Q. Would the members of the Steam Forecasting Panel please state their names and business address.

A. Margaret M. Lenz, and Scott E. Campagne. 4 Irving Place, New York, New York 10003.

Q. By whom are you employed, in what capacity and what are your professional backgrounds and qualifications?

A. (Lenz) We are employed by Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”). I am Department Manager of Revenue and Volume Forecasting in Corporate Accounting. My background is as follows: I received my Bachelor of Science degree in Mathematics from St. Lawrence University in 1981. I also received an MBA Degree in Finance in 1995 from Adelphi University. In 1981, I was employed by Con Edison in its Management Intern Program. I have held various positions of increasing responsibility in the Company’s Planning, Corporate Accounting, Energy Services and Rate Engineering departments. I have overseen the Electric Revenue and Volume Forecasting Section since December 2002 and have been in my current position, overseeing the volume and revenue forecasts of all three systems (electric, gas and steam), since July 2006.
I am Section Manager of Gas and Steam Revenue and Volume Forecasting in Corporate Accounting. My background is as follows: I received a Bachelor of Science Degree in Accounting and a minor in economics from SUNY College at Brockport in 1984. I also received an MBA degree in Banking and Finance from Hofstra University in 1999. I have been employed by Con Edison since 2010 to oversee the and Gas and Steam Forecasting section. Prior to coming to Con Edison I was employed by National Grid (formerly KeySpan Energy and the Long Island Lighting company) since 1985. I held various positions of increasing responsibility in Fixed Assets Accounting, Corporate Planning, Marketing Services, and Regulation and Pricing. From 2005 to 2010 I was the manager of Revenue and Volume Forecasting for National Grid’s United States gas companies.

Q. Have you previously submitted testimony to the New York State Public Service Commission (“Commission”)?

A. (Lenz) I testified in Case Nos. 08-E-0539, 07-E-0523 and 06-E-1433 and submitted testimony in Case Nos. 09-E-0428, 07-E-0949, and 04-E-0572.

(Campagne) No I have not.
Q. What is the purpose of the Steam Forecasting Panel’s testimony in this proceeding?

A. The Steam Forecasting Panel’s testimony presents the Company’s forecast of steam sales and revenues for July 1, 2012 through December 31, 2016, covering the rate year ending December 2014 (“Rate Year” or “RY1”), and the 12 months ending December 31, 2015, and December 31, 2016 (which we will refer to as “RY2” and “RY3,” respectively, for ease of reference). Our testimony addresses the development of these forecasts starting from the Historic Year, the twelve months ended June 30, 2012. The sales forecast projects an increase in sales of 2,441 MMBtu or 12.6 percent between the actual sales in the historic year and the forecasted sales for RY1. We note that the forecasted sales assumes normal weather, as compared to the Historic Year during which the Company experienced an extremely milder than normal winter. The Historic Year sales, on a weather-normalized basis, are 0.8 percent higher than the forecast for RY1 sales. We also propose that the Commission adopt a Weather Normalization Clause ("WNC") that would adjust on a real time basis for variances from normal weather outside of a
deadband. In effect, the WNC would recognize the variances before customer bills are issued and would adjust them accordingly.

SALES FORECAST

Q. Please describe the development of the “Base Estimate” that serves as the starting point for the Company’s sales forecast.

A. The process begins with the realignment of actual sales in the Historic Year to account for customers who moved from one service classification to another during the Historic Year. These volumes were then weather normalized. This eliminates any deviations in actual sales due to warmer or colder than normal weather. The weather normalized sales were then adjusted to account for the impact on sales yet to be realized due to customers who either joined the system before or during the Historic Year, or left the steam system during the Historic Year. These adjustments, along with a billing cycle adjustment, yield the base estimate that serves as the starting point for the Rate Year sales forecast.

Q. Please explain the development of RY1 sales level.

A. Key factors that are expected to affect the level of RY1
sales include new business, lost business due to on-site generation, demolition and other losses, lower sales to air conditioning customers who are projected to install more energy efficient equipment, air conditioning sales lost to alternative sources, and customer response to price change.

Q. Was Exhibit __ (SFP-1), titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - DEVELOPMENT OF FORECASTED STEAM SALES (MMlbs) FOR 12 MONTHS ENDING DECEMBER 31,2014,” prepared under your supervision and direction?

