1   Q.   Please explain why weighted customers is the appropriate allocation factor

2   for services and meters, but not for the customer component of lines,

3   transformers and accounting expenses.

4

5

6   A.   The customer components of lines, transformers and accounting expenses

7   are allocated to customer classes based on the number of customers

8   because these costs are incurred relative to the number of customers

9   served.

10

11   Services and meter costs are allocated to customer classes based on

12   weighted customers because these costs vary with the number of customers

13   and the relative cost of equipment.