

**CITY UTILITIES OF SPRINGFIELD, MISSOURI
PURCHASED GAS CLAUSE**

Applicability

This Purchased Gas Clause shall be applicable to the calculation of the “Purchased Gas Cost” applied in the Commodity Charge of the Residential Gas Service Rate (Sheet No.1), the General Gas Service Rate (Sheet No. 2), and the High Load Factor General Gas Service Rate (Sheet No. 6). The “Purchased Gas Cost” is designed to collect the delivered cost of natural gas purchased for resale to firm customers served under the Residential, General, and High Load Factor General Gas Service Rates.

The “Purchased Gas Cost” for each billing month shall be the sum of the “Projected Natural Gas Cost” for the billing month and the applicable “Recovery Adjustment Factor.”

Projected Natural Gas Cost

“Projected Natural Gas Cost” for each billing month shall be:

	Projected Delivered Cost of Natural Gas purchased for resale to firm customers
DIVIDED BY:	projected firm gas sales in therms
PLUS:	4% for Payment to the City in Lieu of Taxes

The “Projected Natural Gas Cost” shall be rounded to the nearest hundredth of a cent and expressed as dollars per therm.

Recovery Adjustment Factor

The “Recovery Adjustment Factor” shall be calculated semiannually to be effective for the six-month period beginning April and for the six-month period beginning October. The purpose of the “Recovery Adjustment Factor” is to adjust (increase or decrease) the “Purchased Gas Cost” for the under-recovery (over-recovery) of prior purchased gas costs.

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The "Recovery Adjustment Factor" shall be calculated in accordance with the following formula:

	UNDER-RECOVERY (OVER-RECOVERY) OF PRIOR PURCHASED GAS COST DOLLARS
PLUS:	4% FOR PAYMENT TO THE CITY IN LIEU OF TAXES
DIVIDED BY:	PROJECTED FIRM SALES IN THERMS (for the six months the Recovery Adjustment Factor is to be in effect)

The "Recovery Adjustment Factor" shall be rounded to the nearest hundredth of a cent and expressed as dollars per therm. The "Recovery Adjustment Factor" may either increase or decrease from one calculation to the next.

Definitions

As used herein:

1. The phrase "Under-recovery (Over-recovery) of Prior Purchased Gas Cost Dollars" shall mean the difference between "Prior Purchased Gas Cost Dollars" and "Purchased Gas Cost Dollars Collected through the Purchased Gas Cost." An under-recovery shall mean that fewer dollars have been collected than have been spent. An over-recovery shall mean that fewer dollars have been spent than have been collected.
2. The phrase "Prior Purchased Gas Cost Dollars" shall mean the actual amounts recorded, through the previous month, for natural gas and transmission services purchased for resale to firm customers. Actual amounts shall include gas purchases, transmission services, gas withdrawn from storage, propane injected into the distribution system for sale to firm customers as expensed, other gas supply expenses, and refunds (less applicable protest expenses), and shall include storage and transmission capacity charges.
3. The phrase "Purchased Gas Cost Dollars Collected through the Purchased Gas Cost" shall mean the dollar amount collected each month, through the previous month, from firm customers. Amounts collected are the product of the monthly Purchased Gas Cost and the monthly volume of firm gas sales in therms, adjusted for Payments to the City in Lieu of Taxes.

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Emergency Recalculation of the Recovery Adjustment Factor

In the event that the amount of Under-Recovery (Over-Recovery) of prior purchased gas costs exceeds \$3,000,000 the Recovery Adjustment Factor may be recalculated. The new Recovery Adjustment Factor shall become effective for the month following approval by the Board of Public Utilities and shall remain in effect until the next scheduled semi-annual change to the Recovery Adjustment Factor.

Conditions

1. Changes to the Purchased Gas Cost shall become effective with the first regular billing cycle for each billing month.
2. A detailed calculation of the Recovery Adjustment Factor and a summary of the Purchased Gas Costs for the previous six months shall be submitted semiannually to the members of the Board of Public Utilities and the members of the City Council of Springfield, Missouri, for information purposes.
3. The power to repeal the Purchased Gas Clause is retained by the City Council of the City of Springfield, Missouri. Repeal of this clause shall be by ordinance. No ordinance repealing the Purchased Gas Clause shall be adopted later than the day which is six months prior to the end of any fiscal year, nor shall it have an effective date other than the end of the fiscal year in which the repealing ordinance was adopted.

APPROVED BY CITY COUNCIL November 28, 2016
EFFECTIVE Cycle 1, October 2017

APPROVED BY BOARD OF PUBLIC UTILITIES
OF SPRINGFIELD, MO October 27, 2016

Supersedes rate schedule effective Cycle 1, November 2008.