

ARKANSAS PUBLIC SERVICE COMMISSION

Original

Sheet No. 4-4.1/3

Replacing:

Sheet No.

CenterPoint Energy Resources Corp.

d/b/a CenterPoint Energy Arkansas Gas

(Name of Company)

Kind of Service: Natural Gas Class of Service: Residential
and Small Commercial

PART IV – Rider Schedule No. 4

Title: WEATHER NORMALIZATION ADJUSTMENT (WNA)

PSC File Mark Only

4. WEATHER NORMALIZATION ADJUSTMENT (WNA)

4.1. For bills rendered from November 1 through April 30 each year, the applicable margin rates for gas service to customers served under the applicable rate schedules shall be adjusted by a Weather Normalization Adjustment (WNA) to reflect much of the impact of heating degree day variations from normal levels which were used to set rates under the applicable rate schedules.

4.2. In order to calculate the total weather adjustment for the applicable billing cycle, a weather deviation is computed and multiplied by the applicable margin rate. A per Ccf WNA adjustment is calculated by dividing the total weather adjustment by the average Ccf usage per customer for all customers in each billing cycle, using the formula described below. The per Ccf adjustment for each applicable rate schedule is applied to customer's usage for the billing cycle. The WNA shall be separately identified on customer bills.

4.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT

4.3.1. The WNA is calculated as follows:

$$WNA_i = \frac{R_i(DDF_i(NDD - ADD))}{AAU_i}$$

Where: i = Any particular rate classification to which the WNA is to be applied.

WNA = Weather Normalization Dollar Adjustment per Ccf

R = Applicable Margin Rate

DDF = Degree Day Factor associated with the applicable rate schedule:

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First Revised Sheet No. 4-4.2/3

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Residential Service (RS-1) .1536
Small Commercial Sales (SCS-1)
(SSO) .5921

NDD = Normal Degree Days during the billing cycle

ADD = Actual Degree Days during the billing cycle

AAU = Average Actual Usage per customer for each billing cycle

4.4. DEFINITIONS

4.4.1. Normal Degree-days: The heating degree-days, which are based on a 30-year average ending June 30, 2015 as are shown on Attachment 1.

4.4.2. Actual Degree Days: The actual heating degree days as published by Weather Services Corporation or any other nationally recognized third-party weather service.

4.4.3. Applicable Margin Rate:

4.4.3.1. The Residential Service (RS-1). The RS-1 WNA marginal rate will use the marginal rate of the residential volumes that are in excess of 15 Ccf. The resulting WNA price will be applicable only to volumes in excess of 15 Ccf.

4.4.3.2. The Small Commercial Sales Service (SCS-1) System Supply Option (“SSO”). The SCS-1 WNA marginal rate will use a weighted average marginal rate of the November - April SCS-1 SSO volumes that are in excess of 78 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 79-1,500 Ccf range, the volume in the 1,501-15,000 Ccf range, and the volume above the 15,000 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 79-1,500 Ccf volumes, the second block

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margin rate to the volumes in the 1,501-15,000 range, and the third block margin rate to the volumes in the range above 15,000 Ccf, summing those totals and dividing the results by the total volumes in those ranges. The resulting WNA price will only apply to volumes in excess of 78 Ccf.

4.5. APPLICABLE RATE SCHEDULES

Residential Firm Sales Service (RS-1)

Small Commercial Firm Sales Service (SCS-1) System Supply Option (SSO)

4.6. ANNUAL REPORT

The Company will file annually in Docket No. 15-098-U by July 31 a comparison of actual and normal heating degree days by month and by season, total WNA revenues by rate schedule by month and by season, WNA bill analysis for varying levels of usage by rate schedule by month and by season, WNA complaints, and a definition of HDD.