
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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Residential Service (RS-1)	.1432
Small Commercial Sales (SCS-1 and SCS-2)	.5776

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, 2006 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 a weighted average marginal rate of the November - April residential volumes that are in excess of 13 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 14-50 Ccf range and the volume above the 50 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 14-50 Ccf volumes and the second block margin rate to the volumes above 50 Ccf, summing those totals and dividing the results by the total volumes in those ranges.

4.4.3.2. The Small Commercial Sales (SCS-1 and SCS-2). The SCS WNA marginal rate will use a weighted average marginal rate of the November - April SCS volumes that are in excess of 153 Ccf.

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The mechanics will be to use the monthly bill frequencies to determine the volume in the 154-1,500 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 154-1,500 Ccf volumes, the second block 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.

4.5. APPLICABLE RATE SCHEDULES

Residential Firm Sales Service (RS-1)

Small Commercial Firm Sales Service (SCS-1)

Small Commercial Firm Sales Service—Off-Peak (SCS-2)

4.6. ANNUAL REPORT

The Company will file annually in Docket No. 06-161-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.

FOR THE THIRTY YEAR PERIOD ENDED JUNE 30, 2006

TOTAL HDDS
3022