

2010 Determination of Gas Cost Adjustment

(1) Current average cost of system gas supply:

	<u>Approved Base Supply Contracts</u>	<u>Estimated Purchases*</u> (A)	<u>Effective Rate on 1/1/2010</u> (B)	<u>Total (A x B)</u> (C)
a) Marathon APL-4		5,000,000 Mcf	\$ 6.7742/Mcf	\$ 33,871,000
b) Beluga		0 Mcf	\$ /Mcf	\$ 0
c) Unocal		19,500,000 Mcf	\$ 7.1507/Mcf	\$ 139,438,700
d) Anchor Point Energy		0 Mcf	\$ /Mcf	\$ 0
e) Subtotal		<u>24,500,000 Mcf</u>		<u>\$ 173,309,700</u>

f) Current average cost of base
gas supply (C/A)

\$ 7.0739/Mcf

	<u>Additional Gas Supply Contracts</u>	<u>Estimated Purchases*</u> (A)	<u>Effective Rate on 1/1/2010</u> (B)	<u>Total (A x B)</u> (C)
g) Conoco Phillips		4,100,000 Mcf	\$ 7.0239/Mcf	\$ 28,798,000
h) Marathon APL-7		4,100,000 Mcf	\$ 7.0439/Mcf	\$ 28,880,000
i) Subtotal		<u>8,200,000 Mcf</u>		<u>\$ 57,678,000</u>
j) Total (1f plus 1i)		<u>32,700,000 Mcf</u>		<u>\$ 230,987,700</u>

(2) a) Balance of Gas Cost Balance Account at September 30, 2009. (negative if credit balance)	\$ (3,499,138)
b) Other Adjustments	\$ 0
(3) Estimated Interest Charge (Credit) Pursuant to 708c(4)	<u>\$ (174,400)</u>
(4) Total of (1), (2) and (3) above	<u>\$ 227,314,162</u>
(5) Mcf Sales *	<u>32,500,000</u>
(6) Weighted Average Unit Cost of Gas (4 divided by 5)	\$ 6.9943/Mcf
(7) Cost of Gas Base Rate	<u>\$ 0.0000/Mcf</u>
(8) Gas Cost Adjustment (6 minus 7)	<u>\$ 6.9943/Mcf</u>

* For a 12 month period beginning January 1, 2010.