

Aquila Networks - MPS
Southern System
Current Gas Cost Calculation

	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Totals</u>
SUMMARY OF COMMODITY COSTS					
Sales Requirements	67,534	69,544	112,254	254,565	503,897
SSTAR Market Area Loss	0.95%	0.95%	0.95%	0.95%	
SSTAR Production Area Loss	2.10%	2.10%	2.10%	2.10%	
Total Supply - Fuel Loss	69,644	71,717	115,762	262,519	519,642
Storage Injection	118,444	90,807	86,859	59,222	355,332
Storage Injection Loss	2.64%	2.64%	2.64%	2.64%	
Total Storage - Fuel Loss	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is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)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	69,644	71,717	115,762	262,519	519,642
Contracted Financial Swaps (Fixed Price)	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	0
Contracted Call Options	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	0
Contracted Participating Options	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	0
Total Supply	69,644	71,717	115,762	262,519	519,642
Forecasted Price (NYMEX-WNG Basis)*	\$ 6.4060	\$ 6.5300	\$ 6.5700	\$ 6.6400	
Total Cost	\$ 446,139	\$ 468,312	\$ 760,556	\$ 1,743,126	\$ 3,418,133
Storage Withdrawal	0	0	0	0	0
Storage WACOG	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Forecasted Gas Commodity Cost</u>	446,139	468,312	760,556	1,743,126	3,418,133
<u>Forecasted Sales Gas Quantity</u>	69,644	71,717	115,762	262,519	519,642
<u>Gas Cost (Commodity) Dth</u>					\$6.5779
SUMMARY OF UPSTREAM COSTS					
Southern Star Natural Gas Pipeline - Firm					
FT Commodity (Production Area)	69,644	71,717	115,762	262,519	
FT Commodity (Market Area)	68,182	70,211	113,331	257,007	
Total Units	137,826	141,928	229,093	519,526	1,028,373
Cost/Dth - Production Area	\$0.0084	\$0.0084	\$0.0084	\$0.0084	
Cost/Dth - Market Area	\$0.0069	\$0.0069	\$0.0069	\$0.0069	
Total SSTAR Commodity Costs	\$1,055	\$1,087	\$1,754	\$3,979	\$7,875
<u>Forecasted Northern Upstream Costs</u>	1,055	1,087	1,754	3,979	7,875
<u>Forecasted Firm Sales Quantity</u>	69,644	71,717	115,762	262,519	519,642
<u>Upstream Cost/Dth</u>					\$0.0152

\$ 6.5931

Aquila Networks - MPS
Southern System
Gas Commodity Cost Calculation

Enclosure 1
Page 4 of 4

INSIDE FERC JUNE 2005	\$	5.88
SSTAR Market Area Loss		0.95%
SSTAR Production Area Loss		<u>2.10%</u>
 SSTAR Index Adjusted for Fuel	\$	6.0637
SSTAR Cost/Dth Field Zone		\$0.0084
SSTAR Cost/Dth - Market Zone		<u>\$0.0069</u>
		\$6.0790
 Total Gas Commodity Costs		<div>\$6.0790</div>