

GENERAL INFORMATION

17. WEATHER NORMALIZATION ADJUSTMENT (WNA):

A. Applicability:

- (1) The WNA shall be applicable to all space heating customers, except as otherwise set forth herein, taking service pursuant to Service Classification Nos. 1, 2, 8, 9, and 11 of P.S.C. No. 87 - Gas, or superseding issues thereof, and Service Classification Nos. 1, 5, 13, 14, and 19 of P.S.C. No. 88 - Gas, or superseding issues thereof.
- (2) A firm industrial revenue class customer, taking service pursuant to a tariff that imposes the WNA, shall be deemed a space heating customer if more than 50% of such industrial customer's annual usage is experienced in the period November 1 through March 31.
- (3) The WNA shall be applied to the total gas usage during the WNA season of October 1 through May 31 of each year.

If only a portion of a customer's total gas usage for a particular billing period is applicable to the WNA season, then the WNA shall be adjusted to reflect the portion applicable to the WNA season.

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17. WEATHER NORMALIZATION ADJUSTMENT (WNA): (CONT'D)

B. Calculation of the WNA:

- (1) The WNA shall be calculated using the following formulas:

$$\text{WAF} = \frac{\text{DDF} * [\text{NHDD} - \text{AHDD}]}{(\text{BP} * \text{BLT}) + (\text{DDF} * \text{AHDD})}$$

$$\text{Therms}_{\text{Normal}} = \text{Therms}_{\text{Actual}} + (\text{Therms}_{\text{Actual}} * \text{WAF})$$

$$\text{WNA}_n = (R_n * \text{Therms}_{\text{Normal}(n)}) - (R_n * \text{Therms}_{\text{Actual}(n)})$$

$$\text{WNA}_{\text{Total}} = \text{Sum}(\text{WNA}_n)$$

- (2) Where,

- (a) "WAF" is the Weather Adjustment Factor.
- (b) "HDD" or Heating Degree Days are the difference between 65degrees Fahrenheit and the average of the minimum and maximum temperature as reported by the applicable National Weather Service station for a particular day. The HDD are zero when the average temperature is greater than 65 degrees Fahrenheit. HDD is also used to refer to the cumulative HDD for any defined period greater than one day.
- (c) "NHDD" or Normal Heating Degree Days, for any given calendar day, are based upon a 10-year average of the heating degree days for that calendar day. The applicable 10-year period ends on December 31st of the year before the current WNA season. NHDD is also used to refer to the cumulative NHDD for any defined period greater than one day.

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17. WEATHER NORMALIZATION ADJUSTMENT (WNA): (CONT'D)

B. Calculation of the WNA: (Cont'd)

(2) Where, (Cont'd)

- (d) "AHDD" or Actual Heating Degree Days are the actual difference between 65 degrees Fahrenheit and the average of the minimum and maximum temperature as reported by the applicable National Weather Service station for a particular day. AHDD is zero when the average temperature is equal to or greater than 65 degrees Fahrenheit. AHDD is also used to refer to the cumulative AHDD for any defined period greater than one day.
- (e) "BP" or Billing Period is the actual number of billing days that occur during the WNA season.
- (f) "BLT" or Base Load Therms is the estimated number of non-temperature sensitive Therms per day. The estimate is based on the average daily use in the July and August billing months. If the customer has insufficient billing history to calculate the BLT, the average BLT for the applicable service class shall be used. The service class average BLTs shall be revised annually.
- (g) "DDF" or Degree Day Factor is the estimated number of temperature sensitive Therms required for each heating degree day. If the customer has insufficient billing history to calculate the DDF, the average DDF for the applicable service class shall be used. The service class average DDFs shall be revised annually.
- (h) "Therms_{Normal}" is the estimated number of Therms the customer would have used if the weather were normal during the billing cycle.
- (i) "Therms_{Actual}" is the number of Therms the customer actually used during the billing cycle.
- (j) "Therms_{Normal(n)}" is the number of Therms_{Normal} that fall in the applicable rate block.
- (k) "Therms_{Actual(n)}" is the number of Therms_{Actual} that fall in the applicable rate block.

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17. WEATHER NORMALIZATION ADJUSTMENT (WNA): (CONT'D)

B. Calculation of the WNA: (Cont'd)

(2) Where, (Cont'd)

- (l) "WNA_n" is the weather normalization adjustment for the applicable rate block and is expressed in dollars.
- (m) "R_n" is the applicable block rate and is expressed in dollars per Therm.
- (n) "WNA_{total}" is the customer's weather normalization adjustment and is expressed in dollars.

18. RESEARCH AND DEVELOPMENT (R&D) ADJUSTMENT:

- A. Consistent with the PSC's order in Case 99-G-1369, the Company shall implement a Research and Development (R&D) Adjustment to provide funding for R&D programs.
- B. The R&D Adjustment shall be applicable to:
 - (1) Service Classification Nos. 1, 5, 13, 14, 16, and 19 of P.S.C. No. 88 - Gas, or superseding issues thereof, and
 - (2) Service Classification Nos. 1, 2, 5, 9, 10, and 11 of P.S.C. No. 87 - Gas, or superseding issues thereof.
- C. R&D funding obtained through application of the R&D Adjustment may equal, but not exceed, \$650,000 per calendar year.
- D. A statement reflecting the R&D Adjustment shall be filed with the PSC no later than three days before the effective date. Such statements shall be readily accessible to the public.