A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT __ (SFP-1)

Q. Please describe Exhibit __ (SFP-1).

A. This exhibit sets forth the forecasted sales for the Rate Year. It starts with the actual steam sales recorded by the Company during the Historic Year (line 1). These volumes, shown by service classification, reflect the realignment between service classifications previously noted. It shows the noted adjustments made to the Historic Year’s sales as well as the key factors that are expected to affect the level of RY1 sales. Lastly, the exhibit shows the forecasted sales for the Rate Year.

Q. Please describe the “Weather Normalization” adjustments
shown on lines 2 and 3.

A. Line 2 shows the weather normalization adjustment of 2,894 MMlbs applied to recognize that the Historic Year’s sales were affected by the extremely milder than normal heating related weather experienced during the 12 months ended June 30, 2012 (line 1). Total heating degree-days (“HDDs”) in the Historic Year were 28.8% percent less than normal. The related impact on sales, by service classification, was calculated monthly by multiplying the “variation between normal and actual heating degree-days” times a “use per heating degree-day per average customer” factor times “the number of customers.” A “use per heating degree-day per average customer” factor was determined for each service classification using a regression analysis of actual average monthly-billed sales per customer per billing day versus actual monthly billing period HDDs per billing day.

Q. Please continue.

A. Line 3 shows a weather normalization adjustment of (271) MMlbs to recognize that the Historic Year’s air conditioning sales were also affected by a deviation from normal weather. The actual cooling degree-days (“CDDs”) in the Historic Year were 11.5 percent greater than normal.
This sales volume impact was calculated in a manner consistent with the calculation of the winter period impact.

Line 4 shows the sum of the heating and cooling adjustments and line 5 shows the weather normalized sales for the Historic Year.

The weather normalization adjustments represent an upward adjustment to the actual recorded sales during the Historic Year of 13.5% or 2,623 MMLbs.

Q. Please define normal weather.

A. Normal weather is defined as the average weather condition over the 30 calendar years ended 2011. A 30-year condition is used by the National Weather Service to define normal weather.

Q. Please explain the “Annualization Adjustment” shown on lines 6 and 7.

A. The annualization adjustment for new business (line 6) reflects the anticipated future incremental impact on sales expected from customers added before or during the Historic Year. The annualization adjustment for lost business (line 7) reflects the anticipated future impact of customers lost during the Historic Year. For example, if a customer was
added in the final month of the Historic Year, an upward adjustment would be made to reflect that customer’s anticipated usage for the next 11 months. Similarly, if a customer left the system in the final month of the Historic Year, a downward adjustment would be made, equivalent to the actual volumes used by that customer in the preceding 11 months. Line 8 is the total of the annualization adjustments. The annualization adjustment related to new business is an increase of 56 MMLbs and the annualization adjustment related to lost business is a decrease of 23 MMLbs. The net impact of these two adjustments is an increase of 33 MMLbs.

Q. Please explain the “Billing Cycle” adjustment shown on line 9.

A. The billing cycle adjustment recognizes the impact on future sales due to the difference in the actual number of billing days in the Historic Year and the projected number of billing days for RY1.

Q. What does line 10, “Base Estimate,” represent?

A. The base estimate represents the Historic Year’s sales (line 1) adjusted to normal weather (lines 2 and 3), known new and lost business (lines 6 and 7), and the projected
Rate Year number of billing days (line 9). It serves as the starting point for the RY1 sales forecast.

Q. Please explain the development of the “New Business” forecast shown on line 11.

A. The new business forecast reflects the projected realized sales in RY1 associated with new business customers anticipated to take service between July 1, 2012 and December 31, 2014. The number of potential customers, their estimated loads and projected connection dates were provided by Company witness Viemeister.

Q. Please explain how the forecast of future “Lost Business to On-Site Generation” shown on line 12 was developed.

A. This estimate was based on the historic average annual steam sales losses due to on-site generation over the period 2007-2011. The air conditioning usage of those customers who have also discontinued their use of steam for heat and/or hot water was excluded in the development of this historic average. We will address the loss of air conditioning sales (shown on Line 15) later in our testimony.

Q. How was the estimate of “Demolition and Other Lost Business” shown on line 13 developed?
A. This estimate was based on the annual average of such losses over the period 2007–2011 and is consistent with past practice of using a historic five-year average in forecasting steam sales.

