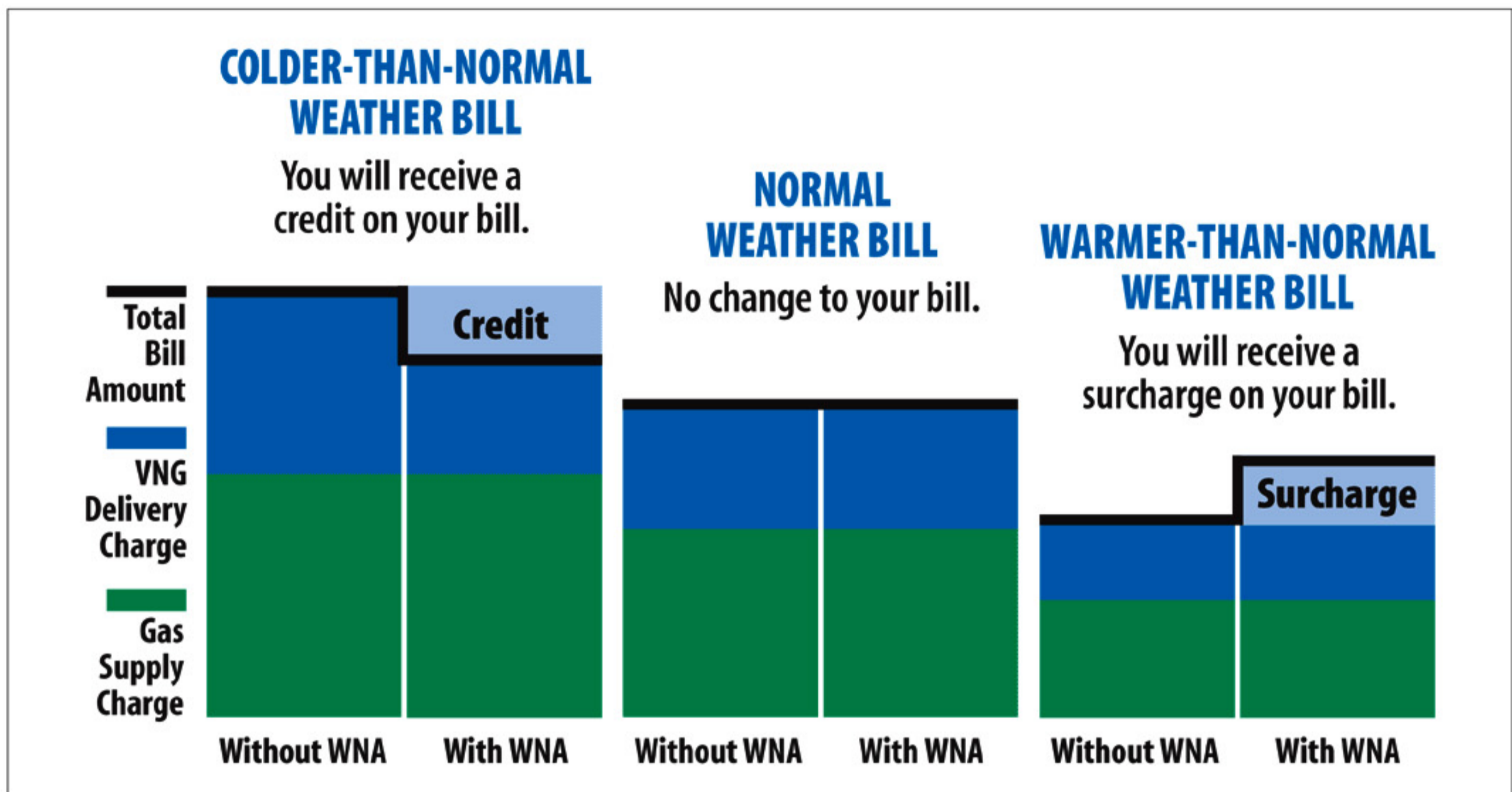


How the Weather Normalization Adjustment Changes the Customer Bills



How Will The WNA Change Your Bill?

What Will Change?

Virginia Natural Gas Delivery Charge -The blue portion of the chart shows the charge you pay to cover our costs to operate and maintain the pipeline system that brings gas to your home or business. We must be prepared to provide the service you need in all winter weather conditions. To prepare, we base our delivery charge on normal winter weather conditions. Normal winter weather conditions, as defined in our 1996 rate case, are an average of actual temperatures recorded in our service area over 30 years. When normal winter weather occurs, you will see no WNA on your bill. When the weather is colder than normal and our costs to serve you are covered, you will receive a bill credit. When the weather is warmer than normal, you will receive a bill surcharge to help us cover the cost of service. The delivery charge rate was approved by the Virginia State Corporation Commission in 1996 and has not changed since then. We have committed that this rate will not increase for at least another two years.

What Will Not Change?

Gas Supply Charge - The green portion of the chart shows the cost of the natural gas supplies you use in your home or business. The WNA will not change this cost. We pass the actual price we pay for supplies on to you. In cold weather, when you use more natural gas, you will pay more for supplies. In warm weather, when you use less, you will pay less. Natural gas is a commodity, so the price we pay for supplies goes up and down due to supply and demand. Your bill reflects market increases and decreases in gas costs through a quarterly adjustment approved by the Virginia State Corporation Commission.