circumstances in this case  
26 and make its rate design decision accordingly.

27 All parties in this case generally agree that the growth in air-  
28 conditioning load (residential as well as non-residential) is one of the key  
29 drivers underlying the substantial increase in Utah's summer peak load.  
30 This growth in peak load has required PacifiCorp (the Company) to invest in  
31 new Generation, Transmission, and Distribution facilities which has resulted  
32 in upward pressure on rates. It is in the rate design phase of this case  
33 where the Commission can set clear policy/pricing signals as to how that  
34 growth will be addressed at the Intra-class level. I do not advocate that  
35 rates be developed that are punitive to air-conditioning customers, but I do  
36 not believe that it is appropriate to place the bulk of a major rate increase  
37 (10.31%) on the backs of the smallest use customers that are not using air-  
38 conditioning.

39 **Q. WILL YOUR TESTIMONY ADDRESS ALL OF THE POINTS RAISED BY**  
40 **OTHER WITNESSES WHO FILED REBUTTAL TESTIMONY?**

41 A. No. I will limit my responsive testimony to a few of the more important  
42 areas where there is disagreement with the other parties or where  
43 statements have been made that misinterpreted or mischaracterized my  
44 Direct Testimony.

45

46 **RESPONSE TO TESTIMONY OF MR. TAYLOR AND MR. ANDERSON**

47

48 **Q. COMPANY WITNESSES TAYLOR AND ANDERSON BOTH CONTEND**  
49 **THAT THE AVERAGE LOAD FACTORS YOU USED ON PAGES 4 AND 5**  
50 **OF YOUR DIRECT TESTIMONY WERE DISTORTIONS OF ACTUAL**  
51 **CUSTOMER USAGE PATTERNS<sup>1</sup>. IS THIS A FAIR REPRESENTATION**  
52 **OF YOUR TESTIMONY AND THE DATA PRESENTED?**

53 A. No. My Direct Testimony clearly states that I averaged<sup>2</sup> the coincident load  
54 factor data of each of the approximate 150 Residential load research  
55 sample customers. Apparently, the Company would prefer that I calculate  
56 these values by using the “average weighted energy consumption per  
57 customer” and divide by the “average weighted coincident demand per  
58 customer”. The Company’s preferred methodology typically is used in the  
59 preparation of data to be included into a cost-of-service study. Since I was  
60 not incorporating this data into a cost-of-service study, there was no basis to  
61 provide the data in the manner that the Company describes.

62 **Q. IS THERE A MATERIAL DIFFERENCE IN THE COINCIDENT LOAD**  
63 **FACTOR DATA BY SIZE OF CUSTOMER THAT YOU PRESENTED AND**  
64 **THAT PRESENTED BY MR. TAYLOR AND MR. ANDERSON?**

65 A. No. Relatively speaking, the Company’s values are smaller than mine, but  
66 they show the very same trend. The values in Mr. Taylor’s Rebuttal  
67 Testimony on line 33 for May 2004 show the following pattern:

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<sup>1</sup> See Mr. Taylor’s Rebuttal testimony beginning on line 14 and Mr. Anderson’s beginning on line 29.

<sup>2</sup> Yankel Direct lines 76-78.

	<u>kWh Range</u>	<u>Coincident L.F.</u>
69		
70	0-400	85%
71	401-600	83%
72	601-1000	73%
73	> 1000	69%
74		

75 This is essentially the same correlation that I addressed in my Direct  
76 Testimony—the greater a customer’s monthly usage, the more “on-peak” a  
77 customer’s usage became. Given the fact that Utah’s growth in summer  
78 peak load has been significantly outpacing the growth in both winter peak  
79 load and annual energy consumption, this relationship is very important.  
80 The relationship exists regardless if you calculate average coincident load  
81 factors as I did or as the Company proposes.

82 The important questions to keep in mind are: what can be done  
83 about this rapid growth in summer peak demand; what future costs will it  
84 place upon Utah customers; and which customers are going to incur those  
85 costs?

