

WEATHER NORMALIZATION ADJUSTMENT

Approved by the State Corporation Commission in 2002, the Weather Normalization Adjustment (WNA) is an annual adjustment designed to reduce volatility in billing due to the variability of temperatures during the heating season. Simply put, WNA stabilizes billing for the customer and allows Roanoke Gas Company to maintain operational quality and pipeline safety through long-term planning and system improvements.

Roanoke Gas Company and the State Corporation Commission compare the most recent 30 year average from the National Oceanic and Atmospheric Administration (NOAA) with the WNA period of the current year, which extends from April through March.

Using the NOAA data, it can be determined if a heating season has been average, colder than average, or warmer than average. No adjustments are necessary during years in which temperatures are on par with 30 year averages. Colder winters lead to customer credits. Conversely, unseasonably mild heating seasons permit a recovery charge to compensate for a small portion of the fixed costs that are incurred regardless of the volume of delivered gas.

Below you will find a series of frequently asked questions regarding Roanoke Gas Company's WNA. Furthermore, a Roanoke Gas Company customer service representative would be happy to assist you should you have more questions. Please feel free to contact us at (540) 777-4427.

FREQUENTLY ASKED QUESTIONS

Q. What is a Weather Normalization Adjustment (WNA)?

A. The WNA is not a new fee, but is a billing adjustment designed to reduce the volatility of customers' natural gas bills due to variances from normal weather. This means that when weather during a WNA period (April 1 to March 31) is colder than normal, customers will receive a WNA credit on their bills. Conversely, when the weather is warmer than normal during that period, they will see a WNA charge. Over time, these WNA credits and charges should balance out.

Q. How is the WNA determined?

A. Roanoke Gas Company and the State Corporation Commission compare the previous year's WNA assessment period, April through March, with a 30-year average temperature determined by the National Oceanic and Atmospheric Administration.

Q. Does the WNA mean I will see an extra charge on my bill?

A. That is completely determined by the previous year's average temperature during the WNA assessment period. For example, in the previous two WNA years, the weather was colder than average and resulted in credits to the customer. Warmer than average temperatures this year will result in a

recovery charge to be billed equally over three months. If the temperatures for the period are average, there is no bill adjustment.

Q. Is this a recurring charge?

A. No. The Weather Normalization Adjustment is an annual billing adjustment that typically occurs in the May, June or July billing cycles.

Q. Why have a WNA at all?

A. The WNA is designed to reduce volatility in customer billing due to the variability of temperatures. The annual adjustment stabilizes billing for the customer and allows Roanoke Gas Company to maintain operational quality and pipeline safety through long-term planning and system improvements.

Q. I still have questions about the Weather Normalization Adjustment. Who can I speak to further about this?

A. Roanoke Gas Company customer support representatives would be happy to talk with you further regarding the WNA process and what it means to you. Please call them Monday through Friday, 8am - 5pm, at (540) 777-4427. You may also email questions to customersupport@roanokegas.com.