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JAN 31 2003

PURCHASED GAS ADJUSTMENT

COMPANY NAME PIEDMONT GAS CO.

GAS & WATER DIVISION

GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNTS
EXPECTED GAS COST (EGC)	\$/MCF	4.6136
SUPPLIER REFUND AND RECONCILIATION ADJUST. (RA)	\$/MCF	0.0000
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.3816
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.0210)
GAS COST RECOVERY RATE (GCR)=EGC+RA+AA+BA	\$/MCF	4.9742

GAS COST RECOVERY RATE EFFECTIVE DATES: MAR. 1, 2003 TO MAY 31, 03

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNTS
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	997172.0505
UTILITY PRODUCTION EXPECTED GAS COST	\$	0.0000
INCLUDABLE PROPANE EXPECTED GAS COST	\$	0.0000
TOTAL ANNUAL EXPECTED GAS COST	\$	997172.0505
TOTAL ANNUAL SALES	MCF	216138.4090
EXPECTED GAS COST (EGC) RATE	\$/MCF	4.6136

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNTS
CURRENT QUARTERLY SUPPLIER REFUND & RECONCIL. ADJ.	\$/MCF	0.0000
PREVIOUS QUARTERLY REPORTED SUPPLIER R.& R.	\$/MCF	0.0000
SECOND PREVIOUS QUARTERLY REPORTED SUPPLIER R.& R.	\$/MCF	0.0000
THIRD PREVIOUS QUARTERLY REPORTED SUPPLIER R.& R.	\$/MCF	0.0000
SUPPLIER REFUND AND RECONCILIATION ADJUST.	\$/MCF	0.0000

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNTS
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	0.0095
PREVIOUS QUARTERLY REPORTED ACTUAL ADJUST.	\$/MCF	0.0263
SECOND PREVIOUS QUARTERLY REPORTED ACTUAL ADJUST	\$/MCF	0.1703
THIRD PREVIOUS QUARTERLY REPORTED ACTUAL ADJUST.	\$/MCF	0.1755
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.3816

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNTS
BALANCE ADJUSTMENT AMOUNT		(1347.9888)
JURISDICTIONAL SALES FOR QUARTER		64094.6250
BALANCE ADJUSTMENT (BA)		(0.0210)