Empire District Gas Company
Annualized Gas Cost Calculation
To Reflect Current ANR & Spot Market Rates

Enclosure 3

FIRM	Annual/ Seasonal Volume		Monthly Capacity Reserved	No. of Mths Reserved	Tariff Rate	Annual Cost
SJLP Tranportation Cost per MCF						**$0.9122**
Spot Market Purchases	608,330				$6.6626	$4,053,058
Season Budget	608,330					
Cost per MCF at Burnertip						**$6.6626**
PGA						
Total Cost per Mcf at Burnertip						**$7.5748**
Highest WACOG		Sept 03 - Aug 04	Sept 04 - Aug 05	Sept 04 - Aug 05	**Average WACOG**	
		$5.1998	$5.9241	$7.4762	**$6.2000**	
		Highest Avg WACOG-(Avg with the highest of 3 averages)			**$6.8381**	
			OCTOBER 2005 Gas Commodity Costs		**$4.6702**	
INTERRUPTIBLE						
SJLP Transportation Cost				@150% $1.3859	$1.3859	
	$6.6626				$6.6626	
Total Annual Cost					$8.0485	
Sales Volume at Burnertip						
Cost per MCF at Burnertip					**$8.0485**	

Empire District Gas Company
ANR-Northwest System
Gas Cost Inputs

Enclosure 3

ANR RATES	
Transport Charge-STS SW Area Mainline	$0.9223
Annual Charge Adjustment	$0.0016
GRI Charge	$0.0000
Deferred Transportation Cost Adj - STS (All Segments)	($0.0117)
Rate Adjustment	$0.0000
Transport Use Fee (1) - SW Southern Segment (ML-5)	2.13%
Transport Use Fee (2) - SW Central Segment (ML-6)	3.75%
Storage Use Fee - FSS and DDS Storage Serv ices	0.70%
	$0.9122

Note: From FERC Gas Tarif f: ANR Tenth Rev ised Sheet No. 6 Ef fective 11/01/06; Forty -Sixth Rev ised Sheet No. 17 Ef fective 11/1/2006; Fourteenth Rev ised Sheet No. 17A Ef fective 5/1/06; and Twenty -Third Rev ised Sheet No. 19 Ef fective 11/1/2006.

Annual Throughput 608,330

Season Budget (Dth)	
Jan	131,764
Feb	100,373
Mar	82,396
Apr	19,489
May	15,156
Jun	13,332
Jul	9,023
Aug	10,893
Sep	12,726
Oct	31,278
Nov	74,791
Dec	107,109
TOTAL	608,330

Empire District Gas Company
ANR-Northwest System
Current Gas Cost Calculation

SUMMARY OF COMMODITY COSTS	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Totals
Requirements	74,791	107,109	131,764	100,373	82,396	19,489	15,156	13,332	9,023	10,893	12,726	31,278	608,330
Contract 109149	26,151	39,042	46,025	36,369	28,938	5,801	4,919	4,346	2,665	2,998	4,055	10,183	211,492
Group 1 ANR Fuel %	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%	
Group 1 Supply - Fuel Loss	26,720	39,892	47,027	37,160	29,568	5,927	5,027	4,440	2,723	3,063	4,144	10,404	216,095
Contract 109150	48,640	68,067	85,738	64,005	53,458	13,689	10,236	8,986	6,358	7,896	8,670	21,095	396,838
Group 2 Fuel %	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Group 2 Supply - Fuel Loss	50,536	70,719	89,079	66,499	55,541	14,222	10,635	9,336	6,606	8,203	9,008	21,917	412,301
Total Supply - Fuel Loss	77,256	110,611	136,106	103,659	85,109	20,149	15,662	13,776	9,329	11,266	13,152	32,321	628,396
Storage Injection	0	0	0	0	0	41,940	41,940	41,940	41,940	41,940	41,940	41,940	293,580
Storage Injection Loss	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
Total Storage - Fuel Loss	0	0	0	0	0	42,236	42,236	42,236	42,236	42,236	42,236	42,236	
(Storage injection is noted on spreadsheet but not included in commodity cost calculation because Empire does not pay for storage until it is withdrawn in the winter months.)													
Purchase Requirements	77,256	110,611	136,106	103,659	85,109	20,149	15,662	13,776	9,329	11,266	13,152	32,321	628,396
Physical Forwards	0	20,000	20,000	10,000	0	0	0	0	0	0	0	0	50,000
Average Price	$ -	$ 6.7825	$ 8.5100	$ 7.4800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ -	$ 135,650	$ 170,200	$ 74,800	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 380,650
Total Supply	3,727	17,082	42,577	20,130	11,580	20,149	15,662	13,776	9,329	11,266	13,152	32,321	210,751
Forecasted Price (NYMEX-ANR Basis)	$ 6.601	$ 7.236	$ 7.626	$ 7.661	$ 7.491	$ 6.966	$ 6.946	$ 7.028	$ 7.121	$ 7.185	$ 7.234	$ 7.316	
Total Cost	$ 24,602	$ 123,605	$ 324,692	$ 154,216	$ 86,746	$ 140,358	$ 108,788	$ 96,818	$ 66,432	$ 80,946	$ 95,142	$ 236,460	$ 1,538,805
Storage Withdrawal	73,529	73,529	73,529	73,529	73,529	0	0	0	0	0	0	0	367,645
Storage WACOG	$ 6.1670	$ 6.1670	$ 6.1670	$ 6.1670	$ 6.1670	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 453,453	$ 453,453	$ 453,453	$ 453,453	$ 453,453	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,267,265
Forecasted Gas Commodity Cost	$ 478,055	$ 712,708	$ 948,345	$ 682,469	$ 540,199	$ 140,358	$ 108,788	$ 96,818	$ 66,432	$ 80,946	$ 95,142	$ 236,460	$ 4,186,720
Forecasted Sales Gas Quantity	77,256	110,611	136,106	103,659	85,109	20,149	15,662	13,776	9,329	11,266	13,152	32,321	628,396
Gas Cost (Commodity) Dth													$6.6626

Enclosure 3

Empire District Gas Company
ANR-Northwest System
Gas Commodity Cost Calculation

INSIDE FERC OCTOBER 2005	$	3.54
Group 1 ANR Fuel %		2.13%
Group 2 ANR Fuel %		3.75%
ANR Index Adjusted for Fuel	$	3.7580
Transport Charge		$0.9223
DTCA Deferred Transportation Cost Adj.		($0.0117)
ACA Charge		$0.0016
GRI Charge		$0.0000
		$4.6702