

Aquila Networks - MPS  
Northern 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
<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is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)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