

THE WATERVILLE GAS & OIL COMPANY

PURCHASED GAS ADJUSTMENT

Gas Cost Recovery Rate Calculation

RECEIVED  
MAR 30 2005  
GAS & WATER DIVISION

| Particulars  | Unit   | Amount        |
|--|--------|---------------|
| Expected Gas Cost (EGC)                                  | \$/Mcf | 8.7409        |
| Supplier Refund and Reconciliation Adjustment (RA)       | \$/Mcf | 0.0000        |
| Actual Adjustment (AA)                                   | \$/Mcf | (1.2556)      |
| <b>Gas Cost Recovery Rate (GCR) = EGC + RA + AA + BA</b> | \$/Mcf | <b>7.4853</b> |

**GAS COST RECOVERY RATE EFFECTIVE DATES:      05/01/05 to 08/01/05**

Expected Gas Cost Summary Calculation - Schedule 1

| Particulars                             | Unit   | Amount       |
|---|--------|--------------|
| Primary Gas Suppliers Expected Gas Cost | \$     | 4,784,725.95 |
| Other Gas Cost                          | \$     | 0.00         |
| Total Annual Expected Gas Cost          | \$     | 4,784,725.95 |
| Total Annual Sales                      | Mcf    | 547,393      |
| Expected Gas Cost (EGC) Rate            | \$/Mcf | 8.7409       |

Supplier Refund and Reconciliation Adjustment Summary Calculation - Schedule 2

| Particulars   | Unit   | Amount |
|---|--------|--------|
| Current Quarter Supplier Refund & Reconciliation Adjustment         | \$/Mcf | 0.0000 |
| Previous Quarter Supplier Refund & Reconciliation Adjustment        | \$/Mcf | 0.0000 |
| Second Previous Quarter Supplier Refund & Reconciliation Adjustment | \$/Mcf | 0.0000 |
| Third Previous Quarter Supplier Refund & Reconciliation Adjustment  | \$/Mcf | 0.0000 |
| Supplier Refund & Reconciliation Adjustment (RA)                    | \$/Mcf | 0.0000 |

Actual Adjustment Summary Calculation - Schedule 3

| Particulars                               | Unit   | Amount   |
|---|--------|----------|
| Current Quarter Actual Adjustment         | \$/Mcf | (0.2166) |
| Previous Quarter Actual Adjustment        | \$/Mcf | (0.0732) |
| Second Previous Quarter Actual Adjustment | \$/Mcf | (0.0533) |
| Third Previous Quarter Actual Adjustment  | \$/Mcf | (0.9125) |
| Actual Adjustment (AA)                    | \$/Mcf | (1.2556) |