

Aquila Networks - MPS  
Northern System  
**Current Gas Cost Calculation**

|   | Nov-04       | Dec-04       | Jan-05       | Feb-05       | Mar-05       | Apr-05     | May-05     | Jun-05     | Jul-05     | Aug-05     | Sep-05     | Oct-05     | Totals       |
|---|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>SUMMARY OF COMMODITY COSTS</b>   |              |              |              |              |              |            |            |            |            |            |            |            |              |
| Requirements  | 139,063      | 208,414      | 236,735      | 184,494      | 144,077      | 80,059     | 39,025     | 18,083     | 16,373     | 17,049     | 30,088     | 76,310     | 1,189,770    |
| PEPL Market Zone Fuel Loss  | 1.50%        | 1.50%        | 1.50%        | 1.50%        | 1.50%        | 1.50%      | 1.50%      | 1.50%      | 1.50%      | 1.50%      | 1.50%      | 1.50%      |              |
| PEPL Field Zone Fuel 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%      |              |
| Gathering Fuel Loss   | 0.59%        | 0.59%        | 0.59%        | 0.59%        | 0.59%        | 0.59%      | 0.59%      | 0.59%      | 0.59%      | 0.59%      | 0.59%      | 0.59%      |              |
| Total Supply - Fuel Loss  | 143,381      | 214,885      | 244,085      | 190,222      | 148,550      | 82,545     | 40,237     | 18,644     | 16,881     | 17,578     | 31,022     | 78,679     |              |
| Storage Injection   | 0            | 0            | 0            | 0            | 0            | 0          | 103,500    | 120,000    | 120,000    | 120,000    | 120,000    | 60,000     | 643,500      |
| Storage Injection Loss  | 1.42%        | 1.42%        | 1.42%        | 1.42%        | 1.42%        | 1.42%      | 1.42%      | 1.42%      | 1.42%      | 1.42%      | 1.42%      | 1.42%      |              |
| Total Storage - Fuel Loss   | 0            | 0            | 0            | 0            | 0            | 0          | 104,991    | 121,729    | 121,729    | 121,729    | 121,729    | 60,864     |              |
| (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is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)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   | 143,381      | 214,885      | 244,085      | 190,222      | 148,550      | 82,545     | 40,237     | 18,644     | 16,881     | 17,578     | 31,022     | 78,679     | 1,226,709    |
| Total Supply  | 0            | 20,885       | 30,085       | 16,222       | 4,550        | 82,545     | 40,237     | 18,644     | 16,881     | 17,578     | 31,022     | 78,679     | 357,328      |
| Forecasted Price (NYMEX-PEPL Basis)   | \$ 11.7240   | \$ 11.8970   | \$ 12.2550   | \$ 12.1800   | \$ 11.8100   | \$ 9.9450  | \$ 9.6450  | \$ 9.6620  | \$ 9.7020  | \$ 9.7420  | \$ 9.7200  | \$ 9.7520  |              |
| Total Cost  | \$ -         | \$ 248,469   | \$ 368,692   | \$ 197,584   | \$ 53,736    | \$ 820,910 | \$ 388,086 | \$ 180,138 | \$ 163,779 | \$ 171,245 | \$ 301,534 | \$ 767,278 | 3,661,451    |
| Contracted Call Options   | 0            | 50,000       | 70,000       | 30,000       | 0            | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 150,000      |
| Contracted Price  | \$ -         | \$ 9.5300    | \$ 9.8086    | \$ 11.4400   | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |              |
| Total Cost  | \$ -         | \$ 476,500   | \$ 686,600   | \$ 343,200   | \$ -         | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | 1,506,300    |
| Storage Withdrawal (17007)  | 144,000      | 144,000      | 144,000      | 144,000      | 144,000      | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 720,000      |
| Storage WACOG (17007)   | \$ 7.0984    | \$ 7.0984    | \$ 7.0984    | \$ 7.0984    | \$ 7.0984    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |              |
| Total Cost  | \$ 1,022,170 | \$ 1,022,170 | \$ 1,022,170 | \$ 1,022,170 | \$ 1,022,170 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ 5,110,850 |
| Forecasted Gas Commodity Cost   | 1,022,170    | 1,747,139    | 2,077,462    | 1,562,954    | 1,075,906    | 820,910    | 388,086    | 180,138    | 163,779    | 171,245    | 301,534    | 767,278    | 10,278,601   |
| Forecasted Sales Gas Quantity   | 144,000      | 214,885      | 244,085      | 190,222      | 148,550      | 82,545     | 40,237     | 18,644     | 16,881     | 17,578     | 31,022     | 78,679     | 1,227,328    |
| Gas Cost (Commodity) Dth  |              |              |              |              |              |            |            |            |            |            |            |            | \$8.3748     |
| <b>SUMMARY OF UPSTREAM COSTS</b>  |              |              |              |              |              |            |            |            |            |            |            |            |              |
| Panhandle Eastern Pipeline - Firm   |              |              |              |              |              |            |            |            |            |            |            |            |              |
| FT Commodity (Field Zone)   | 142,535      | 213,617      | 242,645      | 189,100      | 147,674      | 82,058     | 39,999     | 18,534     | 16,782     | 17,475     | 30,839     | 78,215     |              |
| FT Commodity (Market Zone)  | 141,181      | 211,588      | 240,340      | 187,304      | 146,271      | 81,278     | 39,619     | 18,358     | 16,622     | 17,309     | 30,546     | 77,472     |              |
| Total Units   | 283,716      | 425,205      | 482,985      | 376,404      | 293,945      | 163,336    | 79,618     | 36,892     | 33,404     | 34,784     | 61,385     | 155,687    | 2,427,361    |
| Cost/Dth - Field Zone   | \$0.0195     | \$0.0195     | \$0.0195     | \$0.0195     | \$0.0195     | \$0.0195   | \$0.0195   | \$0.0195   | \$0.0195   | \$0.0195   | \$0.0195   | \$0.0195   |              |
| Cost/Dth - Market Zone  | \$0.0099     | \$0.0099     | \$0.0099     | \$0.0099     | \$0.0099     | \$0.0099   | \$0.0099   | \$0.0099   | \$0.0099   | \$0.0099   | \$0.0099   | \$0.0099   |              |
| Total Panhandle Commodity Costs   | \$4,177      | \$6,260      | \$7,111      | \$5,542      | \$4,328      | \$2,405    | \$1,172    | \$543      | \$492      | \$512      | \$904      | \$2,292    | 35,738       |
| Forecasted Northern Upstream Costs  | 4,177        | 6,260        | 7,111        | 5,542        | 4,328        | 2,405      | 1,172      | 543        | 492        | 512        | 904        | 2,292      | 35,738       |
| Forecasted Firm Sales Quantity  | 144,000      | 214,885      | 244,085      | 190,222      | 148,550      | 82,545     | 40,237     | 18,644     | 16,881     | 17,578     | 31,022     | 78,679     | 1,227,328    |
| Upstream Cost/Dth   |              |              |              |              |              |            |            |            |            |            |            |            | \$0.0291     |
| Wellhead Cost of Gas  |              |              |              |              |              |            |            |            |            |            |            |            | \$ 8.4039    |