WEATHER NORMALIZATION ADJUSTMENT
RIDER WNA

1.1 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.

Rider WNA was made permanent in Docket No. 14-UN-060.

1.2. 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.

1.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT

1.3.1. The WNA is calculated as follows, first for residential customers and, then, for commercial customers:

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

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:

NDD	=	Normal Degree Days during the billing cycle
ADD	=	Actual Degree Days during the billing cycle
AAU	=	Average Actual Usage in Ccf per customer class for each billing cycle

The DDF shall be computed two times using the following regression specification and Data Time Series I, first for residential customers and, then, for small commercial customers:

$Y = a + b_1(HDD_i) + b_2(HDD_{i-1})$

Where:

Data Time Series I = data for the most recent 60 month time period ending the last month of the test year for the annual RRA.filing.

Y = monthly average use in Ccf per customer.

HDD_i = The sum of the number of Heating Degree Days (HDD) in month i. A heating degree day is the difference between the daily mean temperature and 65 degrees F when the daily mean temperature is below 65 degrees F and zero if the daily mean temperature => 65 degrees F. HDD are used as a measure of cold weather. The HDD used are those reported for the Jackson International Airport.

HDD_{i-1} = The sum of the number of Heating Degree Days in month i-1 and is a measure of weather in the previous month.

DDF = $b_1 + b_2$ = coefficient of HDD_i + coefficient of HDD_{i-1}

1.4. DEFINITIONS

1.4.1. Normal Degree Days: The heating degree days are based on a 10-year average ending the last month for the test year for the filing for the annual RRA.

1.4.2. Actual Degree Days: The actual heating degree days as published by ImpactWeather, Inc., or any other nationally recognized agreed upon (with the Staff) third-party weather service for the Jackson International Airport.

1.4.3. Applicable Margin Rate:

1.4.3.1. Residential Natural Gas Service - The residential WNA marginal rate will be equal to the current residential non-gas commodity rate.

1.4.3.2. Commercial Natural Gas Service - The commercial WNA marginal rate will use a weighted average marginal rate of the November - April commercial volumes that are in excess of 72 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 73-1,000 Ccf range, the volume in the 1,001-3,000 Ccf range, and the volume above the 3,000 Ccf range. The weighted average margin will be determined by applying the applicable margin rates

for each of the applicable margin ranges to the applicable volumes, summing those totals and dividing the results by the total volumes in those ranges.

1.5. APPLICABLE RATE SCHEDULES

Residential Natural Gas Service (Rate Schedule 68)

Commercial Natural Gas Service (Rate Schedule 69)

Multi-Unit High Rise Condominium Service (Rate Schedule 70)

1.6. ANNUAL REPORT

The Company will file new WNA factors annually at the time of the RRA Filing along with a comparison of actual and normal heating degree days by month and by season, and total WNA revenues by rate schedule by month and by season for the applicable RRA test-year. In addition the Company will provide any supporting data requested by the Staff and the new factors will be reviewed concurrently with the RRA review and both will be submitted to the Commission for approval consistent with the RRA filing and review procedures.