PURCHASED GAS ADJUSTMENT

I.   APPLICABILITY

This rate schedule is applicable to all gas sales of any customer served under Rate Schedule N-1, N-2, N-3, N-4, N-5, N-6, N-7 and N-9 within the area served by the Commission's natural gas distribution system. Two or more customers will not be allowed on the same gas meter.

II.   MONTHLY PGA FACTOR

The monthly bill for gas service computed in accordance with the appropriate gas rate schedule shall be increased or decreased by an amount equal to the product of all CCF (or Therms) used by the customer during the billing month and the Monthly Purchased Gas Adjustment Factor "PGA" calculated as follows:

$$PGA* = \{WACOG + CC + FM + LNG + ACC + ML + EF\} * LF * CF$$

where:

PGA =   Monthly Purchased Gas Adjustment in dollars per CCF (or Therm) rounded to the nearest $0.0001

WACOG =   Weighted Average cost of hedged positions and spot market price forecast

CC =   Cost of pipeline capacity

FM =   Fixed margin charged by pipeline supplier

LNG =   Cost of LNG

ML =   Margin loss experienced [margin (projected) - margin (actual)]

ACC =   Differential cost between actual cost and WACOG [(actual cost) - WACOG]

EF =   Fee charged by pipeline supplier

CF =   Conversion Factor to convert PGA to dollars per CCF or dollars per therm
        CF = 1.035 ($per CCF)
        CF = 1.000 ($per therm)

LF =   Loss multiplier of 1.0693

*All the components in the PGA formula are in units of dollar per therm.