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Leaf No. 77 Revision: 0 Superseding Revision:

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

H ADJUSTMENT OF RATES DUE TO CHANGES IN COST OF GAS (Cont'd)

(12) Refund of Revenues Collected Under the Provisions of Balancing and Cashout Charges of Service Classification Nos. 3 and 5.

Sales subject to Service Classification No. 1 and Service Classification No. 4 who are subject to the gas cost adjustment, will be subject to a credit to reflect revenues as may result from incurring balancing and cashout charges. Each billing month, the credit per therm shall be determined by dividing the annual amount collected by annual normalized sales to the above customers and such rate shall be included as a separate item on the statement of gas cost adjustment for that month. Any difference between the total amount to be credited and the actual amount credited will be included as an adjustment in the company's next annual reconciliation of gas costs.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York