Aquila Networks - MPS
Southern System
Current Gas Cost Calculation

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Totals
SUMMARY OF COMMODITY COSTS											
Sales Requirements	748,259	584,368	459,277	259,295	131,640	66,003	60,990	63,098	103,445	247,923	2,724,298
SSTAR Market Area Loss	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	
SSTAR Production Area Loss	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	
Total Supply - Fuel Loss	767,892	599,701	471,328	266,099	135,094	67,735	62,590	64,754	106,159	254,428	2,795,780
Storage Injection	0	0	0	118,444	118,444	118,444	118,444	90,807	86,859	59,222	710,664
Storage Injection Loss	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	
Total Storage - Fuel Loss	0	0	0	122,208	122,208	122,208	122,208	93,693	89,619	61,104	
(Storage injection is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)											
Purchase Requirements	767,892	599,701	471,328	266,099	135,094	67,735	62,590	64,754	106,159	254,428	2,795,780
Contracted Financial Swaps (Fixed Price)	210,000	130,000	80,000	0	0	0	0	0	0	0	420,000
Contracted Price	$ 7.7008	$ 9.0272	$ 8.4450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 1,617,172	$ 1,173,540	$ 675,600	$ -	$ -	$ -	$ -	$ -	$ -	$ -	3,466,312
Contracted Call Options	70,000	50,000	40,000	0	0	0	0	0	0	0	160,000
Contracted Price	$ 7.7091	$ 7.7040	$ 7.7450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 539,640	$ 385,200	$ 309,800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1,234,640
Contracted Participating Options	80,000	60,000	40,000	0	0	0	0	0	0	0	180,000
Contracted Price	$ 9.6075	$ 10.3900	$ 10.5175	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 768,600	$ 623,400	$ 420,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1,812,700
Contracted Costing Collar	120,000	100,000	90,000	0	0	0	0	0	0	0	310,000
Contracted Price	$ 8.2170	$ 9.2600	$ 8.8056	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 986,040	$ 926,000	$ 792,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	2,704,540
Total Supply	145,760	117,569	79,195	266,099	135,094	67,735	62,590	64,754	106,159	254,428	1,299,383
Forecasted Price (NYMEX-WNG Basis)*	$ 8.6400	$ 7.780	$ 7.910	$ 8.285	$ 8.305	$ 8.375	$ 8.445	$ 8.525	$ 8.545	$ 8.605	
Total Cost	$ 1,259,366	$ 914,687	$ 626,432	$ 2,204,630	$ 1,121,956	$ 567,281	$ 528,573	$ 552,028	$ 907,129	$ 2,189,353	$ 10,871,435
Storage Withdrawal	142,132	142,132	142,133	0	0	0	0	0	0	0	426,397
Storage WACOG	$ 7.1637	$ 7.1637	$ 7.1637	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 1,018,191	$ 1,018,191	$ 1,018,198	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,054,580
Forecasted Gas Commodity Cost	6,189,009	5,041,018	3,843,230	2,204,630	1,121,956	567,281	528,573	552,028	907,129	2,189,353	23,144,207
Forecasted Sales Gas Quantity	767,892	599,701	471,328	266,099	135,094	67,735	62,590	64,754	106,159	254,428	2,795,780
Gas Cost (Commodity) Dth											$8.2783
SUMMARY OF UPSTREAM COSTS											
Southern Star Natural Gas Pipeline - Firm											
FT Commodity (Production Area)	767,892	599,701	471,328	266,099	135,094	67,735	62,590	64,754	106,159	254,428	
FT Commodity (Market Area)	753,610	588,547	462,561	261,149	132,581	66,475	61,426	63,549	104,185	249,696	
Total Units	1,521,502	1,188,248	933,889	527,248	267,675	134,210	124,016	128,303	210,344	504,124	5,539,559
Cost/Dth - Production Area	$0.0083	$0.0083	$0.0083	$0.0083	$0.0083	$0.0083	$0.0083	$0.0083	$0.0083	$0.0083	
Cost/Dth - Market Area	$0.0068	$0.0068	$0.0068	$0.0068	$0.0068	$0.0068	$0.0068	$0.0068	$0.0068	$0.0068	
Total SSTAR Commodity Costs	$11,498	$8,980	$7,057	$3,984	$2,023	$1,014	$937	$970	$1,590	$3,810	$41,863
Forecasted Northern Upstream Costs	11,498	8,980	7,057	3,984	2,023	1,014	937	970	1,590	3,810	41,863
Forecasted Firm Sales Quantity	767,892	599,701	471,328	266,099	135,094	67,735	62,590	64,754	106,159	254,428	2,795,780
Upstream Cost/Dth											$0.0150
											$ 8.2933