

PUBLIC UTILITIES COMMISSION
HIBBING, MINNESOTA

PURCHASED GAS ADJUSTMENT
RATE 11501 - 11503

The stipulated rates shall be subject to a purchased gas adjustment whenever the actual cost of gas is above a calculated base cost. The base cost shall be calculated periodically using actual or budgeted costs divided by gas volumes purchased or budgeted.

All retail gas sales are subject to the application of a "Purchased Gas Adjustment" (PGA). Said adjustment shall be made when deemed appropriate by HPUC and shall be determined as follows:

Purchased and produced gas costs shall be calculated for each month or season, summer and winter, or as otherwise deemed appropriate by Hibbing PUC, to reflect changes in the cost of gas above the Base Cost. For these purposes, the "Cost of Gas" shall mean the total cost, including all transportation, demand, commodity, fuel and other supply related charges. Said calculations and adjustments shall be made and become effective with the first billing of each month, season or as HPUC otherwise deems necessary to fully recover additional gas supply costs. Costs for the subsequent period shall reflect the cost(s) as may be reasonably anticipated, plus or minus any corrective adjustments from the previous period.

Effective Date October 15, 1978
First Revision February 1, 1980
Second Revision March 1, 1982
Third Revision January 1, 1997
Fourth Revision January 1, 1998