86 **Q. COMPANY WITNESS TAYLOR STATES THAT HE DEVELOPED AN**  
87 **EMBEDDED UNIT COST OF SERVICE RESULTS FOR BOTH SUMMER**  
88 **AND WINTER PERIODS. DO YOU HAVE ANY OBSERVATIONS**  
89 **REGARDING HIS RESULTS OR METHODS?**

90 A. Mr. Taylor included<sup>3</sup> his “embedded unit cost of service results” in his  
91 Exhibit DLT-1R. I do not know what an embedded unit cost of service  
92 results may be, but it appears to be quite different than an embedded cost  
93 of service study. Mr. Taylor’s embedded unit cost of service results is only

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<sup>3</sup> Starting on line 77 of Mr. Taylor’s Rebuttal testimony.

94 11 pages long. By contrast, Mr. Anderberg, in his Direct Testimony,  
95 provided<sup>4</sup> the Company's "functionalized Class Cost of Service Study",  
96 which consisted of three exhibits and approximately 225 pages. Given the  
97 fact that even a casual review of Mr. Taylor's embedded unit cost of service  
98 results indicates the format used is completely different than the format  
99 used in a traditional cost of service study provided by the Company, and  
100 given the one-week time frame between Mr. Taylor's supplying his Rebuttal  
101 Testimony and the need to file Surrebuttal Testimony, any thorough  
102 review/critique of what Mr. Taylor has provided is impossible.

103 **Q. ARE THERE ANY INITIAL OBSERVATIONS REGARDING MR.**  
104 **TAYLOR'S EXHIBIT DLT-1R THAT YOU WISH TO OFFER?**

105 A. Yes, there are a few observations worth noting. First, Tab 1.1 of Mr.  
106 Taylor's Exhibit DLT-1R seems to be more of a breakdown of  
107 winter/summer rates rather than a detailed description of how the individual  
108 rates in each usage block are related to cost causation. For example, line  
109 26 of Tab 1.1 indicates that when using a \$3.40 customer charge, the  
110 average cost per kWh in the summer is calculated by the Company to be  
111 8.91 cents, while the winter cost is 6.75 cents per kWh. If the Company  
112 fully agrees with this calculation, and if it believes that rates must follow cost  
113 causation (calculations), then why is it proposing winter rates that are 7.387  
114 cents per kWh (10% above the calculated costs for 7 months of the year) so  
115 that it could charge, on average, less than the cost that it calculated for the  
116 summer months? If the summer costs are 1.3 times that of winter costs

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<sup>4</sup> Starting on line 22 of Mr. Anderberg's Direct Testimony.

117 (\$0.0891 / \$0.0675 = 1.32), then the Commission should consider making  
118 even greater differentials in the summer/winter rates than what has been  
119 proposed by any of the witnesses in this case.

120 A second observation is that this study seemed to allocate  
121 distribution costs such as "Line Transformers" simply on the basis of the  
122 non-coincident load factors of each of these groups. In the Company's cost  
123 of service study, these calculations are modified by the number of  
124 customers that take service from each transformer. Because of the  
125 increase in use of air-conditioning, the size (demand) of many residential  
126 customers has been increasing and the number of customers served per  
127 transformer has been going down. In this case, the Company estimated<sup>5</sup>  
128 that the average number of Residential customers per line transformer was  
129 six. Less than 10 years ago in Docket 97-035-01, the Company estimated<sup>6</sup>  
130 that the average number of Residential customers per line transformer was  
131 eight. When the Company was making its calculations, it should have taken  
132 into account that there are fewer customers per line transformer when large  
133 customers are being served.

134 **Q. IS THE AVOIDED COST OF 9.12 CENTS PER KWH FOR USAGE OVER**  
135 **1000 KWH THAT MR. TAYLOR CALCULATED ON PAGE 7 LINE 121 OF**  
136 **HIS REBUTTAL TESTIMONY APPROPRIATE?**

137 A. No, for two reasons. First, Mr. Taylor footnotes his calculation by indicating  
138 that the non-generation cost of 3.63 cents per kWh does not include

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<sup>5</sup> Exhibit UPL\_\_(KDA-3) Tab 5 page 8 line 21

<sup>6</sup> Docket 97-035-01 Exhibit UP&L 8.8 (DLT-8) page 25 line 21.



