

BOMA INTERROGATORY #7

INTERROGATORY

Ref: Exhibit C1, Tab 2, Schedule 1, p14

Please explain why balance point degree days do not affect the company's degree day forecast. Does the degree day forecast still reflect only degree days below 18°C? Should they not be the same, given that degree days are used to normalize the actual monthly consumption? What is the impact on the volume forecast of using the degree days shown on this page, rather than the 18°C?

RESPONSE

The Company's Degree Day forecast methodology is assessed using Environment Canada degree days relative to the traditional 18°C. Environment Canada degree days are used because of the extensive history that can be leveraged to inform weather patterns. Degree day forecasting methodology is approved based on the results using Environment Canada degree days.

Environment Canada degree days are converted to balance point degree days by shifting the reference temperature at which degree days are counted or recorded. Both are expressions of the same weather expectation, just with different temperature thresholds.

For purposes of average use volumetric forecasting, balance point degree days equivalent of the OEB approved degree day forecast (using 18°C ) are used, as they are more closely tied to heatload consumption. Average use forecasts are determined using the equivalent balance point degree days in the models. Hence, for normalization purposes, actual consumption is adjusted back to the balance point degree days used in the forecast. Consistent balance point degree days are used in the forecast and in the normalization of actuals.

Witness: M. Suarez