

1 Q. Re: Pre-filed Testimony of Mel Dean: Assuming the loads for pre-production
2 industrial customers were “normalized” in the 2013 Cost of Service study (as per IC-
3 NLH-140), please confirm Mr. Mel Dean is not recommending that the use of a 1 CP
4 allocation for demand-related costs be changed.

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7 A. It is confirmed that that I am not recommending a change in the allocation method
8 for the classified demand costs. After the peaks loads are normalized in the cost of
9 service (as per IC-NLH-140), I recommend that the existing classification and
10 allocation methodology be used. As explained in my evidence (page 7, lines 2 to 7),
11 the use of the 1 CP allocator was approved by the Board in 1992. The appropriate
12 allocator for generation demand was brought before the Board again in the 2001
13 GRA. P.U. 7(2002-2003) and again, the Board ordered the use of a 1 CP allocator,
14 stating “*The Boards finds that the evidence supports the use of a 1 CP allocator and*
15 *the Board will order that NLH use a 1 CP allocator for allocation of generation*
16 *demand costs*” (page 108). The continued use of the 1 CP allocator is recommended.