Received: 07/23/2003

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Effective Date: 01/01/2004

GENERAL INFORMATION

III. Adjustments of Rates and Charges:

1--Adjustment of Rates in Accordance with Changes in the Cost of Gas and Pipeline Costs:

A. Statement of Gas and Pipeline Costs and Adjustments:

1) Availability and Content

A Statement will be filed with the Public Service Commission and made part of this Schedule for Gas Service, not less than two business days prior to any change in rates shown on this Statement. The Statement will:

a) Be available at each of the Company's offices where applications for service can be made,

b) Show the service classifications to which its rates apply,

c) Show the average cost of gas,

d) Show the average pipeline cost,

e) Show the period during which the averages were determined,

f) Show other adjustments on a per therm basis, and

g) Show the period the statement rates will remain in effect.

2) Explanation of Terms

a) Factor of Adjustment

The Factor of Adjustment is an adjustment for distribution losses calculated as a ration of losses to system requirements. The factor is the adjustment ratio divided by its complement. The current Factor of Adjustment is 1.0404 and was developed from the 12-month revenue requirements in Case No. 93-G-0002.

B. Applications of Gas and Pipeline Costs and Adjustments

1) The application of Statement of Gas and Pipeline Costs and Adjustments will:

a) Begin with meter readings taken on and after the effective date of the current Statement, and

b) Shall continue in effect until changed on a later Statement.

C. Monthly Average Cost of Gas

1) The Monthly Average Cost of Gas for Service Classifications Nos. 1, 2, 3, 5, 15, 16, and 17 will:

a) Be included in rates for gas service to those Service Classifications, and

Issued by Alfred C. Bereche, Asst. General Counsel and Secretary, Hicksville, NY

Cancelled by 2 Rev. Leaf No. 69 Effective 01/02/2004
Effective date postponed to 01/01/2004. See Supplement No. 8.
Effective date postponed to 12/01/2003. See Supplement No. 7.