

1 **Q. Please provide all sources and workpapers used in calculating the average**
2 **embedded demand costs shown on Table 6 in Mr. Henderson's Evidence, page 15,**
3 **Comparison of Demand Charges to Embedded Demand Costs.**
4

5 A. The calculation of the average embedded demand costs shown on Table 5 in Mr.
6 Henderson's Evidence is based on information provided in the 2001 Cost of Service
7 Study, which is filed as Exhibit LCH-2.
8

9 The total unit embedded demand cost by class is determined from total demand cost
10 shown in Exhibit LCH-2, page 9 of 40, Column B, divided by the billing demand shown
11 in Exhibit LCH-2, page 11 of 40, Column C.
12

13 Attachment A shows how the total unit embedded demand cost is split between
14 purchased power demand costs and other costs.

**Split of Unit Demand Costs
Between Purchase Power and Other**

Split of Unit Demand Costs between Purchase Power and Other

Class of Service	Rate	Total Unit Demand Cost ¹ \$ / kW - kVA	Allocated Produced and Purchased Demand ²	% Purchased Power ³	Allocated Purchased Power	Total Billing Demands ⁴ kW - kVA	Purchased Power Demand Cost \$ / kW - kVA	Other Energy Cost \$ / kW - kVA
G.S., 10 - 100 kW (110 kVA)	2.2	11.8	\$ 15,403,000	91.1%	\$ 14,032,133	2,156,404	6.5	5.3
G.S., 110 - 1000 kVA	2.3	11.7	\$ 18,802,000	91.1%	\$ 17,128,622	2,530,356	6.8	4.9
G.S., 1000 kVA and Over	2.4	11.0	\$ 7,143,000	91.1%	\$ 6,507,273	965,599	6.7	4.3

NOTES:

1 - Taken From Exhibit LCH-2, Page 11 of 40, Column F

2 - Taken From Exhibit LCH-2, Page 4 of 40, Column A

3 - Purchased Power as percent of total Produced and Purchased:

Purchase Power Demand Costs	\$ 99,259,000	Exhibit LCH-2 Page 2 of 40, Column B Line 1
Total Produced and Purchased Demand Costs	\$ 108,942,000	Exhibit LCH-2 Page 2 of 40, Column B, Line 12
% Produced and Purchased Related to Purchase Power	91.1%	

4 - Taken From Exhibit LCH-2, Page 11 of 40, Column C