
In order to zero the forecast balance of the DGA on July 31, 2004, a GCFR of \$6.403/GJ should be implemented on July 1, 2004. Schedule F-3 show how this rate is calculated.

**SCHEDULE F-3
GAS COST RECOVERY RATE DERIVATION
July 2004**

Line Description	Units	Reference	Value
1 Opening Cumulative DGA Balance	\$,000	Schedule M-1, Line 1, Column E	1,022
2 Net Gas Cost Estimate	\$,000	Schedule M-1, Line 16, Column E	18,037
3 Exchange Service Estimate	\$,000	Schedule M-1, Line 18, Column E	-
4 Transportation Imbalance Sales Estimate	\$,000	Schedule M-1, Line 19, Column E	-
5 Excess System Sales Estimate	\$,000	Schedule M-1, Line 20, Column E	-
6 Gas Sales to Others Estimate	\$,000	Schedule M-1, Line 21, Column E	-
7 Balancing Charge Recovery Estimate	\$,000	Schedule M-1, Line 22, Column E	-
8 Penalty Revenue Estimate	\$,000	Schedule M-1, Line 23, Column E	200
9 Net Monthly Gas Cost Recovery	\$,000	Line 2 less Line 1 less Lines 3 - 8	16,814
10 Forecast Monthly Sales	TJ	Schedule M-2, Line 9, Column D	2,626
11 Gas Cost Flow Through Rate	\$/GJ	Line 9 divided by Line 10	6.403

SPECIAL NOTES: