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**GENERAL INFORMATION****III. Adjustments of Rates and Charges (continued):**

3--Applicable to Interruptible, Temperature-Controlled and Natural Gas Vehicle Service (continued):

.3 The Minimum Price shall be as follows:

.3.1 for Service Classification Nos. 9 and 10, the rate shall not be less than the sum of: the incremental pipeline and incremental local transmission capacity costs for firm service; incremental commodity costs; and a contribution to fixed costs not less than \$.01 per therm.

.3.2 for Service Classification No. 11, the rate shall not be less than the sum of: the incremental local transmission capacity costs for firm service and a contribution to fixed costs not less than \$.01 per therm.

## 4--Weather Normalization Adjustment

A. Applicability and Formula: The rates for gas service to all space heating customers under Service Classification Nos. 1, 2, 3 and 7 shall be subject to a Weather Normalization Adjustment (WA) to reflect the impact of degree day variations from normal levels, as determined on a revenue month basis, for the months of October through May, inclusive.

$$WA = \frac{R * DDF * [(NDD + \text{or} - (NDD * .022)) - ADD]}{(\$ / \text{therm}) (BL * BC) + (DDF * ADD)}$$

## Definitions:

- (a) R = Tailblock margin by Service Classification. It is the Tailblock rate for the Applicable Service Classifications less the base cost of gas included in the rate, increased by the Factor of Adjustment.
- (b) DDF = Average Degree Day Factor expressed in therms per heating degree day. It is the estimated number of therms per customer needed to provide space heating for each degree of a degree day based on average usage by customers to which this adjustment applies. It is determined separately for each Service Classification and will be reviewed annually to reflect the temperature sensitivity reflected in the prior heating season's sales to customers to which the adjustment applies.
- (c) Heating Degree Days are the difference between 65 degrees Fahrenheit and the average outdoor dry bulb temperature for a day based on readings made every hour on the hour throughout the day. They are always zero when the average temperature is above 65 degrees.
- (d) NDD = Normal Heating Degree Days for the billing period. It is the rolling average of the degree days for that calendar day over a thirty (30) year period.

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY