

**Aquila Networks - MPS
Southern System
Estimated Deferred Carrying Cost Balance (DCCB) Calculation
2004-2005 ACA Year**

Annual Gas Cost Level													
Gas Cost from Nov 05 ACA calculation	23,609,038												
Gas Cost from Nov 04 ACA calculation	21,413,974												
Gas Cost from Nov 03 ACA calculation	19,453,110												
Average of 3 most recent gas cost calculations	21,492,041												
	10%												
10% of average annual gas cost threshold	2,149,204												
	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>
Sales Volumes (in Mcf)	73,724	93,458	161,156	384,311	638,890	525,020	415,730	246,563	145,013	82,376	66,383	65,409	2,898,031
Cost of Gas Purchased and Produced	592,092	929,948	2,291,628	4,239,054	4,931,721	3,179,563	2,909,711	1,299,559	1,045,389	697,231	680,952	812,189	23,609,038
PGA - Estimated Annualized Unit Cost of Gas	\$4.8474	\$5.9735	\$6.2716	\$7.9212	\$8.4779	\$8.4841	\$7.8727	\$7.1744	\$7.1687	\$7.1597	\$7.2247	\$7.6893	
Actual Annualized Unit Cost of Gas	8.0312	9.9505	14.2200	11.0303	7.7192	6.0561	6.9990	5.2707	7.2089	8.4640	10.2580	12.4171	
Difference	-3.1838	-3.9770	-7.9484	-3.1090	0.7587	2.4280	0.8737	1.9037	-0.0402	-1.3043	-3.0333	-4.7278	
Actual Sales Volumes	73,724	93,458	161,156	384,311	638,890	525,020	415,730	246,563	145,013	82,376	66,383	65,409	
DCCB Monthly Over/(Under) Recovery	(234,722)	(371,683)	(1,280,923)	(1,194,839)	484,739	1,274,740	363,209	469,390	(5,828)	(107,442)	(201,357)	(309,243)	
2004-05 DCCB Yr to Date Over/(Under) Recovery	(234,722)	(606,406)	(1,887,328)	(3,082,168)	(2,597,429)	(1,322,689)	(959,480)	(490,090)	(495,917)	(603,360)	(804,717)	(1,113,959)	
10% of average annual gas cost threshold	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	2,149,204	
Absolute Value Rcvry Bal that exceeds threshold	-	-	-	932,964	448,225	-	-	-	-	-	-	-	
Over/(Und) Rcvry Bal that exceeds 10% threshold	-	-	-	(932,964)	(448,225)	-	-	-	-	-	-	-	
Interest at Prime Rate - Wall Street Journal - 1%	3.25%	3.75%	4.00%	4.25%	4.25%	4.50%	4.50%	4.75%	5.00%	5.00%	5.25%	5.50%	
Carrying Costs Refunded/(Collected)	-	-	-	(3,304)	(1,587)	-	-	-	-	-	-	-	(4,892)
DCCB Percent of Avg Annual Gas Costs	-1.09%	-2.82%	-8.78%	-14.34%	-12.09%	-6.15%	-4.46%	-2.28%	-2.31%	-2.81%	-3.74%	-5.18%	

Note: The DCCB will become 0 at the beginning of each new ACA period (Sep).

Note: Shaded Area indicates estimate.

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