

Q. Based on your knowledge of TOU rates that have been implemented in other jurisdictions, what level of relative peak to off-peak costs are necessary for customers to change their usage patterns by a significant amount leading to a positive impact on the utility's expansion plan costs.

A. Mr. Brockman has not done a study of the correlation of relative peak to off-peak prices necessary for customers to change their usage patterns a significant amount leading to positive impacts on the utility's expansion plans.

It is Mr. Brockman's opinion that the ratio of peak to off-peak is not as important as the magnitude of the dollar differences between the bill effects in each period, and the relative ease of shifting load. For example, customers will do very little shifting of their load for a savings of 5-10 dollars a month, but they might shift load for a savings of 100 dollars a month, in the Domestic class.

In order for customers to shift load due to seasonal or time-of-use pricing, it is necessary that there be ways to shift it, and that the savings outweigh the costs of doing so. It is not usually possible to shift lighting load to off-peak for example. Shifting washing and drying load entails inconvenience, so the savings must be substantial to the customer to accomplish much there. Cooking loads are not easily deferred. Heating loads can be deferred, but it usually requires expensive equipment for storing heat.

The time and duration of peak and off-peak hours are also significant factors when a customer is evaluating the benefits of accepting a time-of use rate option.