MEMPHIS LIGHT, GAS AND WATER DIVISION CITY OF MEMPHIS

GAS SERVICE

SCHEDULE PGA PURCHASED GAS ADJUSTMENT RIDER

All retail rates for natural gas may be adjusted for changes in MLGW's cost of gas, storage, and transportation, at the discretion of MLGW. Adjustments may be made on a monthly basis using an estimate of future costs and adjusting for actual costs incurred.

All retail rate schedules may be adjusted for changes in projected cost for the purchase and transportation of natural gas. Retail rates will be adjusted annually to include a wellhead price of natural gas based on the Energy Information Administration's Short-Term Energy Outlook publication that projects the subsequent calendar year's wellhead spot price of natural gas at the Henry Hub.