## 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 based upon the average of the actual annual line loss factor ("LLF") for the preceding five 12-month periods ending August 31 ("Five-Year Average").

