

DPU Errata Exhibit B

Redline of pages 9 and 13 of Phase II Direct Testimony of Abdinasir

M. Abdulle

(Exhibit 4.0 DIR in Docket No. 22-057-03)

**Showing the changes implemented in the revised version provided
in DPU Errata Exhibit A**

178 amount of costs assigned to them. The average and peak demand method is a
179 compromise between the other two methods. It is a weighted blend of total volume
180 or usage, such as annual throughput and a measure of maximum volume on a given
181 day, such as Actual Peak Day or Design Day. Hence, it moderates the cost
182 allocations between the high and low load factor customers.⁹

183 The 60% / 40% weighting employed by DEU has resulted in reasonable rates in the
184 past and may still do so. However, the Division concludes that the use of the
185 blended factor, the average and peak method, is appropriate if the proper
186 combination of measures for annual throughput and maximum volume are
187 employed.

188 **Q. PLEASE EXPLAIN THESE MEASURES AND THEIR USE IN THIS CASE FOR**
189 **CREATING A BLENDED ALLOCATION FIGURE.**

190 A. Regarding the Average and Peak Demand Method, the NARUC Manual states that,

191 Total demand costs are multiplied by the system's load factor
192 to arrive at the capacity costs attributed to average use and
193 are apportioned to the various customer classes on an annual
194 volumetric basis.

195 This indicates that in calculating the capacity costs associated with the average use,
196 the system load factor should be used. The value of the system load factor depends
197 on what measures of annual volume and maximum volume are used. The load factor
198 is calculated as

199
$$\text{Load Factor} = (\text{Annual Volume} \div 365) \div \text{Maximum Volume in a Day}$$

200 In this case, there are really two competing sets of measures for annual volume and
201 maximum volume that might reasonably be used. For annual volume, DEU has used
202 172,905,622 Dth, representing total volumes minus those serving the Lake Side

⁹ [DPU Exhibit 4.03 DIR](#) - NARUC Gas Distribution Rate Design Manual. June 1989. Pages 26-28.

Table 8. Results of the CCOS using 59% design day and 41% Utah Total Dth. (Option C)

Customer Class	DNG Revenue	DNG Revenue Change	
		\$ Increase / Decrease	% Increase / Decrease
GS	383,235,865	41,328,866	10.78%
FS	2,820,916	1,080,693	38.31%
IS	265,083	11,340	4.28%
TSS	14,256,111	(2,216,078)	-15.54%
TSM	13,979,768	3,120,733	22.32%
TSL	11,234,883	8,481,139	75.49%
TBF	5,004,157	18,149,747	362.69%
NGV	2,605,722	555,249	21.31%
Total	433,402,504	70,511,689	16.27%

Customer Class	DNG Revenue	DNG Revenue Change	
		\$ Increase / Decrease	% Increase / Decrease
GS	383,355,695	50,659,387	13.21%
FS	2,820,197	981,461	34.80%
IS	264,577	(37,856)	-14.31%
TSS	14,258,738	(2,081,553)	-14.60%
TSM	13,969,473	1,988,119	14.23%
TSL	11,205,480	5,496,716	49.05%
TBF	4,922,892	12,978,482	263.64%
NGV	2,605,451	526,933	20.22%
Total	433,402,504	70,511,689	16.27%