Empire District Gas Company
North System Gas Cost Inputs

Enclosure 2

North System Line Loss		2.66%
Annual Burnertip Sales		937,334

PEPL Rates PEPL EFT Reservation Rates		Tariff Rate
Field Zone Reservation	$	4.7300
Market Zone Access	$	3.3000
Market Zone Mileage 201-300 Block	$	1.8000
	$	-
	$	9.8300
PEPL EFT Commodity Rates		
Field Zone Commodity	$	0.0195
Market Zone Access	$	0.0006
Market Zone Mileage 201-300 Block	$	0.0075
ACA Unit Charge	$	0.0019
Total Market Zone Commodity	$	0.0100
PEPL Storage Rates FS		
Deliverability Charge Field Area	$	3.3500
Capacity Charge Field Area	$	0.4028
PEPL Field Zone Loss (Fuel Reimbursement-Trans Chrg)		0.47%
PEPL Market Zone Loss (Mileage 201-300 Fuel Reimb)		0.66%
FIELD Injection Charge Fuel Reimbursement %		1.53%
FIELD Withdrawal Charge Fuel Reimbursement %		0.66%

	Total Sales Volume @ Burnertip	Interruptible
Nov 11	103,854	2,366
Dec 11	177,896	3,525
Jan 12	186,855	3,889
Feb 12	158,813	2,995
Mar 12	112,250	2,438
Apr 12	64,072	1,589
May 12	30,659	1,573
Jun 12	14,269	1,941
Jul 12	15,545	1,526
Aug 12	15,732	1,698
Sep 12	18,322	1,756
Oct 12	39,067	2,075
	937,334	27,371

Note: From FERC Gas Tariff: PEPL 4th Revised Volume 1 Part IV EFT Version 2.0.0, 4th Revised Volume 1 Part IV EIT Version 2.0.0, 4th Revised Volume 1 Part IV FS Version 1.0.0, 4th Revised Volume 1 Part IV Statement of Surcharges Version 0.0.0

Transportation Cost Panhandle Eastern Pipe Line Firm	Annual Volume	Monthly Capacity Reserved	No. Of Days Reserved	Tariff/ Contracted Rate	Annual Cost	MCF Cost
Contract 17005						
EFT Reservation Rates						
Contracted Winter Volumes and rate		17,000	151	$ 5.1000	$ 433,500	$ 0.4625
Contracted Summer Volumes and rate		9,000	214	$ 4.7300	$ 297,990	$ 0.3179
Capacity Release Nov\Mar		2,861	151	$ 4.7300	$ (67,663)	$ (0.0722)
Contract 17004						
FS Storage		66,667	365	$ 0.4028	$ 322,242	$ 0.3438
Contracted Winter Volumes & Rate		14,000	151	$ 3.3500	$ 234,500	$ 0.2502
Contracted Summer Volumes & Rate		8,700	214	$ 3.3500	$ 204,015	$ 0.2177
		Volume %				
Cheyenne Plains Reservation	856,000	100.00%		$ 0.3400	$ 291,040	$ 0.3105
Pipeline Commodity Costs	988,349			$ 0.0308	$ 30,441	$ 0.0325
Total Transportation Costs					$ 1,746,065	$ 1.8629
Natural Gas Purchases	988,349			$ 3.7875	$ 3,743,372	$ 3.9936
Total Annual Cost					$ 5,489,437	$ 5.8565
Firm Sales Volume at Burnertip	937,334					
Cost per MCF at Burnertip						**$ 5.8565**

INTERRUPTIBLE	Hypothetical Reservation	No. Of Days Reserved	Tariff/ Contracted Rate	Annual Rate	50% LF MCF Cost
Contract 17005					
EFT Reservation Rates					
Contracted Winter Volumes and rate	1.0626	151	$ 5.1000	$ 27.0963	$ 0.1481
Contracted Summer Volumes and rate	1.0626	214	$ 4.7300	$ 35.1827	$ 0.1923
Contract 17004					
FS Storage	4.8919	365	$ 0.4028	$ 23.6455	$ 0.1292
Contracted Winter Volumes & Rate	1.0273	151	$ 3.3500	$ 17.2073	$ 0.0940
Contracted Summer Volumes & Rate	1.0273	214	$ 3.3500	$ 24.0902	$ 0.1316
Cheyenne Plains Reservation	342		$ 0.3400	$ 58.1581	$ 0.3178
Pipeline Commodity Costs	375		$ 0.0308	$ 5.7746	$ 0.0316
Total Transportation Costs				$ 191.1547	$ 1.0446
Natural Gas Purchases	388		$ 3.7875	$ 734.4928	$ 4.0136
Total Annual Cost				$ 925.6475	$ 5.0582
Cost per MCF at Burnertip					**$ 5.0582**

	100% LF Volume	Demand	50% LF Volume
Total Cheyenne Plains Reservation	342		
Total Production Area Volume	388	1.0626	
Total City Gate Volume	375	1.0273	
Total Burner Tip Volume	365	1.0000	183

Empire District Gas Company
North System Gas Cost Inputs

Transportation Cost
Cheyenne Plains

	Cheyenne Plains			
Firm Transportation - FT				Per Mcf
Reservation Rate	$	10.3534	$	0.3400
Commodity Rate			$	0.0010
ACA Charge			$	0.0019
Fuel Percentage		1.33%		
L & U Percentage		0.48%		

Note: Cheyenne Plains From FERC Gas Tariff: Second Revised Volume 1, Part II Section 2, Version 3.0.0 Effective 1/3/11

