Schedule 3.10

Rate Class Review Analysis

1 In the Decision for Matter 330, the Board directed EGNB to evaluate Mr. Knecht's

2 recommendation to consider using historical weather normalized load in connection with

3 EGNB's customer annual rate class review. Annually in October, EGNB examines the

4 consumption profiles for every non-SGS customer to determine in which rate class they should be

5 included. This is done using actual historical consumption data from the previous 12 months.

6 This analysis results in some customers moving to a more expensive per GJ rate class and some

7 others into a less expensive per GJ rate. During the review completed in October 2016, 390

8 customers moved from one rate class to another effective November 1st, 2016. The breakdown

9 of these changes can be found in Table 1 below:

10 Table 1

		1	2	3	4	5	6	7	8
1	**Original Rate**	\multicolumn		**Rate class assigned after review**					
2	**Class**	**MGS-S**	**MGS-L**	**LGS-S**	**LGS-L**	**CGS**	**ICGS**	**OPS**	**Total**
3	**MGS-S**	0	26	0	1	0	0	0	27
4	**MGS-L**	210	0	11	0	0	0	0	221
5	**LGS-S**	4	69	0	5	1	0	0	79
6	**LGS-L**	0	0	25	0	10	0	0	35
7	**CGS**	0	1	2	25	0	0	0	28
8	**ICGS**	0	0	0	0	0	0	0	0
9	**OPS**	0	0	0	0	0	0	0	0
10	**Total**	214	96	38	31	11	0	0	390

13 Data range: October 2015 - September 2016

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12 For example, 210 MGS-L customers moved to MGS-S and 4 LGS-S customers moved to MGS-

13 S effective November 1st, 2016.

14 For the purposes of considering Mr. Knecht's recommendation, the same consumption data was

15 reset based on the weather normalized data. In that case, 310 customers changed rate classes as a

16 result of using weather normalized data. The breakdown of these changes can be found in Table

17 2 below:

1   Table 2

Original Rate Class		Rate class assigned after weather normalized review							
		1	2	3	4	5	6	7	8
		MGS-S	MGS-L	LGS-S	LGS-L	CGS	ICGS	OPS	Total
	MGS-S	0	64	0	0	0	0	0	64
	MGS-L	137	0	24	0	0	0	0	161
	LGS-S	5	33	0	9	0	0	0	47
	LGS-L	0	0	12	0	13	0	0	25
	CGS	0	0	0	13	0	0	0	13
	ICGS	0	0	0	0	0	0	0	0
	OPS	0	0	0	0	0	0	0	0
	Total	142	97	36	22	13	0	0	310

Data range for consumption and weather normalization data: October 2015 - September 2016

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Conclusion

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Although in this particular year, the weather normalized data results in fewer rate class changes,

it also means that only 137 customers will benefit from a smaller customer charge in the MGS-S

class instead of the 210 in Table 1 using EGNB's existing methodology. The weather

normalized method also means that customers will be subject to movement between classes

based on a methodology they cannot review on their own by examining their monthly bills.

Although the weather normalized approach resulted in slightly fewer changes in this particular

year, it also provides more complexity for the customer. As a result, EGNB supports continuing

to use its existing method for carrying out the annual customer rate class review.