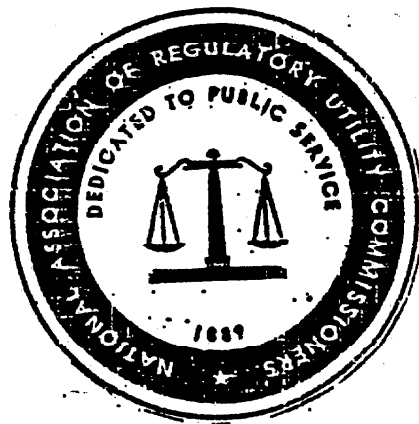


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ELECTRIC UTILITY  
COST ALLOCATION MANUAL

1973



Régie de l'énergie
DOSSIER: R-3492-2002
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## CLASSIFICATION AND ALLOCATION OF CUSTOMER-RELATED COSTS 61

The sample can be made from pole or conductor record inventory cards maintained by the plant accounting or distribution engineering department. A sample representing 0.5 percent of distribution poles, with a minimum of 500 poles, should be sampled. The sample should be drawn to insure the proper geographical distribution to cover urban, suburban and rural areas. A serial draw of every nth pole from records kept by taxing or company districts will usually provide such a sample.

Data from the sample cards are then assembled for tabulation. The data used is the number of feet of conductor by type, size, and voltage for each conductor, such as:

200' 4 # 2	BC		13.2 kv
200' 3 # 4	WP	Cu	120/240 v
200' 2 # 6	WP	Cu	Series St. Lighting
200' 3 # 2/0	BC		44 Kv

Two basic pieces of information are derived from the sample: 1) the number of pin positions occupied (number of conductors) for each voltage level which is used to assign the pole investment, and 2) the calculated investment in conductors for each voltage level which is used to assign the conductor account investment.

The conductors are priced out using average installed book cost for each size and type of wire or cable. This may be done manually but it is preferable to do so by computer. Where the sample is drawn from conductor inventory cards, the investment will be available directly from the sample.

### C. Allocation of Costs of Customer-Related Portion of Various Accounts

Having completed the demand-customer classification, most of the assumptions will have been made which are likely to have a very significant effect on the results of the completed cost of service study. The various methods for allocating the demand-related portion to classes of service were discussed at some length in Chapter V.

The allocation of the customer-related portion of the various plant accounts is based on the number of customers by classes of service with appropriate weightings and adjustments. Weighting factors reflect differences in characteristics of customers within a given class or between classes. Within a class, for instance, we may want to give more weighting of a certain plant account to rural customers as compared to urban customers. The metering account is a clear example of an account requiring weighting for differences between classes. A metering arrangement for a single industrial customer may be 20 to 80 times as costly as the metering for one residential customer.