



# **Union Gas Proposal**

**for Multi-year Incentive Regulation**

**for Natural Gas Utilities**

**EB-2006-0209**

**Weather Normalization**

**Stakeholder Meeting**

**November 2, 2006**

# Price Cap Adjustment

## Pass-Through Items - Weather Normalization

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- **Union proposes to fully implement the 20 year declining trend weather forecasting methodology effective January 1, 2008 as an adjustment to base rates.**
- **The adjustment would result in symmetrical risk, i.e. colder weather would be as likely to occur as warmer weather.**
- **Union's evidence in the RP-2003-0063 (2004 test year) and EB-2005-0520 (2007 test year) proceedings supports the 20 year declining trend methodology as being the most accurate weather forecasting methodology.**
- **Enbridge has also proposed using the 20 year declining trend weather methodology in its 2007 rates application.**

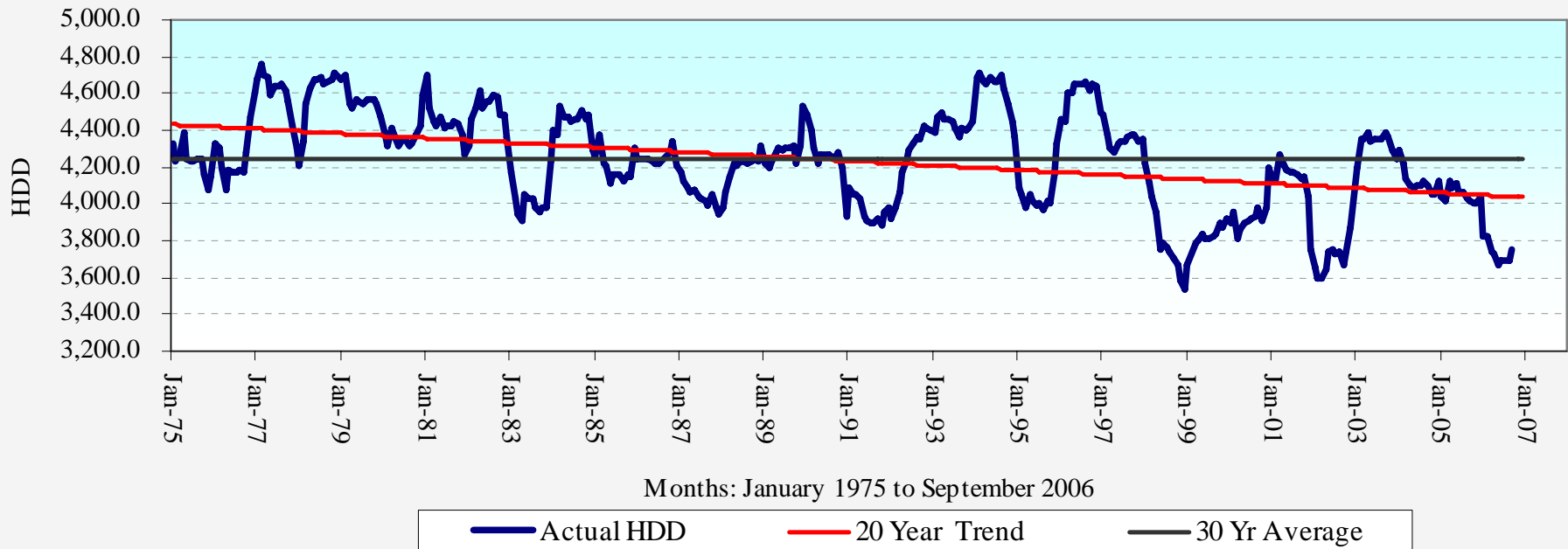


# Price Cap Adjustment

## Pass-Through Items - Weather Normalization

(continued)

**Rolling Total 12 Month Htg. Degree Days**  
 Actual versus 30 Average & 20 Year Declining Trend Weather Normal



Reference: EB-2005-0520 2007 Cost of Service – Exhibit C1, Tab 1, Page 12 of 30, Chart 1