

BOMA INTERROGATORY #10

INTERROGATORY

Ref: Exhibit C2, Tab 1, Schedule 3, Page 7

Why are the rate 6 percentage variations between actual and forecast larger (in both directions) than those of rate 1?

RESPONSE

Larger percentage variations are typically indicative of greater variability in the underlying data or actuals. This is particularly the case for the Rate 6 class of customers which includes small commercial, apartment, larger commercial and industrial customers. The variability within this heterogeneous class was further exacerbated by customer migration from the Contract Market to General Service over the period from 2006 to 2010 as noted at Exhibit C1, Tab 2, Schedule 1, paragraphs 19 and 20. Thereafter, rate migration has stabilized and Rate 6 average use has reflected a relatively flat trend. However, the forecast continued to be impacted by the volatile historical data.

In contrast, Rate 1 customers are relatively homogeneous, which is reflected in the variance results.

Witnesses: M. Suarez
H. Sayyan