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GENERAL INFORMATION

27. Weather Normalization Adjustment (WNA) (continued)

BL = Base load is the average non-weather sensitive usage over the billing cycle (in therms per customer) based on average usage by customers to which this adjustment applies. It is determined separately for each customer classification and will be revised with every rate change to reflect the non-temperature sensitive usage of customers to which the adjustment applies in the new sales forecast.

M = Margin is the non-gas rate in dollars per therm. It equals the unit price of the rate block in which the customer*s monthly delivery usage ended.

R/S = Refund or Surcharge in \$/customer

U = Usage over the billing period in therms/customer

Under this formula, the Weather Adjustment Factor (WAF) is calculated by dividing the estimated deficiency or excess in therms per customer due to weather variation for each billing cycle by the estimated average total therms used per billing cycle. The weather-related variation per customer is calculated by taking the actual heating degree days (ADD) for the billing cycle and calculating the amount by which the heating degree days exceed 102.2 percent of the normal heating degree days (NDD), or are less than 97.8 percent of the normal heating degree days (NDD), for the billing cycle. That amount is multiplied by the therms per heating degree day (DDF) per customer. The weather-related therm variation is then divided by the estimated average total usage per customer for the particular billing cycle. That amount is calculated by taking the base load (BL) therms per customer and adding the therms per heating degree day (DDF) multiplied by the actual heating degree days (ADD) for the particular billing cycle. The resulting ratio is then multiplied by the applicable margin (M) to arrive at the Weather Adjustment Factor (WAF). The actual refund or surcharge would then be calculated by multiplying the WAF by the usage over the billing period (U).

The following shows the heating Degree Day Factors (DDF) and the Service Classification baseload (BL) tables to be used in the calculation of the Weather Adjustment Factor (WAF). (To be updated with every rate change.)

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