Aquila Networks - MPS
Southern System
Current Gas Cost Calculation

	Nov-05	Dec-05	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	443,317	659,931	748,259	584,368	459,277	259,295	131,640	66,003	60,990	63,098	103,445	247,923	3,827,546
SSTAR Market Area Loss	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	
SSTAR Production Area Loss	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
Total Supply - Fuel Loss	457,169	680,552	771,640	602,628	473,628	267,397	135,753	68,065	62,896	65,070	106,677	255,670	3,947,145
Storage Injection	0	0	0	0	0	118,444	118,444	118,444	118,444	90,807	86,859	59,222	710,664
Storage Injection Loss	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	2.64%	
Total Storage - Fuel Loss	0	0	0	0	0	121,656	121,656	121,656	121,656	93,269	89,214	60,828	
(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is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)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	457,169	680,552	771,640	602,628	473,628	267,397	135,753	68,065	62,896	65,070	106,677	255,670	3,947,145
Contracted Financial Swaps (Fixed Price)	70,000	180,000	210,000	130,000	80,000	0	0	0	0	0	0	0	670,000
Contracted Price	$ 9.2897	$ 9.1953	$ 9.1818	$ 9.2672	$ 8.6850	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 650,280	$ 1,655,160	$ 1,928,182	$ 1,204,740	$ 694,800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	6,133,162
Contracted Call Options	50,000	60,000	70,000	50,000	40,000	0	0	0	0	0	0	0	270,000
Contracted Price	$ 8.1200	$ 9.6400	$ 9.5686	$ 10.3600	$ 9.9275	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 406,000	$ 578,400	$ 669,800	$ 518,000	$ 397,100	$ -	$ -	$ -	$ -	$ -	$ -	$ -	2,569,300
Contracted Participating Options	40,000	80,000	80,000	60,000	40,000	0	0	0	0	0	0	0	300,000
Contracted Price	$ 11.9420	$ 11.3761	$ 11.7519	$ 12.1500	$ 11.7800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 477,680	$ 910,090	$ 940,150	$ 729,000	$ 471,200	$ -	$ -	$ -	$ -	$ -	$ -	$ -	3,528,120
Contracted Costing Collar	90,000	110,000	120,000	100,000	90,000	0	0	0	0	0	0	0	510,000
Contracted Price	$ 9.8084	$ 10.3907	$ 10.4600	$ 11.0140	$ 10.1467	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 882,760	$ 1,142,980	$ 1,255,200	$ 1,101,400	$ 913,200	$ -	$ -	$ -	$ -	$ -	$ -	$ -	5,295,540
Total Supply	65,037	108,419	149,508	120,496	81,495	267,397	135,753	68,065	62,896	65,070	106,677	255,670	1,486,483
Forecasted Price (NYMEX-WNG Basis)*	$ 11.694	$ 11.867	$ 12.225	$ 12.150	$ 11.780	$ 9.910	$ 9.610	$ 9.627	$ 9.667	$ 9.707	$ 9.685	$ 9.717	
Total Cost	$ 760,543	$ 1,286,608	$ 1,827,735	$ 1,464,026	$ 960,011	$ 2,649,904	$ 1,304,586	$ 655,262	$ 608,016	$ 631,634	$ 1,033,167	$ 2,484,345	$ 15,665,837
Storage Withdrawal	142,132	142,133	142,132	142,132	142,133	0	0	0	0	0	0	0	710,662
Storage WACOG	$ 7.1637	$ 7.1637	$ 7.1637	$ 7.1637	$ 7.1637	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 1,018,191	$ 1,018,198	$ 1,018,191	$ 1,018,191	$ 1,018,198	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,090,969
Forecasted Gas Commodity Cost	4,195,454	6,591,436	7,639,258	6,035,357	4,454,509	2,649,904	1,304,586	655,262	608,016	631,634	1,033,167	2,484,345	38,282,928
Forecasted Sales Gas Quantity	457,169	680,552	771,640	602,628	473,628	267,397	135,753	68,065	62,896	65,070	106,677	255,670	3,947,145
Gas Cost (Commodity) Dth													$9.6989
SUMMARY OF UPSTREAM COSTS													
Southern Star Natural Gas Pipeline - Firm													
FT Commodity (Production Area)	457,169	680,552	771,640	602,628	473,628	267,397	135,753	68,065	62,896	65,070	106,677	255,670	
FT Commodity (Market Area)	447,569	666,260	755,436	589,973	463,682	261,782	132,903	66,636	61,575	63,703	104,437	250,301	
Total Units	904,738	1,346,812	1,527,076	1,192,601	937,310	529,179	268,656	134,701	124,471	128,773	211,114	505,971	7,811,402
Cost/Dth - Production Area	$0.0083	$0.0083	$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	$0.0068	$0.0068	
Total SSTAR Commodity Costs	$6,838	$10,179	$11,542	$9,014	$7,084	$4,000	$2,030	$1,018	$941	$973	$1,596	$3,824	$59,038
Forecasted Northern Upstream Costs	6,838	10,179	11,542	9,014	7,084	4,000	2,030	1,018	941	973	1,596	3,824	59,038
Forecasted Firm Sales Quantity	457,169	680,552	771,640	602,628	473,628	267,397	135,753	68,065	62,896	65,070	106,677	255,670	3,947,145
Upstream Cost/Dth													$0.0150
													$ 9.7139