

<p><b>PURCHASED GAS ADJUSTMENT AND REFUND PROVISIONS</b>  <b>SCHEDULE PGA</b></p>
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**Purchased Gas Adjustment Clause**

St. Croix Valley Natural Gas Company (the Company) shall calculate a purchased gas adjustment (PGA) each month to reflect changes to the base gas costs contained in the rates for natural gas service authorized in docket 5230-GR-104, order dated October 11, 2005. The PGA shall also include reconciliation between the actual cost of gas supply and the amount recovered from customers during the PGA year. The PGA filing may also include any refunds received by the Company from its wholesale suppliers. All rate adjustment shall be taken to the nearest 0.01 cent per therm.

The Company shall file with the Commission by the fifth working day of each month the proposed rate changes under the operation of the PGA schedule. The filings shall include the rate sheets, Commission’s standardized PGA report, source data and supporting calculations. The PGA rates shall be effective as of the first day of the month and upon Commission review may be subject to change and, if necessary, refund.

The Company shall file with the Commission significant deviations from the Company’s approved Gas Supply Plan. Any significant change in sales data should be reflected in future PGA filings. Any significant changes in firm capacity, storage, firm supply and any other reliability-related change must be filed for Commission approval at least 21 days prior to the effective date of the change.

For purposes of the operation of this schedule, the PGA year shall be the period from November 1 through October 31, which is consistent with the planning periods from the Company’s Gas Supply Plan.

**Base Average Gas Costs**

The Company’s base average costs of gas, as determined in docket 5230-GR-104 are as follows:

	<i>Base Average Cost Per Therm</i>	
	<u>Firm</u>	<u>Interruptible</u>
Commodity	\$0.8387	\$0.8387
Seasonal Peak Day Demand	\$0.1259	
Non-Seasonal Peak Day Demand	\$0.0113	
Annual Demand	\$0.0031	\$0.0031
<b>Total Base Average Cost Per Therm</b>	<b>\$0.9790</b>	<b>\$0.8418</b>