STAMPS: Issued in Compliance with Order in Case 13-G-0031 dated February 21, 2014

## 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

The Factor of Adjustment ("FOA") will be updated for each twelve-month period commencing January 1 in accordance with Section B.2.d. of the Joint Proposal adopted by the Commission in Case 13-G-0031, and based upon the average of actual line losses, excluding any line losses associated with Power Generation Transportation customers, for the preceding five 12-month periods ending August 31 ("Five-Year Average").

The FOA equals 1.0197 based on a line loss factor ("LLF") of 1.931percent.