139 customer-related costs. According to Tab 1.1 line 11 of his Exhibit DLT-1R,  
140 customer-related costs amount to \$7.78 per customer per month. This  
141 translates into \$59.6 million per year<sup>7</sup> or 1.009 cents per kWh<sup>8</sup> more than  
142 what is shown on Mr. Taylor's Table 4 values. Including customer-related  
143 costs with his other costs results in a "price signal" to monthly usage greater  
144 than 1000 kWh of 10.124 cents per kWh—well above the 9.723 cents per  
145 kWh rate that the Company proposes for summer usage over 1000 kWh.  
146 Admittedly, the Company is proposing to recover some of these customer-  
147 related costs in a customer charge, but even at the Company's proposed  
148 \$3.40 customer charge over half of the customer-related costs will still need  
149 to be collected in the energy rate.

150 . Second, in order to calculate the generation component of this rate,  
151 Mr. Taylor used a "Summer Avoided Cost" rate of 5.48 cents per kWh.  
152 Although the Company's Avoided Cost rate may be appropriate for  
153 purposes of purchasing power from a qualifying facility (QF), this does not  
154 necessarily represent the marginal prices that the Company encounters in  
155 the market. The Company's net power costs in this rate case include  
156 purchases listed under the headings of APS IF, Constellation, Morgan  
157 Stanley Call, Pinnacle West, PSC New Mexico, and Sempra Call. Prices for  
158 these marginal purchases vary from 6 cents per kWh up to 13 cents per  
159 kWh at the generation level. Likewise, the Company's projected test year

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<sup>7</sup> \$7.78 times (7,659,292 + 210,992 + 4,591 bills) [Exhibit UP&L\_\_(WRG-1R) page 1] or \$61,266,527 per year.

<sup>8</sup> \$61,266,527 divided by (5,937,341,758 + 132,697,889 + 3,065,510 kWh per year) [Exhibit UP&L\_\_(WRG-1R) page 1] equals 1.009 cents per kWh.

160 marginal purchase power costs included APS, Morgan Stanley, and UBS  
161 ranging from 6 cents per kWh to 9.1 cents per kWh. In order to represent  
162 these values at the residential pricing level, an additional 10% would need  
163 to be added for losses. Thus, the 5.48 cents per kWh Mr. Taylor used in his  
164 “price signal” for usage over 1000 kWh falls well short of the costs attendant  
165 to many of the purchase power contracts that the Company included for  
166 recovery in this rate case.  
167

168

**RESPONSE TO TESTIMONY OF MR. GRIFFITH**

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170

**Q. ON PAGE 8 OF HIS REBUTTAL TESTIMONY, MR. GRIFFITH**

171

**PRESENTS A GRAPH THAT HE CLAIMS DEMONSTRATES THAT ALL**

172

**USAGE GROUPS ARE RESPONSIBLE FOR THE INCREASE IN**

173

**SUMMER KWH GROWTH. DO YOU AGREE WITH THIS**

174

**INTERPRETATION?**

175

A. No. This graph is a collection of inappropriate and misleading information

176

that I would strongly urge the Commission to disregard. For example, the

177

graph suggests that residential customers across all sectors increase usage

178

by the same approximate 500 kWh in the Summer compared to the Spring.

179

Anyone that has central air-conditioning would tell you that a 500 kWh

180

increase in usage due to air-conditioning is a small amount, and those that

181

do not have central air-conditioning would tell you that a 500 kWh increase

182

in usage is a very large change. Basically, this is a simple case of

183

“averages” lying.

184

Another questionable result can be found in the lowest usage block

185

(55-200 kWh) that is reported to have increased from an average of 151

186

kWh in the Spring to 392 kWh in the Summer (151 + 241 = 392). This

187

suggests that there would be virtually no one with bills less than 400 kWh

188

during the Summer. In fact, the Company's bill frequency data<sup>9</sup> from this

189

same year shows there were 160,908 bills or 25% of the Residential bills in

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<sup>9</sup> Attachment CCS 2.5-1 Tab Sch 1,2,&3 lists 160,908 bills at or below 400 kWh out of 649,888 bills

190 July 2004 that were at or below 400 kWh. The graph is simply a  
191 mathematical result that produces deceptive and misleading information.