Q. Please explain the projection of “Lost Business (A/C Efficiency Impact)” shown on line 14.

A. Customers can expect to realize about a 30 percent decrease in their steam usage for air conditioning as a result of installing newer, more energy efficient equipment. The Steam Infrastructure and Operations Panel estimates that four air conditioning customers per year will retrofit their existing steam equipment with new more energy efficient steam air conditioning equipment.

Q. Please explain the projection of “Lost Business (A/C)” shown on line 15.

A. From 2001 to 2012, approximately 140,000 tons of steam chiller cooling has been converted to electric (12,727 tons per year). In response to an increased number of steam chiller replacements and inquiries, Steam Operations developed a customer database model that identifies which customer locations would be considered “at risk” based on the expected life of their steam chiller equipment as well
as specific customer characteristics. To increase the accuracy of information used, the Steam Operations staff visited each customer that currently utilizes steam service to provide cooling. A brief survey was conducted and their equipment/usage information was collected and inputted into the model. Based on the projections and assumptions, the model provided a forecast with an average loss of approximately 14,100 tons per year for the next ten years. This significant value is mainly due to the age of the existing chiller fleet currently operating on the Con Edison steam system. Of the 556 existing steam chillers operating on the system, 45% of them are currently operating beyond their projected useful life (20 years as per ASHRAE standard). When the equipment fails and can no longer be repaired, the customer must choose to replace in kind or to convert to an alternate type of equipment. Based on an internal study, electric equipment offers many significant benefits when compared to equivalent steam equipment. If there are no site specific barriers present, it is more than likely that a customer would choose to pursue electric chiller equipment in lieu of replacing with steam powered equipment.
Q. Please explain the “Price Elasticity” adjustment shown on line 16.

A. The price elasticity adjustment reflects the estimated impact of anticipated changes in the price of steam on conservation measures taken by steam customers. At the time the sales forecast was prepared, Financial Forecasting provided estimates of total revenue by service classification reflecting the then estimate of the needed rate relief for RY1 and base revenue forecasts provided by the Steam Forecast Panel at rates that absent Commission action would otherwise go into effect. The estimate of the rate relief was allocated to the rate classes on a prorated basis based on the individual classes’ contribution to overall base revenues. These total revenue projections were then converted to unit dollar per Mlb estimates based on the then sales projections. The resultant changes in unit rates were discounted for inflation and measured in real terms. Those changes, measured on a percentage basis, were then multiplied by appropriate price elasticity coefficients and weather normalized sales to determine the projected change in MMlbs of sales. The price elasticity coefficients used were -0.11, -0.15, and -0.11 for SC 1, SC
2, and SC 3, respectively. Application of these coefficients results in a projected decrease in sales of 116 MMlbs in the Rate Year.

Q. Please explain line 17 labeled “Customer Transfers.”

A. This adjustment is to recognize the return of SC 5 customers to SC 2 or SC 3 when the term of their existing discount period ends.

Q. What is the forecasted sales level for RY1?

A. As set forth on line 18, the forecasted sales level is 21,887 MMlbs.

Q. Were Exhibits ___ (SFP-2 and SFP-3) titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – DEVELOPMENT OF FORECASTED STEAM SALES (MMlbs) FOR 12 MONTHS ENDING DECEMBER 31, 2015” and Exhibit ___ (SFP-3) titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – DEVELOPMENT OF FORECASTED STEAM SALES (MMlbs) FOR 12 MONTHS ENDING DECEMBER 31, 2016,” prepared under your supervision and direction?

A. Yes, they were.

Q. Please describe these exhibits.
A. These exhibits set forth the RY2 and RY3 steam sales forecast. Exhibit ___ SFP-2 starts with the forecasted sales for RY1 previously discussed and then shows the estimates of the forecast drivers anticipated to impact sales for RY2. In similar fashion, Exhibit ___ SFP-3 starts with the forecasted sales for RY2 and then shows the estimated impact of the forecast drivers estimated to impact sales for RY3.

Q. Did the Steam Fuel Panel derive the forecast of steam sendout?

A. Yes. The Steam Forecasting Panel provided the Steam Fuel Panel with a forecast of sales on a calendar month basis to which they added “lost and unaccounted for” steam to derive total steam system sendout.

