Request No. AG-3-8 (Electric)
What is the purpose of the Smoothed Peak Demands reported on Table 1 and Table 2 of JLH-3 Electric?

Response:
The purpose of the smoothed Peak Demands reported in JLH-3 Electric tables 1 and 2 is to address the erratic behavior of the actual peak demand data. This erratic data has the possibility of showing both negative and positive changes in peak demand with large changes in year-to-year averages. With this erratic data, averages would vary dramatically and any given average would be difficult to support as a "trend" to be used for projecting long-run costs. This response was also provided earlier in response to DTE 2-77.

Person Responsible: James L. Harrison