



**State of South Dakota
 Gas Rate Schedule – SDPUC Volume No. 2**

Section No. 3
 5th Revised Sheet No. 29
 Canceling 4th Revised Sheet No. 29

PURCHASED GAS COST ADJUSTMENT Rate 88

1. Applicability:

This rate schedule constitutes a purchased gas cost adjustment (PGA) provision and specifies the procedure to be utilized to adjust the rates for gas sold under Montana-Dakota's rate schedules in order to reflect: (a) changes in Montana-Dakota's average cost of gas supply and (b) amortization of the Unrecovered Purchased Gas Cost Account.

2. Effective Date and Limitation on Adjustments:

(a) The effective dates of the PGA shall be service rendered on and after the first day of each month, unless the Commission shall otherwise order.

(b) Montana-Dakota shall file a PGA to reflect changes in its average cost of gas supply only when the amount of change in such PGA is at least 25 (twenty-five) cents per dk compared to the currently effective adjustment. The adjustment to be effective October 1 shall be filed each year, regardless of the amount of the change.

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3. Purchased Gas Cost Adjustment:

(a) The monthly PGA shall reflect changes in Montana-Dakota's cost of gas supply as compared to the cost of gas supply approved in its most recent PGA. The cost of gas supply shall be the sum of all costs incurred in obtaining gas for general system supply. General system supply is defined as gas available for use by all customers served under retail sales rate schedules. The cost of gas supply shall include, but not be limited to, all demand, commodity, storage, gathering, and transportation charges incurred by Montana-Dakota for such gas supply, the overall rate of return on prepaid demand and commodity charges and gas storage balances required to maintain the system gas supply and hedging program gains, losses and transaction costs related to system gas supply.

(b) The PGA shall be computed as follows:

(1) Demand costs shall include all annual gathering, transportation and storage demand charges at current rates.

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Issued By:	Tamie A. Aberle Director - Regulatory Affairs		
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