

Staff's Calculation of the Economics of MGE Utilizing its KPC Capacity and Releasing Williams Capacity

	Inside FERC Williams FOM Index	Fuel KPC vs WNG (% Difference)	Fuel Difference (\$)	Commodity Difference KPC v WNG	Total Fuel & Commodity
July, 2000	\$ 4.20	1.28%	\$ 0.0538	\$ 0.0440	\$ 0.0978
August, 2000	\$ 3.69	1.28%	\$ 0.0472	\$ 0.0440	\$ 0.0912
September, 2000	\$ 4.50	1.28%	\$ 0.0576	\$ 0.0440	\$ 0.1016
October, 2000	\$ 5.19	1.28%	\$ 0.0664	\$ 0.0440	\$ 0.1104
November, 2000	\$ 4.43	1.28%	\$ 0.0567	\$ 0.0440	\$ 0.1007
December, 2000	\$ 5.90	1.28%	\$ 0.0755	\$ 0.0440	\$ 0.1195
January, 2001	\$ 9.98	1.28%	\$ 0.1277	\$ 0.0440	\$ 0.1717
February, 2001	\$ 6.29	1.28%	\$ 0.0805	\$ 0.0440	\$ 0.1245
March, 2001	\$ 5.03	1.28%	\$ 0.0644	\$ 0.0440	\$ 0.1084
April, 1001	\$ 5.34	1.28%	\$ 0.0684	\$ 0.0440	\$ 0.1124
May, 2001	\$ 4.82	1.28%	\$ 0.0617	\$ 0.0440	\$ 0.1057
June, 2001	\$ 3.66	1.28%	\$ 0.0468	\$ 0.0440	\$ 0.0908

	Williams	KPC
Production Area Commodity Rate	\$ 0.0124	n/a
Market Area Commodity Rate	\$ 0.0061	\$ 0.0625
Total Commodity Rate	\$ 0.0185	\$ 0.0625

Production Area Fuel Rate	1.64%	n/a
Market Area Fuel Rate	0.69%	3.61%
Total Fuel Rate	2.33%	3.61%

	KPC Contract Volume	Monthly Volumes	Williams Reservation Rate (Mkt. Area)	Williams Reservation Rate (Prod. Area)	Williams Reservation Rate (Prod. + Mkt.)	Non-Recallable Release Credit (75% of Max Rate)	Unit Offset Fuel & Commodity	Total Fuel & Commodity Offset	Net Non-Recallable Release Credit
July, 2000	46,332	1,436,292	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 307,772	\$ 0.0978	\$ 140,412	\$ 167,360
August, 2000	46,332	1,436,292	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 307,772	\$ 0.0912	\$ 131,036	\$ 176,736
September, 2000	46,332	1,389,960	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 307,772	\$ 0.1016	\$ 141,220	\$ 166,552
October, 2000	46,332	1,436,292	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 307,772	\$ 0.1104	\$ 158,613	\$ 149,159
April, 1001	46,332	1,389,960	\$ 3.0168	\$ 5.77	\$ 8.79	\$ 305,410	\$ 0.1124	\$ 156,165	\$ 149,245
May, 2001	46,332	1,436,292	\$ 3.0168	\$ 5.77	\$ 8.79	\$ 305,410	\$ 0.1057	\$ 151,810	\$ 153,599
June, 2001	46,332	1,389,960	\$ 3.0168	\$ 5.77	\$ 8.79	\$ 305,410	\$ 0.0908	\$ 126,275	\$ 179,134
Total									\$ 1,141,786

Source: "Calculation of Capacity Release Adjustment", Staff Workpapers Sent to Company 5-29-02.xls, Capacity Release

REVISED Staff's Calculation of the Economics of MGE Utilizing its KPC Capacity and Releasing Williams Capacity

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	Williams	KPC
Production Area Commodity Rate	\$ 0.0124	n/a
Market Area Commodity Rate	\$ 0.0061	\$ 0.0625
Total Commodity Rate	\$ 0.0185	\$ 0.0625

Production Area Fuel Rate	1.64%	n/a
Market Area Fuel Rate	0.69%	3.61%
Total Fuel Rate	2.33%	3.61%

	KPC Contract Volume	Monthly Volumes	Williams Reservation Rate (Mkt. Area)	Williams Reservation Rate (Prod. Area)	Williams Reservation Rate (Prod. + Mkt.)	Non-Recallable Release Credit (14% of Max Rate)	Unit Offset Fuel & Commodity	Total Fuel & Commodity Offset	Net Non-Recallable Release Credit
July, 2000	46,332	1,436,292	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 57,462	\$ 0.0978	\$ 140,412	\$ (82,949)
August, 2000	46,332	1,436,292	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 57,462	\$ 0.0912	\$ 131,036	\$ (73,573)
September, 2000	46,332	1,389,960	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 57,462	\$ 0.1016	\$ 141,220	\$ (83,758)
October, 2000	46,332	1,436,292	\$ 3.0848	\$ 5.77	\$ 8.86	\$ 57,462	\$ 0.1104	\$ 158,613	\$ (101,150)
April, 2001	46,332	1,389,960	\$ 3.0168	\$ 5.77	\$ 8.79	\$ 57,021	\$ 0.1124	\$ 156,165	\$ (99,143)
May, 2001	46,332	1,436,292	\$ 3.0168	\$ 5.77	\$ 8.79	\$ 57,021	\$ 0.1057	\$ 151,810	\$ (94,789)
June, 2001	46,332	1,389,960	\$ 3.0168	\$ 5.77	\$ 8.79	\$ 57,021	\$ 0.0908	\$ 126,275	\$ (69,254)
Total									\$ (604,617)

Source: "Calculation of Capacity Release Adjustment", Staff Workpapers Sent to Company 5-29-02.xls, Capacity Release