

**WEATHER NORMALIZATION ADJUSTMENT
 RIDER WNA**

APPLICATION

This rider is applicable to residential (R-53) and small commercial customers (SC-51-R2).

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.

In order to calculate the total weather normalization 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.

CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT

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:

Residential Service (R-53)	.1881
Small Commercial Service (SC-51-R2)	.4511

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

DEFINITIONS

Normal Degree-days: The heating degree-days, which are based on a 10-year average ending June 30, 2005 as are shown on Attachment 1.

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

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RIDER WNA (Cont'd)

APPLICABLE MARGIN RATE

The Residential Service (R-53). The R-53 WNA marginal rate is \$0.33622 for residential volumes.

The Small Commercial Sales (SC-51-R2). The SC-51-R2 WNA marginal rate is equal to a weighted average marginal rate of the SC-51-R2 volumes that are in excess of 101 Ccf. The mechanics will be to use the bill frequencies to determine the volume in the 102-3,000 Ccf block, the volume in the 3,001-10,000 Ccf block, the volume in the 10,001-100,000 Ccf block, the volume in the 100,001-200,000 Ccf block, and all volumes used greater than 200,000 Ccf. The weighted average margin will be determined by applying the first block margin rate to the 102-3,000 Ccf volumes, the second block margin rate to the volumes in the 3,001-10,000 block, the third block margin rate to the volumes in the 10,001-100,000 block, the fourth block margin rate to the volumes in the 100,001-200,000 block, and the fifth block margin rate to the volumes in excess of 200,000 Ccf, summing those totals and dividing the results by the total volumes in those blocks.

