

1 Q. Please provide an explanation of the "weather adjustment true-up"
2 component of NP's rate. What is this variable intending to capture? What is
3 the basis for the "one-ninth" adjustment of the calculation? Please provide
4 the monthly weather adjustment true-up forecast including all calculations for
5 2007.

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8 A. The weather adjustment true-up component of NP's rate is intended to
9 capture any difference between actual billing for winter months and the
10 weather adjusted peak winter month. The calculation for the weather
11 adjusted peak is not completed until after the winter season ends in March.
12 The resulting adjustments is then billed or repaid to NP over the remaining
13 nine months, thus the "one-ninth" adjustment. Since it is not presently
14 determinable if the weather adjustments will be higher or lower than the
15 forecast winter peak there is no forecast weather adjustment true-up amount.