

BOARD STAFF INTERROGATORY #3

INTERROGATORY

ISSUE 4 - CUSTOMER ADDITIONS

Ref: Ex. B /Tab 1/ Sch 5 /

Please provide a sensitivity analysis on the 2009 distribution revenues of changes to the forecast of customer additions. What is the effect of a plus 10,000 and of a minus 10,000 change to the forecast number of customer additions?

RESPONSE

We have received a number of requests about the impact of different customer addition assumptions. We are providing this response in relation to three scenarios, an increase or decrease 1,000 / 2,500 or 5,000 to the 2009 customer additions forecast.

For a change in customer adds of 1,000 the ending 2009 average customers in the DRR formula would change by 321 and the DRR would change by \$0.1 million. For a change in customer adds of 2,500 the ending 2009 average customers in the DRR formula would change by 803 and the DRR would change by \$0.3 million. For a change in customer adds of 5,000 the ending 2009 average customers in the DRR formula would change by 1607 and the DRR would change by \$0.7 million.

The presumed change of 1,000 customer adds would result in a change in the volumetric forecast of approximately 617,006 cubic meters in rate 1 and 318,672 cubic meters in rate 6. The change or impact in % rate change estimate would be immaterial.

The presumed change of 2,500 customer adds would result in a change in the volumetric forecast of approximately 1,542,515 cubic meters in rate 1 and 796,679 cubic meters in rate 6. The change or impact in % rate change estimate would be immaterial.

The presumed change of 5,000 customer adds would result in a change in the volumetric forecast of approximately 3,085,029 cubic meters in rate 1 and 1,593,359 cubic meters in rate 6. The change or impact in % rate change estimate would be immaterial.

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