

THE WATERVILLE GAS & OIL COMPANY

PURCHASED GAS ADJUSTMENT

Gas Cost Recovery Rate Calculation

Case # 07-0217-GA-GCR

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| Particulars | Unit | Amount |
|--|---------------|---------------|
| Expected Gas Cost (EGC) | \$/Mcf | 8.8244 |
| Supplier Refund and Reconciliation Adjustment (RA) | \$/Mcf | 0.0000 |
| Actual Adjustment (AA) | \$/Mcf | (0.9385) |
| Gas Cost Recovery Rate (GCR) = EGC + RA + AA + BA | \$/Mcf | 7.8859 |

GAS COST RECOVERY RATE EFFECTIVE DATES: 03/01/07 to 04/01/07

Expected Gas Cost Summary Calculation - Schedule 1

| Particulars | Unit | Amount |
|---|--------|--------------|
| Primary Gas Suppliers Expected Gas Cost | \$ | 4,818,709.20 |
| Other Gas Cost | \$ | 0.00 |
| Total Annual Expected Gas Cost | \$ | 4,818,709.20 |
| Total Annual Sales | Mcf | 546,067 |
| Expected Gas Cost (EGC) Rate | \$/Mcf | 8.8244 |

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 | 0.0910 |
| Previous Quarter Actual Adjustment | \$/Mcf | (0.1239) |
| Second Previous Quarter Actual Adjustment | \$/Mcf | (0.2879) |
| Third Previous Quarter Actual Adjustment | \$/Mcf | (0.6177) |
| Actual Adjustment (AA) | \$/Mcf | (0.9385) |