

GENERAL SERVICE PROVISIONS (Continued)

24. BALANCING CHARGE

A. PROVISION FOR CHARGE

Suppliers providing service under the Company's Rate Schedule No. 9. shall be billed monthly a charge for the recovery of peaking operations and other gas costs appropriately assigned for providing delivery service. The charge factors will be determined as described below.

B. APPLICATION

1. The charge shall be comprised of: (a) a "current factor and (b) a "reconciling factor" applicable to the previous twelve month determination period

2. Computation

a. Current Factor

This charge shall be calculated annually to be effective with the December billing period each year to recover the projected annual expense of the Company, as assigned and or allocated, applicable to firm delivery service customers. This charge shall be calculated to the nearest .01¢ per therm for Rate Schedule Nos. 1 and 1A ("the Residential class"), and Rate Schedule Nos. 2 and 2A ("the Commercial class"), and 3 and 3A ("the Group Metered Apartment class"), by dividing the respective total amount allocated by the applicable estimated therm sales and delivery volumes for the applicable rate schedules.

b. Reconciling factor

A reconciliation will be performed each year, which compares the actual costs of the Company applicable to this General Service Provision with related collections to reconcile any over or under collections. This factor shall be calculated to the nearest .01¢ per therm by dividing and over or under collections applicable to delivery service, by class of customers by firm normalized throughput, by class of customer, applicable to firm delivery service for the twelve months ended the immediately prior December. Billing of this reconciling factor shall commence with the March billing cycle of each year.

c. The charge for billing, each month, shall be the current factor as determined in 1. Above plus or minus, as applicable, the Reconciliation factor as determined in 2. above times one-twelfth of the aggregated annual normal weather usage of the supplier's customers .

3. Revenues received pursuant to this General Service Provision, excluding taxes on revenues, shall be reflected as a credit in the determination of rates pursuant to General Service Provision No. 16.

ISSUED: January 12, 2004

For service rendered on and after November 12, 2002

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

GENERAL SERVICE PROVISIONS (Continued)

24. BALANCING CHARGE (Continued)

C. FILING

The Company shall file with the Commission Staff the above factors at least ten days prior to their effective date. Such filing shall be made concurrent with the Company's annual ACA Filing.

The Company may file a surcharge factor at intervals other than specified above to recognize, as necessary, changes in costs and or collections. The Commission Staff may direct the Company to adjust the above factors for the purpose of minimizing the level of any subsequent reconciliation.. The Company shall furnish data to the staff in a form and quantity acceptable to staff for its own evaluations.

25. AUTOMATED PAYMENT PLAN

Upon written notification by the customer, the Company shall arrange with the customer's banking or other financial institution to have the customer's monthly bill payment automatically deducted from funds deposited in the customer's checking account. The Company shall request payment be made no sooner than the bill due date. If a payment should be returned for insufficient funds, the company shall charge the customer a fee as specified in Appendix A under this provision. After two consecutive returns for insufficient funds, the customer's participation in the plan will be discontinued.

26. BILLING ERROR

- A. If the Company overcharges a customer due to a billing error as defined in General Service Provision No. 1, GENERAL, the Company shall refund or credit the amount of the overcharge. However, the Company is not required to adjust, refund, or credit any overcharge for a period greater than the three years immediately preceding discovery of the billing error.
- B. If the Company undercharges a customer, the following provisions shall apply:
 - 1. In cases that involve meter tampering or fraud, the Company may bill the customer for the amount of the undercharge.
 - 2. In cases that do not involve meter tampering or fraud, the Company may bill the customer for the amount of the undercharge during the three year period immediately preceding discovery of the error, and the Company shall offer the customer reasonable payment arrangements for the amount of the bill, taking into account the period of the undercharge.
- C. Overcharges and undercharges resulting from a fast, slow or non-registering meter shall be reconciled in accordance with General Service Provision No. 8, ACCURACY OF GAS METERS. Charges for service to a customer who did not make application for service shall be billed in accordance with General Service Provision No. 2, APPLICATION FOR SERVICE.

ISSUED: January 12, 2004

For service rendered on and after July 1, 2003

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition