
Service Classification Weather Normalization Adjustment

Weather Normalization Adjustment (N) Weather Normalization Adjustment (WNA)

(N) Indicates New

Applicability

A Weather Normalization Adjustment ("WNA") shall be applied to bills of Residential and Non-Residential customers under Rate Schedules RS and GS, including those classes that take service under GTS, for service rendered on and after October 1 and through May 31. The WNA shall commence with service rendered on and after October 1, 2024 and shall continue as a five-year pilot unless otherwise modified by Commission Order.

WNA is a Base Rate Distribution Charge adjustment. The WNA amount does not apply to the Purchase Gas Cost rate or the Infrastructure Replacement and Expansion Program charge. The WNA is subject to Local Tax surcharges as set forth on Sheet Nos. 40, 41, 42, and 43.

Calculation of Adjustment Amount

The WNA will be applied to bills for service rendered on and after October 1 through May 31 and shall be calculated on a customer account specific basis in accordance with the formula below:

$$WNMB = BLMM + [((NHDD \pm (NHDD * 2\%)) / AHDD) \times (AMM - BLMM)]$$

$$WNAM = WNBM - AMM$$

$$WNA = WNAM \times \text{Base Rate Distribution Charge}$$

- a) Weather Normalized Billing Mcfs ("WNBM") will be calculated as the Base Load Monthly Mcfs ("BLMM") added to the product of the Normal Heating Degree Days ("NHDD", adjusted for a 2% deadband as further discussed in subparts (i) and (j) below), divided by the Actual Heating Degree Days ("AHDD") and the Actual Monthly Mcfs ("AMM") less the BLMM. Weather Normalized Billing Mcfs (WNBM) will only be calculated if the AMM exceeds the BLMM. WNA will not be applicable for the billing period if AMM is less than the BLMM.
- b) The BLMM shall be established separately for each customer using the customer's actual three month average daily consumption from the billing system, measured in Mcfs, using bills whose entire usage is between May 15 and September 20, but for a maximum number of three (3) bills. If less than three months of bill history is available for the premise, an average base load for the related customer class will be applied. The BLMM may be adjusted to reflect changes in a customer's base load usage.
- c) The AMM shall be measured for each customer and applicable billing period and will be inclusive of any heating value corrections.
- d) The NHDD shall be applied on a system-wide basis using the 10-year average as approved by the Commission in the Company's most recent Rule 42T base rate case.

Issued by Authority of an Order Of the Public Service Commission of West Virginia

In Case No. 23-0280-G-42T

Dated: April 11, 2024

Issued: September 27, 2024

Effective October 1, 2024

Issued by: Scoff F. Klemm - Vice President and Chief Regulatory Officer, Assistant Treasurer

Service Classification Weather Normalization Adjustment

Weather Normalization Adjustment (WNA) (N) Weather Normalization Adjustment Continued

(N) Indicates New

- e) The AHDD shall be determined using the system-wide actual heating degree days during the applicable billing period. The system-wide AHDD shall be a weighted average based upon actual Gas Day temperatures as reported by the National Oceanic and Atmospheric Administration (NOAA) for the Beckley area, the Charleston area, the Elkins area, the Huntington area, the Martinsburg area, and the Wheeling area consistent with the Company's most recent Rule 42T base rate case approved by the Commission. The daily AHDD will be determined using the average of the high and low temperature and comparing the result to 65 degrees. If the average temperature is above 65 degrees, then the AHDD for that day will be 0.
- f) The period for which both NHDD and AHDD will be measured for each billing period used for the WNA calculation will be based on the starting day of the customer's applicable billing period minus one day through last day of the applicable billing period minus one day. If AHDD is unavailable for any day(s) during that period, the respective NHDD for the same day(s) will also be excluded from the calculation, thereby excluding any days missing AHDD from the WNBM calculation.
- g) The AMM will be subtracted from the WNBM to compute the Weather Normalized Adjustment Mcfs ("WNAM").
- h) The WNAM shall then be multiplied by the applicable Customer Rate Schedule Base Rate Distribution Charge based on service rendered to compute the WNA amount that will be charged or credited to each Residential and Non-Residential customer served under Rate Schedules RS and GS, including those classes that take service under GTS.
- i) A deadband of 2% shall apply. The WNA for an applicable billing period will apply only if the system-wide AHDD for the applicable billing period is lower than 98% or higher than 102% of the NHDD for the applicable billing period.
- j) The WNA factor shall be calculated by first adjusting the NHDD for the applicable billing period by the deadband percentage of 2%. The deadband percentage shall be multiplied by the NHDD and then added to NHDD for the billing period when the weather is colder than normal (i.e., $AHDD > NHDD$) or subtracted from NHDD for the billing period when the weather is warmer than normal (i.e., $AHDD < NHDD$).
- k) In the event a customer's bill needs to be canceled and rebilled at any time, the WNA will be recalculated using the most recently available data for the billing period. In some cases, updates to data used in the calculation may result in a different WNA for the billing period. Bills requiring manual processing shall not have WNA applied.

Issued by Authority of an Order Of the Public Service Commission of West Virginia
In Case No. 23-0280-G-42T
Dated: April 11, 2024
Issued: September 27, 2024
Effective October 1, 2024

Issued by: Scoff F. Klemm - Vice President and Chief Regulatory Officer, Assistant Treasurer