PURCHASE GAS ADJUSTMENT CLAUSE (PGA)

1. The Purchased Gas Adjustment Clause (PGA) is applicable to all Gas Sales Service rate schedules applicable in Great Plains' Minnesota Service Area. The PGA is the difference between the delivered cost of gas supply and the base cost of gas as set in the last general rate case. The PGA will be calculated each month and any change from the previous month that exceeds $.030 per decatherm (dk) will be applied to bills during that month.

2. Cost of Gas Supply
   a. Firm Demand - The average cost of demand for Firm Gas Sales shall be computed on the basis of current pipeline rates and contract demand divided by the annual normalized sales volumes. The annual normalized sales volumes are the dk sales for the most recent 12-month period normalized for weather and adjusted by an average percentage change in sales over the preceding three-year period.

   b. Gas Commodity - The average weighted commodity cost from all suppliers for the month the PGA will be in effect.

   The current cost of gas supply is applicable to the following classes:
   Firm Service = Firm Demand + Gas Commodity
   Interruptible Service = Gas Commodity + Demand assigned based on a 100% load factor allocation of firm demand.

3. Gas Cost Reconciliation (GCR)
   a. For each twelve-month period ending June 30, a Gas Cost Reconciliation (GCR) will be calculated for each class set forth above. The GCR will be added to each customer class' cost of gas supply for the twelve-month period effective September 1 of each year. This adjustment shall include:
      1. The balance in the (over) under recovered gas cost account as of June 30.
      2. The difference between actual and recovered gas costs for each customer class for the twelve months ending June 30. The amount may be an under recovery or (over) recovery.
      3. The cost of gas, such as propane, butane, LNG, coal, gas, or other manufactured gas used by the Company to supplement the supplies of natural gas to service its customers. The costs shall be apportioned to the customer classes on the same basis as the demand charges. The additional cost of supplemental gas is to be determined on an estimated annual firm gas sales requirement as of June 30 each year.

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4. Any difference between the estimate included in 3a(3) in the previous GCR and actual expense for the twelve months ending June 30.
5. Any refunds from suppliers of gas or pipeline services where the average refund per customer is less than $5.00.

b. The resulting balance is divided by the projected dk sales for the next twelve months. The GCR adjustment shall be applied to the customers' monthly billings commencing on September 1 and remain in effect for a twelve (12) month period.

4. Pursuant to Docket Nos. G999/CI-21-135 and G004/M-21-235, Great Plains will exclude from the Company's annual GCR the extraordinary gas costs related to the February 2021 event. These costs will be collected through the Gas Event Surcharge outlined on sheet No. 5-67 and 5-68. Rate schedules subject to this schedule are subject to the Gas Event Surcharge schedule.

5. Refunds

Refunds and interest on the refunds, that are received from the suppliers or transporters of purchased gas and attributable to the cost of gas previously sold, shall be annually refunded by credits to bills, except that cumulative refund amounts equal to or greater than $5 per customer shall be refunded within 90 days from the date the refund is received from a supplier or transporter. Refunds shall be allocated to customer classes in proportion to previously charged costs of purchased gas. Within classes, the refund amount per unit shall be applied to bills on the basis of individual 12-month usage. Great Plains shall add interest to the unrefunded balance at the prime interest rate.