

22.

SURCHARGE FOR DISTRICT OF COLUMBIA RIGHTS OF WAY FEE

I. PROVISION FOR ADJUSTMENT

This provision shall be applicable to Rate Schedule No. 1, No. 1A, No. 2, No. 2A, No. 3, No. 3A, and No. 4. Customers' bills shall include a surcharge for the recovery of the District of Columbia Rights of Way Fee. This surcharge will be determined as described below.

II. APPLICATION

A. The surcharge shall be comprised of: (a) a "current factor"; and (b) a "reconciling factor", reconciling projected and actual costs, and surcharge collections from customers.

B. Computation

1. Current Factor

This surcharge factor shall be calculated annually to be effective with the April billing period each year to recover the projected annual expense of the District of Columbia Rights of Way Fee. This factor shall be calculated to the nearest .01¢ per therm by dividing the projected annual costs by the normalized throughput of the above enumerated rate schedules for the twelve months ended the immediately prior December. Except, if the reconciliation of the prior year's under/over collection, as described below, results in an imbalance such imbalance shall be included in the projected annual expense above in determining the billing factor applicable to this sub-section. Further, in the first year of the effectiveness of this fee the current factor shall be computed as described above except the projected annual costs will be divided by the normalized throughput for the ten months of January-March and June-December to reflect the first year's payment pattern of the Rights of Way Fee.

2. Reconciliation factor

A reconciliation will be performed each year which compares the actual District of Columbia Rights of Way Fee expense with related collections for the twelve months ended each March to reconcile any over or under collections. This factor shall be calculated to the nearest .01¢ per therm by dividing the net amount of actual costs incurred versus actual collections by the normalized throughput of the above enumerated rate schedules for the twelve months ended the immediately prior December. Billing of this reconciling factor shall commence with the June billing cycle of each year.

3. The surcharge billing factor 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.

III. Filing

The Company shall file with the Commission the above factors at least ten days prior to their effective date.

IV. 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 staff data in a form and quantity acceptable to Staff for its own evaluations.

ISSUED: November 21, 2005

Effective for meter readings on and after December 2, 2005

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