192 **Q. WHAT IS CAUSING THE DATA IN THIS GRAPH TO BE SO**  
193 **UNREPRESENTATIVE OF REALITY?**

194 A. The underlying support data used to establish Mr. Griffith's graph on page 8  
195 of his Rebuttal Testimony was never provided. Only minimal summary data  
196 was provided—additional backup data was not retained by the Company<sup>10</sup>.  
197 Although not provided in discovery, Mr. Griffith stated in testimony<sup>11</sup> that the  
198 “non-summer usage is the average of April and May usage” and that the  
199 “summer usage is the average of July and August”. Because I did not have  
200 any underlying data to review, I turned to the Company's load research data  
201 for this same timeframe. Relying on the load research data, I was able to  
202 separate out the following data for those customers whose usage was in the  
203 301-400 kWh range during April/May 2004:

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<sup>10</sup> See response to CCS Data Request 24.1

<sup>11</sup> See Griffith's rebuttal testimony page 8 lines 169 through 173

			Apr/May	July/Aug
		<u>I.D.</u>	<u>Ave.</u>	<u>Ave.</u>
		<u>Number</u>	<u>kWh</u>	<u>kWh</u>
204				
205	1	22003	315	78
206	2	22030	303	160
	3	22027	308	205
207	4	26019	341	304
	5	22026	337	321
	6	22057	340	322
208	7	32015	360	364
	8	22019	348	413
209	9	22013	341	416
	10	26013	329	436
210				
	11	26025	317	445
211	12	22015	337	487
	13	42008	378	560
212	14	26027	383	621
	15	22035	366	697
	16	32005	379	725
213	17	22111	321	886
	18	22072	395	990
214	19	35437	362	1160
	20	22064	316	1401
215				
		Average	344	550
216				

217 Despite getting different averages from the load research data compared to  
 218 the Company's figures I believe the results are close enough to determine  
 219 what is occurring in the Company's graph. The average Spring usage from  
 220 the load research data was 344 kWh, which is close to the 352 kWh found  
 221 in the Company's graph for the non-summer usage. The average for the  
 222 load research data for these same customers only increased 206 kWh  
 223 compared to 326 kWh in the Company's graph, but it is a large enough  
 224 increase to at least analyze what is occurring.

225 The above table was arranged in order of increasing usage during  
 226 the summer months. Remember, that each of these customers have an

227 average Spring usage of 301-400 kWh. The actual Summer usage lists the  
228 first customer as using 237 kWh less than his Spring usage. In fact, out of  
229 this sample of 20, four customers used less in the Summer than in the  
230 Spring. This random variation in usage (both positive and negative) is  
231 expected. What is driving the increase in Summer usage portrayed in Mr.  
232 Griffith's graph are the largest four customers in this grouping, rather than  
233 the group as a whole. The 20<sup>th</sup> customer increased from 316 kWh to 1,401  
234 kWh—I assume this was central air-conditioning. The 10<sup>th</sup> customer  
235 increased from 329 kWh to 436 kWh—I find it very hard to believe that an  
236 increase of 107 kWh is associated with central air-conditioning use.

237 The implications of Mr. Griffith's graph and the testimony that I  
238 believe to be most misleading is:

239 As the figure clearly shows, all usage categories experience  
240 increases in summer usage, and for many of these  
241 categories, none of their additional usage falls in the  
242 residential tailblock (over 1000 kWh).  
243

244 The above statement is only accurate if averages are being used to  
245 mask what is happening on an individual basis. On an individual basis,  
246 many customers actually decrease usage and many stay relatively the  
247 same. The dramatic increase in usage associated with certain customers  
248 stems from the use of central air-conditioning, and those customers are  
249 responsible for the apparent shift of the average usage for each group.  
250 Contrary to Mr. Griffith's statement, customers that use central air-  
251 conditioning, in fact, tend to get into the tailblock rate (over 1000 kWh). If

252 they did not, how does the Company explain the fact that 13% of their  
253 residential customers used<sup>12</sup> over 1000 kWh in April 2004, while 29% of  
254 their residential customers used<sup>13</sup> over 1000 kWh in July 2004?

255 The important thing to keep in mind is not how much an individual  
256 customer may, or may not, have increased their usage between Spring and  
257 Summer, and certainly not how much a group of customers increased on  
258 average, but what the loads are during the Summer and most importantly at  
259 the time of the Summer peak. The Committee does not believe that air-  
260 conditioning load is prevalent in the under 600 kWh block and certainly not  
261 in the under 400 kWh block. The Committee's rate design proposal  
262 specifically targets larger, air-conditioning usage during the summer  
263 months. The Committee is asking the Commission to send a stronger price  
264 signal where it will do the most good—to those residential customers  
265 contributing most to the increase in Summer usage and to the rapid  
266 increase in Summer peak loads.

267

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<sup>12</sup> According to Attachment CCS 2.5-1 Tab Sch 1,2,&3 560,559 out of 645,643 (87%) used less than 1000 kWh in April 2004.

<sup>13</sup> According to Attachment CCS 2.5-1 Tab Sch 1,2,&3 459,397 out of 649,888 (71%) used less than 1000 kWh in July 2004.

268 **RESPONSE TO TESTIMONY OF DR. ABDULLE**

269

270 **Q. PLEASE PROVIDE YOUR OVERVIEW OF DR. ABDULLE'S REBUTTAL**  
271 **TESTIMONY.**

272 A. Dr. Abdulle's testimony is primarily a summation of rate design criteria that  
273 suggests other rate designs that the Commission can adopt and implement  
274 if it places greater weight on certain policy considerations. Given the  
275 circumstances in this case, I believe that a "properly derived" customer  
276 charge is far less important than placing additional costs upon energy usage  
277 (the commodity over which customers have control) and in particular, the  
278 Summer tailblock energy charges in order to send a stronger price signal  
279 that increasing usage at this time is expensive to serve. I see no reason  
280 that a rate case that is mainly driven by increased Summer usage should  
281 result in half of that increase being applied as a fixed charge that will have  
282 its largest impact upon the smallest customers.

283 **Q. DO YOU HAVE ANY SPECIFIC CONCERNS REGARDING DR.**  
284 **ABDULLE'S TESTIMONY?**

285 A. Although there are many policy areas where we differ, I would like to  
286 address one technical misinterpretation of the proposal I put forth in my  
287 Direct Testimony. Specifically, I would like to address his claim<sup>14</sup> that there  
288 would be a "revenue loss" of \$1.94 per customer bill because of my  
289 proposal to expand the size of the first block from 0-400 kWh to 0-600 kWh

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<sup>14</sup> See Dr. Abdulle's Rebuttal Testimony page 16 lines 7 through 18.



290 per month. Aside from several minor numerical errors<sup>15</sup> in Dr. Abdulle's  
291 testimony, I would like to discuss a more appropriate way to analyze this  
292 proposal to increase the first block from 0-400 kWh to 0-600 kWh.

293 Dr. Abdulle calculates "lost revenue" as the difference between what  
294 would be collected under the present 1<sup>st</sup> block rate of 6.936 cents and what  
295 would be collected for the next 200 kWh of usage under the present 2<sup>nd</sup>  
296 block rate of 7.872 cents. He then claims that this amounts to an added  
297 burden to customers in the new 2<sup>nd</sup> and 3<sup>rd</sup> rate blocks. There are a number  
298 of areas where this argument misses the mark.

299 First, assuming everything about his numerical analysis is correct, it  
300 must be recognized that those incurring this increased "burden" are also the  
301 very customers that benefit by it. A customer whose usage is in the 0-400  
302 kWh block does not benefit if the block is increased to 0-600 kWh because  
303 their usage is confined to the 1<sup>st</sup> block. A customer that uses more than 600  
304 kWh will (under my proposal) be required to pick up additional costs  
305 because of this change in the rate blocking, but he is also the very customer  
306 that benefits from that change. Assuming that the \$1.94 figure is correct,  
307 the customers that will be asked to make up this shortfall (usage over 600  
308 kWh) are the customers that received the decrease of \$1.94 as part of their  
309 bill because of this rate change, i.e., the customers would experience both a  
310 decrease in the costs in the 401-600 kWh portion of his bill as well as an  
311 increase in the portion of his bill over 600 kWh to balance this reduction.

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<sup>15</sup> The proposal is not to shift 299 kWh, but 200 kWh. The figure of \$13.8 should be \$13.87. The difference in revenue calculated on the basis of the same rates used in Dr. Abdulle's testimony is \$1.87 and not \$1.94.

