## GENERAL INFORMATION - Continued

## VII. Gas Cost Factor and Monthly Rate Adjustment - Continued

(A) Gas Cost Factor Components - Continued

## 1. Average Cost of Gas-Continued

(c) Total Average Cost of Gas

The total average costs of gas are the sum of the unit amounts determined in (a) and (b) above multiplied by a factor of adjustment to reflect distribution line losses, as further discussed in (d) below.

## (d) Factor of Adjustment

For each twelve-month period commencing October 1, the Factor of Adjustment will be calculated based upon the average of actual line losses, excluding any line losses associated with Power Generation Transportation customers, for the preceding five 12month periods ending August 31 ("Five-Year Average").

