Purchased Gas Adjustment (PGA)
The calculation of the purchased gas adjustment shall be in accordance with the following formula, which shall be applied for all pricing zones.

Designation firm

\[
P_{\text{PGA}} = \frac{(C \times R_c)}{S} + \frac{(D \times R_d)}{S} + \frac{(Z \times R_z)}{S} + R_b + E
\]

Designation interruptible

\[
P_{\text{PGA}} = \frac{(C \times R_c)}{S} + \frac{(Z \times R_z)}{S} + R_b + E
\]

All references to accounts means the Uniform System of Accounts for Gas Utilities.
The values of C, D, S, and Z are determined each year and are used in the above formula for calculation of PGA levels for the annual period beginning September 1.
PDA is the purchased gas charge per therm.
S is the anticipated yearly gas commodity sales volume for each customer classification or grouping.

C is the volume of applicable commodity purchased or transported for each customer classification or grouping required to meet sales, S, plus the expected lost and unaccounted for volumes.

Rc is the weighted average of applicable commodity prices or rates, including appropriate hedging tools costs, to be in effect September 1 corresponding to purchases C.

D is the total volume of applicable entitlement reservation purchases required to meet sales, S, for each customer classification or grouping.

Rd is the weighted average of applicable entitlement reservation charges to be in effect September 1 corresponding to purchases D.

Z is the total quantity of applicable storage service purchases required to meet sales, S, for each customer classification or grouping.

Rz is the weighted average of applicable storage service rates to be in effect September 1 corresponding to purchases Z.

Rb is the adjusted amount necessary to obtain the anticipated balance for the remaining PGA year calculated by taking the anticipated PGA balance divided by the forecasted volumes, including storage, for one or more months of the remaining PGA year.

E is the per unit overcollection or undercollection adjustment as calculated under subrule 19.10(7).
Refunds

Customers shall be refunded, by bill credit or check, an amount equal to any refund, plus accrued interest, if the refund exceeds ten dollars ($10) per average residential Customer under the applicable customer classification or grouping. The Company may refund lesser amounts through the applicable customer classification or grouping or retain undistributed refund amounts in special refund retention accounts for each customer classification or grouping under the applicable PGA clause until such time as additional refund obligations or interest cause the average residential customer refund to exceed ten dollars ($10). Any obligations remaining in the retention accounts on September 1 shall become a part of the annual PGA reconciliation.
**Purchased Gas Adjustment:** Purchased Gas Adjustment shown below reflect market costs of natural gas for customers served via the three Pipeline Companies (NNG, NGPL, and ANR). Customer bills are based upon prorated prices, reflecting the number of days in the billing period which fall into each calendar month. Demand prices shown apply to transportation customers with back-up supply service or interruptible customers with partially firm service.

**Purchased Gas Adjustment ($ per therm):**

<table>
<thead>
<tr>
<th>Effective with Uses on and after</th>
<th>Firm</th>
<th>Interruptible</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/01/2019</td>
<td>$0.3558</td>
<td>$0.2481</td>
<td>$7.526/Dth</td>
</tr>
<tr>
<td>10/01/2019</td>
<td>$0.3610</td>
<td>$0.2533</td>
<td>$7.526/Dth</td>
</tr>
</tbody>
</table>

Note: Daily Demand Rate $7.526 / 30.42 Day = $0.2474/Dth