1 Q. Further to the response to PUB-150 NLH (referenced in the response to CA-

2   145 NLH) provide a rate consistent with the rate structure recommended in

3   Exhibit RDG-2 that has a winter demand charge that is double the non-winter

4   demand charge, and comment on the appropriateness of such a rate.

5

6

7 A. The demand charge in the illustrative rate in Exhibit RDG-2 is $7.00 / kW per

8   month. Assuming the same basis for the determination of billing demand

9   and that the billing demand will effectively be the same each month of the

10   year, a demand charge that is double the non-winter demand charge can

11   then be derived according to the expression:

12

13   2 * $X/kW * 5 winter months + $X/kW * 7 summer months = $7.00/kW x 12

14   months

15

16   where, $X/kW equals the summer demand charge.

17

18   Solving for $X/kW, the summer demand charge would, with rounding, be

19     $4.94/kW and the winter demand charge would be $9.88/kW.

20

21   Winter/summer demand charges in this 2:1 relationship could be a viable

22   alternative, as it would act to provide additional incentive for load

23   management, however, additional study would be needed.