Q. Please describe how the forecast of calendar month sales was developed.

A. The forecast of calendar month sales was developed by recognizing the differences between monthly normal weather conditions on an “as billed” basis versus a “calendar” basis, as well as the number of average monthly billing days as opposed to calendar days. The Steam Forecasting Panel restructured the projected billed sales to a calendar
Q. By “calendar” sales, do you mean the level of monthly sales that would be reported if all customer meters were read on the last day of each month?
A. That is correct.

Pricing of Forecast

Q. I show the Panel a document consisting of three pages, titled, in part, “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. - FORECASTED STEAM REVENUES” and ask if this exhibit was prepared under your supervision and direction?
A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (SFP-4)

Q. Will you please describe what is shown on this exhibit.
A. Yes. This exhibit shows the forecasted steam revenues for the six months ending December 31, 2012 and the 12 months ending December 31, 2013 and December 31, 2014. Page 1 of this exhibit shows the forecasted steam revenues for the six months ended December 31, 2012. Column (1), titled Base Revenue, shows projected tariff revenues (net of contractual and rate discounts) on a per service classification and total basis, inclusive of the current variable base cost of fuel and applicable fixed cost of
fuel, at rates in effect for that time period. Service classification revenues, where applicable, are shown on a non-demand and demand rate basis. Column (2) shows projected Statement of Fuel Adjustment revenues. Column (3) shows projected PSL 18-a assessment revenues. Column (4) shows the Revenue Tax associated with Columns (1), (2) and (3). Column (5), is the forecast of total revenue which is the sum of Columns (1), (2), (3), and (4). Pages 2 and 3 are similar in format to page 1; page 2 covers the forecast for 12 months ending December 31, 2013 and page 3 covers the forecast for RY1. For RY1, as shown on page 3, the effect of the proposed change in revenues is shown in column (6). Column (7) shows the associated change in revenue tax on column (6). Column (8) shows the total revenues at proposed rates. The proposed base rate change is $(-5,282,000) and $(-149,000) is the associated change in revenue tax. This equates to a rate decrease of 0.8%. As discussed by Company witness Muccilo, the overall rate decrease is 13.8%, including fuel cost savings and the October 2013 elimination of the temporary surcharge in base rates.

Q. Please explain how the projected base revenues shown in
column (1) were calculated.

A. These revenues were priced using “BILLING DETERMINANTS,” i.e., projected number of bills (on a 30-day equivalent basis), projected customer demands and usage (on a rate block basis). These projections were then multiplied by the rates that are in, or will be in effect, for that time period. The rates that will be in effect starting October 1, 2013 reflect the removal of the current temporary surcharge. The base revenues shown also reflect the unit usage discounts SC 5 customers receive and were computed on a customer by customer basis.

Q. How was the estimate of the Statement of Fuel Adjustment revenues shown in Column (2) developed?

A. Financial Forecasting provided the Forecasting Panel with this information.

Q. How was the PSL 18a – assessment revenue shown in column 3 computed?

A. These revenues were computed by service class based on a dollar per Mlb rate provided by Rate Engineering.

Q. How were the Revenue Taxes shown in Column (4) computed?

A. This information was also provided by Financial Forecasting.
Q. Did the Steam Forecasting Panel also forecast sales volumes and revenues for annual periods after the Rate Year?
A. Yes. Those estimates, shown in the same format as SFP-4, are shown in exhibits labeled, in part, “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED STEAM REVENUES – 12 MONTHS ENDING DECEMBER 31, 2015” AND “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED STEAM REVENUES 12 MONTHS ENDING DECEMBER 31, 2016.”

Q. Were these exhibits prepared under your supervision and direction?
A. Yes, they were.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (SFP-5) and EXHIBIT ___ (SFP-6)

Q. Was Exhibit ___ (SFP-7), titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED STEAM DELIVERY VOLUMES AND BASE REVENUES –12 MONTHS ENDING DECEMBER 31, 2014 AT OCTOBER 1, 2013 RATES by BILLING DETERMINANTS,” prepared under your supervision and direction?
A. Yes, it was.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (SFP-7)

Q. Please explain what column 1 of the exhibit shows?
A. It shows the components that drive the computation of base
revenue. It includes the estimated number of equivalent 30
day bills needed to compute the “customer charge” component
of billed revenue. It also shows the estimated sales, in
terms of Mlbs, which have been previously discussed, broken
down into usage blocks needed to compute the “base rate”
component of billed revenue. It also shows the estimated
demands in terms of Mlbs/hr needed to compute demand charge
revenues. In SC 4, demand charges are “contract demand
charges” as opposed to “recorded demand charges” shown in
SC 2 and SC 3.

