

Aquila Networks - MPS  
Southern System  
Current Gas Cost Calculation

	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Totals
<b>SUMMARY OF COMMODITY COSTS</b>								
Sales Requirements	259,295	131,640	66,003	60,990	63,098	103,445	247,923	932,394
SSTAR Market Area Loss	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	
SSTAR Production Area Loss	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	
Total Supply - Fuel Loss	266,099	135,094	67,735	62,590	64,754	106,159	254,428	956,859
Storage Injection	118,444	118,444	118,444	118,444	90,807	86,859	59,222	710,664
Storage Injection Loss	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	3.08%	
Total Storage - Fuel Loss	122,208	122,208	122,208	122,208	93,693	89,619	61,104	
(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is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)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	266,099	135,094	67,735	62,590	64,754	106,159	254,428	956,859
Contracted Financial Swaps (Fixed Price)	0	0	0	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Contracted Call Options	0	0	0	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Contracted Participating Options	0	0	0	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Contracted Costing Collar	0	0	0	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Total Supply	266,099	135,094	67,735	62,590	64,754	106,159	254,428	956,859
Forecasted Price (NYMEX-WNG Basis)*	\$ 5.820	\$ 5.795	\$ 5.995	\$ 6.205	\$ 6.345	\$ 6.565	\$ 6.715	
Total Cost	\$ 1,548,696	\$ 782,870	\$ 406,071	\$ 388,371	\$ 410,864	\$ 696,934	\$ 1,708,484	\$ 5,942,290
Storage Withdrawal	0	0	0	0	0	0	0	0
Storage WACOG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Forecasted Gas Commodity Cost	1,548,696	782,870	406,071	388,371	410,864	696,934	1,708,484	5,942,290
Forecasted Sales Gas Quantity	266,099	135,094	67,735	62,590	64,754	106,159	254,428	956,859
Gas Cost (Commodity) Dth								\$6.2102
<b>SUMMARY OF UPSTREAM COSTS</b>								
Southern Star Natural Gas Pipeline - Firm								
FT Commodity (Production Area)	266,099	135,094	67,735	62,590	64,754	106,159	254,428	
FT Commodity (Market Area)	261,149	132,581	66,475	61,426	63,549	104,185	249,696	
Total Units	527,248	267,675	134,210	124,016	128,303	210,344	504,124	1,895,920
Cost/Dth - Production Area	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	\$0.0083	
Cost/Dth - Market Area	\$0.0068	\$0.0068	\$0.0068	\$0.0068	\$0.0068	\$0.0068	\$0.0068	
Total SSTAR Commodity Costs	\$3,984	\$2,023	\$1,014	\$937	\$970	\$1,590	\$3,810	\$14,328
Forecasted Northern Upstream Costs	3,984	2,023	1,014	937	970	1,590	3,810	14,328
Forecasted Firm Sales Quantity	266,099	135,094	67,735	62,590	64,754	106,159	254,428	956,859
Upstream Cost/Dth								\$0.0150
								\$ 6.2252