312 The net effect is to place more emphasis on the price of usage over 600  
313 kWh for those customers using more than 400 kWh per month during the  
314 Summer.

315 Second, this proposal is being made as a part of an overall increase  
316 in this case and not as an isolated proposal that will reduce the bill of one  
317 theoretical customer that just happens to use exactly 600 kWh during one of  
318 the five summer months. As I demonstrated in my Direct Testimony, this  
319 proposal does not impact anyone during the seven winter months. During  
320 the five summer months, my proposal results in less than the average  
321 increase for customers in the 401-600 kWh range, but they get at least a  
322 5.4% increase. Thus, no customer sees a decrease as may be suggested  
323 by the concept of "lost revenue".

324

325

**SUMMARY**

326

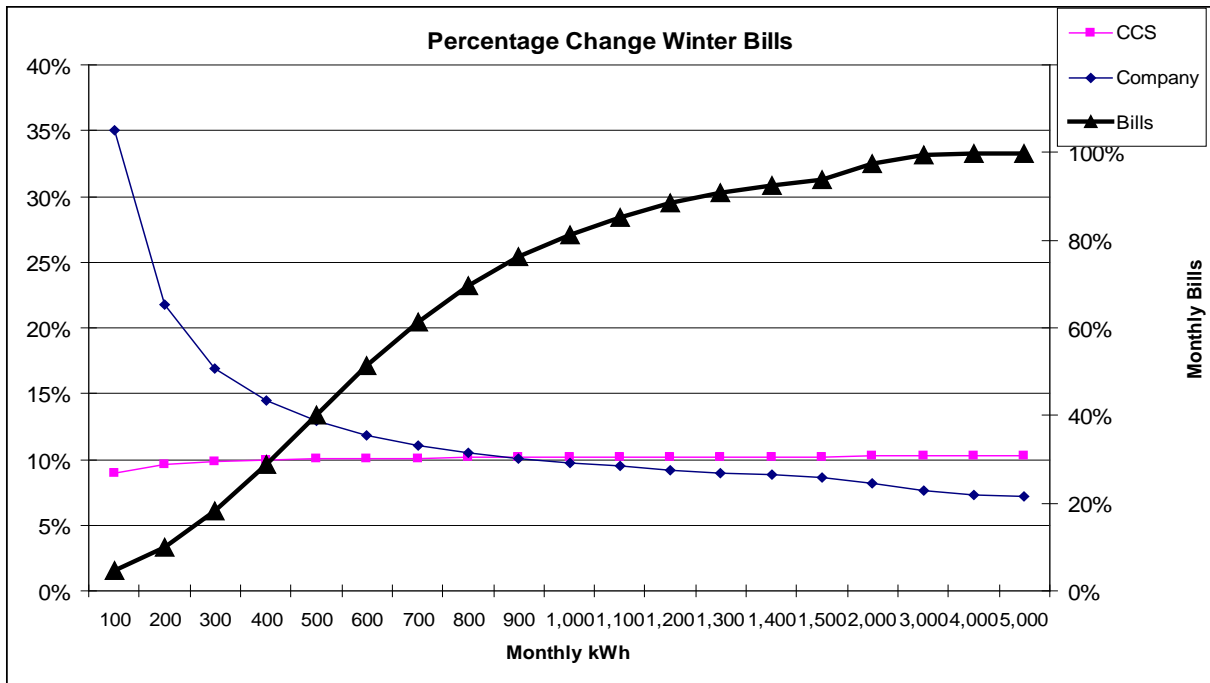
327 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

328 A. The Commission is being asked to make important policy decisions in this  
329 case regarding Residential rate design. The Committee, charged with  
330 representing the interests of the majority of Residential customers, is  
331 recommending that the Commission not deviate substantially from the  
332 policies that it has practiced for the last 20 years. Although a Customer  
333 Charge can be calculated to be in excess of \$0.98 per month, the  
334 Committee recommends that it not be increased beyond this level in order  
335 to place more emphasis upon the only component upon which a customer  
336 has control—their energy usage. A primary driving force behind this rate  
337 case is the rapid increase in air-conditioning load (Residential and Non-  
338 Residential). At the margin this load is causing significant cost increases.  
339 Those marginal cost increases are not fully addressed in an average-  
340 embedded cost-of-service study. While the Committee does not believe  
341 that marginal cost studies should be used for revenue requirement and cost  
342 allocation purposes, it believes the Commission should give consideration  
343 to marginal costs when developing rate design at the class level. The  
344 Committee's rate design proposal appropriately places greater emphasis on  
345 the costs to serve higher use residential customers during the summer peak  
346 without being punitive.

