Received: 12/30/2014
Status: CANCELLED
Effective Date: 01/01/2015

GENERAL INFORMATION

b) The Average Commodity Cost of Gas will be computed by dividing the Total Commodity Cost of Gas determined in C.1.a above by the Monthly Forecasted Firm and TC Sendout.

2. **Average Monthly Hedging Costs / Credits**

In advance of each month, the Company will compute the Average Monthly Hedging Costs / Credits applicable to sales customers served under SC 1, 2, 3, 15, 16 and 17 by dividing the Companies' combined Risk Management Costs / Credits for the upcoming month by Monthly Forecasted Firm Sendout.

3. **Average Fixed Cost of Gas**

a) In advance of each Gas Cost Year, and updated during the year if appropriate, the Company will estimate the Annual Fixed Cost of Gas associated with its share of the Companies' gas contracts as follows:

1) For gas supply, pipeline transportation and storage capacity contracts the Company acquired prior to April 1, 2004: 1) multiply the Suppliers', Pipeline Transporters' and Storage Providers' Fixed Charges by the applicable billing determinants for the Gas Cost Year and, 2) sum the resulting products together. **PLUS**

2) For incremental gas supply, pipeline transportation and storage capacity contracts acquired since April 1, 2004 to serve the demand growth of the Company and KEDNY on a combined basis: 1) multiply the Suppliers', Pipeline Transporters' and Storage Providers' Fixed Charges by the applicable billing determinants for the Gas Cost Year, 2) sum the resulting products together and multiply by, 3) the Shared Capacity Demand Cost Allocation Percentage. **PLUS**

3) Any other projected fixed charges applicable to the procurement of gas for the Gas Cost Year following the computation date.

b) The Average Fixed Cost of Gas for each of the following customer groups will be computed as follows:

1) SC 1, 2, 3, 15, 16 and 17 Sales Customers

Divide the Annual Fixed Cost of Gas by annual forecasted sales and transportation volumes for customers served under SC 1, 2, 3, 5, 15, 16 and 17 and then dividing by; 3) the Factor of Adjustment.

2) ESCOs participating in the Company's Mandatory Capacity Program pursuant to SC 8

The price of the capacity provided to ESCOs under the Mandatory Capacity Program will be equivalent to the Average Fixed Cost of Gas to sales customers served under SC 1, 2, 3, 15, 16 and 17.

Cancelled by 4 Rev. Leaf No. 69.2 Effective 01/01/2017