Distribution	SS	PEPL	ANR	Total
Volume Percentage	65%	23%	12%	100.00%
Volume Flow through Cheyenne Plains				
Nov 11	300,000	-	-	
Dec 11	310,000	-	-	
Jan 12	310,000	-	-	
Feb 12	290,000	-	-	
Mar 12	310,000	-	-	
Apr 12	120,000	120,000	60,000	
May 12	124,000	124,000	62,000	
Jun 12	120,000	120,000	60,000	
Jul 12	124,000	124,000	62,000	
Aug 12	124,000	124,000	62,000	
Sep 12	120,000	120,000	60,000	
Oct 12	124,000	124,000	62,000	
	2,376,000	856,000	428,000	3,660,000

Empire District Gas Company
North System
Current Gas Cost Calculation

	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Totals
SUMMARY OF COMMODITY COSTS													
Sales Requirements	103,854	177,896	186,855	158,813	112,250	64,072	30,659	14,269	15,545	15,732	18,322	39,067	937,334
North System Loss	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	
North System Loss Volume	2,763	4,732	4,970	4,224	2,986	1,704	816	380	413	418	487	1,039	24,932
City Gate Volume	106,617	182,628	191,825	163,037	115,236	65,776	31,475	14,649	15,958	16,150	18,809	40,106	962,266
PEPL Market Zone Fuel Loss	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	
PEPL Field Zone Fuel Loss	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	0.47%	
PEPL - Fuel Loss	1,173	2,010	2,111	1,794	1,269	724	346	161	176	178	207	442	10,591
Cheynne Plains Volume	0	0	0	0	0	120,000	124,000	120,000	124,000	124,000	120,000	124,000	
Cheyenne Plains Fuel + L&U Loss	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	1.81%	
Cheyenne Plains - Fuel Loss	0	0	0	0	0	2,172	2,244	2,172	2,244	2,244	2,172	2,244	15,492
Purchase Requirements at Production Area	107,790	184,638	193,936	164,831	116,505	68,672	34,065	16,982	18,378	18,572	21,188	42,792	988,349
Contracted Financial Futures	0	0	0	0	0	0	0	0	0	0	0	0	0
Contracted Price	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Physical Forwards	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Price	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Natural Gas Market - Mid Continent	0	0	0	0	83,700	0	0	0	0	0	0	0	
Forecasted Price (NYMEX-PEPL Basis)	$ 3.274	$ 3.675	$ 3.805	$ 3.855	$ 3.788	$ 3.732	$ 3.766	$ 3.806	$ 3.850	$ 3.873	$ 3.873	$ 3.907	
Natural Gas Market - Cheyenne Plains	0	0	0	0	0	68,672	34,065	16,982	18,378	18,572	21,188	42,792	
Forecasted Price (NYMEX-CIG Basis)	$ 3.244	$ 3.640	$ 3.773	$ 3.792	$ 3.730	$ 3.635	$ 3.669	$ 3.709	$ 3.753	$ 3.776	$ 3.776	$ 3.810	
Total Natural Gas Purchased at Market	0	0	0	0	83,700	68,672	34,065	16,982	18,378	18,572	21,188	42,792	304,349
Total Cost	$ -	$ -	$ -	$ -	$ 317,014	$ 249,588	$ 124,967	$ 62,978	$ 68,963	$ 70,119	$ 79,995	$ 163,016	$ 1,136,640
Storage Withdrawal (17007)	107,790	184,638	193,936	164,831	32,805	0	0	0	0	0	0	0	684,000
Storage WACOG (17007)	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	$ 3.811	
Total Cost	$ 410,788	$ 703,655	$ 739,090	$ 628,171	$ 125,020	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,606,724
Forecasted Gas Commodity Cost	$ 410,788	$ 703,655	$ 739,090	$ 628,171	$ 442,034	$ 249,588	$ 124,967	$ 62,978	$ 68,963	$ 70,119	$ 79,995	$ 163,016	$ 3,743,364
Purchase Requirements at Production Area	107,790	184,638	193,936	164,831	116,505	68,672	34,065	16,982	18,378	18,572	21,188	42,792	988,349
Gas Commodity Cost/Dth													$ 3.7875
SUMMARY OF PIPELINE COMMODITY COSTS													
Panhandle Eastern Pipeline - Firm													
FT Commodity (Field Zone Volume)	105,038	179,924	188,985	160,623	113,529	64,802	31,008	14,432	15,722	15,911	18,531	39,512	
FT Commodity (Market Zone Volume)	104,544	179,078	188,096	159,868	112,996	64,498	30,863	14,364	15,648	15,837	18,444	39,327	
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	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	$0.0100	
Total Panhandle PipelineCommodity Costs	$ 3,094	$ 5,299	$ 5,566	$ 4,731	$ 3,344	$ 1,909	$ 913	$ 425	$ 463	$ 469	$ 546	$ 1,164	$ 27,922
Cheyenne Plains Pipeline -Firm													
Cost/Dth - Commodity	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	$0.0010	
Cost/Dth - ACA	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	$0.0019	
Total Cheyenne Plains Comm Costs	$ -	$ -	$ -	$ -	$ -	$ 348	$ 360	$ 348	$ 360	$ 360	$ 348	$ 360	$ 2,482
Forecasted Pipeline Commodity Costs	$ 3,094	$ 5,299	$ 5,566	$ 4,731	$ 3,344	$ 1,909	$ 913	$ 425	$ 463	$ 469	$ 546	$ 1,164	$ 30,404
Purchase Requirements at Production Area	107,790	184,638	193,936	164,831	116,505	68,672	34,065	16,982	18,378	18,572	21,188	42,792	988,349
Pipeline Commodity Cost/Dth													$ 0.0308

Production Area Cost of Gas $ 3.8183