Q. Please explain what column 2 of this exhibit shows.

A. Column 2 shows the associated rates for the above
components for RY1 absent Commission action on the proposed
changes in this proceeding. Column 3 is the multiplication
of columns 1 and 2 and represents projected base revenues.

Q. How were the number of 30 day bills shown in column 1
estimated?

A. We started with the proration of all bills issued during
the historic base period – 12 months ended June 30, 2012.
For example, if a bill was for 33 days, it was counted as
1.1 bills and if a bill was for 27 days, it was counted as
.9 of a bill. Bill levels were then further modified to:
1) account for the differences in future billing days compared to the number of billing days in the historic base period; 2) projected new customers; and 3) projected lost customers.

Q. How were the estimates of demand measured in terms of Mlbs/hr shown in column 1 computed?
A. "Load factors" were applied to the estimated sales previously discussed. These factors were computed based on the averages of available peak and sales data. Separate factors were determined for each month of the demand billing period.

Q. Please explain the term "load factor."
A. Simply put, it is the relationship of sales measured in terms of average use per hour to recorded peak load (Mlbs/hr).

Q. How were the sales previously discussed allocated to the various usage rate blocks shown in column 1?
A. The computation started with the actual block usage for all bills during the historic period - 12 months ended June 2012. Each of the forecasted variables estimated to impact future sales were then allocated to blocks and added or subtracted to the historic period block data. For example,
the mild weather in the winter of 2011/2012 was not estimated to impact sales in the first two rate blocks of SC2 rate 2 and SC3 rate 2. As a result, the estimated impact of the deviation from normal weather was allocated to the last two rate blocks. By contrast, the sales associated with new business (where there was no usage in the Historic Year because the customer was not yet on the system) in SC 2 or SC 3 impacts the initial rate blocks.

Q. Were Exhibits ____ (SFP-8) and (SFP-9), titled “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED STEAM DELIVERY VOLUMES AND BASE REVENUES – 12 MONTHS ENDING DECEMBER 31, 2015 AT OCTOBER 1, 2013 RATES BY BILLING DETERMINANTS” and “CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. – FORECASTED STEAM DELIVERY VOLUMES AND BASE REVENUES – 12 MONTHS ENDING DECEMBER 31, 2016 AT OCTOBER 1, 2013 RATES BY BILLING DETERMINANTS” prepared under the supervision and direction of the Steam Forecast Panel?

A. Yes, they were. These estimates show the estimated billing determinant projections for RY2 and RY3.

Q. Has the Steam Forecasting Panel prepared an exhibit that
shows the future average prices of delivery and supply by
service class, taking into account the proposed changes in
base rates?

A. Yes, we have prepared a one-page document titled
“CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.-STEAM FUTURE
AVERAGE DELIVERY AND SUPPLY PRICES BY SERVICE
CLASSIFICATION.” In this exhibit, we provide the forecast
of the average price of delivery and supply for three rate
years. The supply charges reflect the statement of fuel
adjustment revenues, the variable base cost of fuel
included in base rates, fixed cost of fuel included in
customer charges, and related revenue tax on all the supply
charges. Delivery related revenues include base rate
charges based on three years of proposed base rate changes
as provided to us by the Steam Rate Panel less fixed and
variable base cost of fuel as well as related revenue tax.

MARK FOR IDENTIFICATION AS EXHIBIT ___ (SFP-10)

Q. Company witness Muccilo is proposing a Steam Weather
Normalization Clause. Did Mr. Muccilo consult with you in
connection with this proposal?

A. Yes. We shared with Mr. Muccilo our opinion as to the
uncertainty of future weather conditions and that
forecasting weather for the Rate Year is clearly beyond the ability of the Company, Staff or any other party to reasonably forecast. Any steam sales forecast is subject to material variation from actual customer usage, up or down, solely as a result of actual temperatures being above or below normal temperatures. Consequently, steam customers and the Company are subject to increases or decreases in costs and revenues, respectively, for circumstances outside both the Company’s and customers’ control.