347

348 The rate design I proposed in my Direct Testimony provides a slightly  
 349 lower percentage increase for small residential customers and a slightly  
 350 higher percentage increase for large residential customers. Under my  
 351 proposal, the majority of residential customers would see slightly less than  
 352 the average increase. Under the Company's proposal, the majority of the  
 353 customers would see an above average increase and the higher use  
 354 customers (representing a minority of customers) would receive less than  
 355 an average increase.

356 The following graph demonstrates the difference between the  
 357 Company's and the Committee's Winter rate design proposals with the  
 358 corresponding average percentage of bills involved.



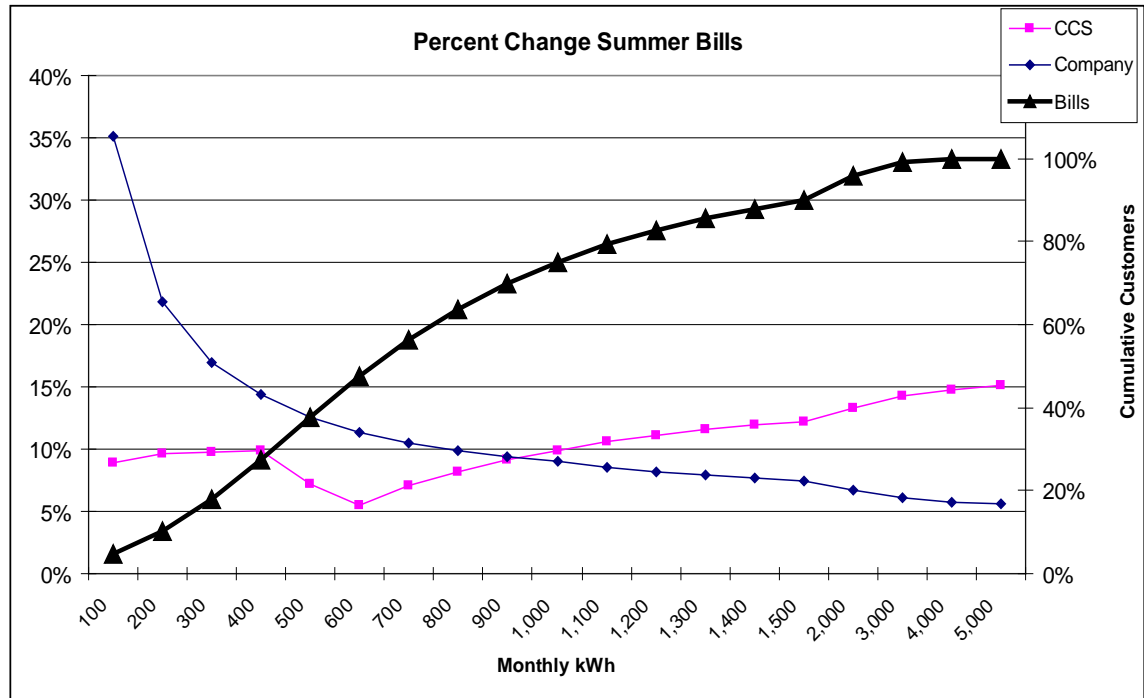
359  
 360 The above graph demonstrates that the Company's rate design is more  
 361 expensive during the Winter for all monthly usage below approximately 900  
 362 kWh. This represents approximately 76% of the winter bills.

363

A comparison of the Company's and the Committee's Summer rate

364

design proposals is shown in the following graph:



365

366

The above graph demonstrates that the Company's rate design is more

367

expensive during the summer for all monthly usage below approximately

368

900 kWh. This represents just over 70% of the Summer bills. The data

369

upon which these two graphs are based is attached as Exhibit CCS-3SR.1

370

**Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

371

A. Yes it does.