

VECC INTERROGATORY #2

INTERROGATORY

Reference: Exhibit C1/T2/S1/pg. 13

- a) How is normalized average use for Rate 6 adjusted for the forecast migration of Contract customers?

RESPONSE

Results using the average use forecast methodology described at Exhibit C2 Tab1 Schedule 3 form the baseline forecast for Rate 1 and Rate 6 volumes. Where migration of contract customers occurs, associated forecast volumes are layered onto the normalized baseline Rate 6 volumetric forecast and removed from the originating contract rate volumes. Rate 6 average use volumes are then recalculated with the incremental volumes and incremental unlocks from migration. No additional normalization is carried out as contract market volumetric forecasts are already normalized.

The forecasted customer migration from Contract rates has increased the overall Rate 6 volumes and subsequently increased the normalized average use for Rate 6. As shown in Exhibit C3, Tab 2, Schedule 3, page 3, Columns 7 and 8, the net customer migration from Contract rates (column 7 plus column 8) has increased the overall Rate 6 volumes by 22.6  $10^6\text{m}^3$ . The impact on normalized average use for Rate 6 is about 135  $\text{m}^3$ .

Witness: M. Suarez