Q. Would the type of weather normalization clause proposed by Mr. Muccilo reasonably mitigate this financial impact on customers and the Company?

A. Yes, a steam Weather Normalization Clause would achieve that on a real time basis.

Q. How do you define real time basis?

A. The clause mechanism would recognize variances in weather before customers bills are issued and would adjust the bills before they are rendered.

Q. How do you propose the weather normalization clause to work?

A. We modeled the steam Weather Normalization Clause similar
to the gas clause currently in place for the Company’s gas
operations.

Q. Who would be subject to the Weather Normalization Clause?
A. It would apply to customers in SC 1, SC 2, SC 3, and SC 5
during the billing periods of November through April.

Q. How would the clause be applied to customer’s bills?
A. The Weather Normalization Adjustment would be calculated by
dividing the estimated average Customer deficiency or excess
in Pure Base Revenue due to weather variation for the
billing period by the estimated total Mlbs estimated to be
used by the average customer given the actual heating degree
days and the number of days in the billing period. The
Weather Normalization Adjustment would be applied to a
customer’s steam usage on a cents per Mlb basis during the
billing months of November through April when actual heating
degree days for the billing period are lower than 95.0
percent or higher than 105.0 percent of the normal heating
degree days for the billing period.

Q. What is the purpose for the range of 95.0 percent and 105.0
percent around normal?
A. This is called a deadband and it identifies the level of
variation in weather before the Company would start to
credit or surcharge customers. For example, if weather was 5.0% or less than 5.0% warmer than normal during a customer’s billing period, the Company would not surcharge the customer. However, if weather was more than 5% warmer than normal, the customer would only be surcharged for the impact above the 5% deadband.

Q. Does the deadband work the same way if the weather is colder than normal?
A. Yes. The weather normalization clause being proposed would have a deadband that is symmetrical. In other words, if it is 5% colder than normal, the Company would not refund the customer the first 5% but would refund to customers any excess in weather deviation from normal that exceeds the 5.0% deadband.

A. Have you determined how this clause would have impacted the Company during recent past periods?
Q. Yes. We determined how such a clause would have impacted the Company and customers if the clause had been in effect for the 2010/2011 and 2011/2012 winter periods.

Q. Why did you pick these periods?
A. The winter of 2010/2011, over the November – April billing months, was 7.2% colder than normal while the winter of
2011/2012 was the warmest winter on record, with weather 29.2% warmer than normal. Normal weather being defined as the average condition over the 30 years ended 2008 and used in the current rate plan.

Q. Please continue.

A. Pursuant to the terms of the current steam rate plan, the Company is required to calculate its earnings for each rate year to determine whether there are earnings above the earnings threshold. For purposes of that calculation, the Company is authorized to exclude colder than normal weather related revenue. For RY1 of the current rate plan (the 12 months ended September 30, 2011), the Company excluded approximately $10,341,000 in colder than normal weather related revenue from the earnings test calculation. For RY2 of the current rate plan, (the 12 months ended September 30, 2012) and based on the current steam rate plan formula to compute colder than normal weather revenue we estimated that revenues over the November – April billing months were approximately $45,358,000 less than they would have been under normal weather due to the extremely milder than normal weather.

Q. What would have been the impact on the Company and
customers if such a weather normalization clause would have been in effect?

A. If such a weather clause coupled with a 5.0% deadband around normal had been in effect for RY1, the Company would have refunded $7,691,000 million to customers and the Company would have retained $2,650,000. If such a clause had been in effect for RY2, the Company would have surcharged customers $37,617,000 million and absorbed $7,741,000 in lost revenue.

Q. How would normal weather be defined under your proposal?

A. Normal Heating Degree Days for any given calendar day within a month are based on the average of the degree days for that calendar day over the 30-year period ending December 31 of the year prior to November 1.

Q. Has a tariff leaf been prepared for a Steam Weather Normalization Clause?

A. Yes. It was included with the leafs attached to the Company’s filing. The leaf describes the proposed Steam Weather Normalization clause in detail.

Q. Does this conclude the Steam Forecasting Panel’s testimony?

A. Yes, it does.