

DUNCAN VALLEY ELECTRIC COOPERATIVE - GAS DIVISION

RATE SCHEDULE MGCR - MONTHLY GAS COST RATE

I. Applicability

Applicable to all therm sales of gas provided to all customers within the Utility's certificated service area.

II. Gas Adjustment Procedure

The Utility is authorized to manage its PGA Bank Balance (PGABB) as close to zero as possible with monthly adjustors of no more than 10 cents per therm based on its 12-month rolling average cost of gas. The Monthly Gas Cost Rate (MGCR) is the sum of the Utility's previous twelve-month rolling average cost of gas plus the Purchased Gas Adjustor Rate (PGAR), if applicable. The PGAR can not exceed plus or minus 10 cents per therm, per month.

III. PGA Bank Balance

The Utility shall establish and maintain a PGA Bank Balance (PGABB). Entries shall be made to this account each month, if appropriate, as follows:

1. A debit or credit entry equal to the difference between (a) the actual purchased gas cost for the month and (b) the amount determined by multiplying the Monthly Gas Cost Rate as set forth on the Statement of Charges in this Tariff by the therms billed during the month under the applicable rate schedules of this Tariff.
2. A debit or credit entry for refunds or payments authorized by the ACC.
3. A debit or credit entry for interest to be applied to over- and under-collected bank balances based on the Three Month Financial Commercial Paper Rate as published by the Federal Reserve as authorized in the ACC in Decision No. 68600 dated March 23, 2006.

IV. Monthly Informational Filings

Each month the Utility shall make a cost of gas informational filing with Commission Staff to include any and all information required by Decision No. 61225.

V. Additional Requirements

A special review is required if the PGABB reaches an over- or under-collection in the amount of \$35,000. The Utility must file an application for a PGABB surcharge adjustment within forty-five (45) days of completing the Monthly Informational Filing that illustrates the threshold has been exceeded or contact the ACC to discuss why an adjustment is not necessary at this time. The ACC, upon review, may authorize the balance to be amortized through a predetermined surcharge rate included as part of the MGCR for a specified period.

VI. Effective Date

This rate schedule is effective for all service on or after April 1, 2006, as authorized by the ACC in Decision No. 68599 dated March 23, 2006.