STATE OF VERMONT

PUBLIC SERVICE BOARD

Tariff filing of Vermont Gas Systems, Inc. requesting a 10.6% rate increase, to take effect April 21, 2003, and to be implemented on October 1, 2003	))))	Docket No. 6829

AMENDED MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding, dated as of October 1, 2003 (the "MOU"), is between the Vermont Department of Public Service (the "DPS") and Vermont Gas Systems, Inc. ("VGS").

Background

On March 7, 2003, VGS filed with the Public Service Board (the "PSB") tariff sheets and supporting documents by which VGS requested an increase in the rates to be charged to its firm customers of 10.6 percent, effective October 1, 2003 (the "Rate Change"). Following the DPS's recommendation that the Rate Change be suspended and a PSB order suspending the Rate Change and initiating this docket, the DPS conducted informal discovery and two rounds of formal discovery on VGS and the Hearing Officer in this docket conducted a public hearing. The DPS and VGS then engaged in settlement negotiations on the Rate Change, alternative means of regulating VGS both on an interim basis and long-term, and certain matters that both parties wish to address.

VGS and the DPS accordingly entered into the MOU and submitted it for consideration by the PSB on July 14, 2003. Following technical hearings convened to consider the MOU, the issuance by the Hearing Officer in this docket of a Proposal for Decision (the "PFD"), oral argument on the PFD before the PSB and a subsequent status conference during which the PSB advised the parties as to its concerns about the MOU, on September 30, 2003, the parties agreed to certain amendments to the MOU to address these concerns.

Summary of Agreement

The original negotiations between VGS and the DPS as well as the changes agreed to address the PSB's concerns result in the amended agreement, set forth in this MOU, that a reduced, 9.6% Rate Change should take effect on October 1, 2003, subject to the conditions contained herein. These conditions include VGS's agreement not to file any additional change or adjustment to rates, except as provided herein, until October 15, 2005, and its agreement to increase (as compared to historical levels) the amount that it will invest in its system in 2004 and 2005 ("Incremental System Investment").

Specifically, during the term of this MOU VGS's cost to supply natural gas to its firm customers will be determined by the wholesale-market price of natural gas, calculated in accordance with certain formulas contained in VGS's gas-supply contracts and adjusted to reflect contracts by which VGS has hedged or will hedge the price it pays for such gas ("Firm Commodity Costs"). VGS will also incur certain costs to store gas for subsequent redelivery during the winter months ("Storage Costs") and to transport gas purchased by VGS to the

Canadian-United States border at Phillipsburg, Quebec ("Delivery Costs"), under a National Energy Board ("NEB")-approved tariff.

On an interim basis and until development of an alternative means of making such adjustments, this MOU allows VGS to phase into its rates decreases or increases in such Firm Commodity Costs, Storage Costs, and Delivery Costs (collectively, "Gas Adjustments") after they become known and measurable. To promote stability in the rates charged to VGS's customers, moreover, this MOU allows VGS to defer and then amortize Delivery Costs incurred before October 1, 2005, and certain Firm Commodity Costs incurred as of October 1, 2003, so that increases or decreases in such costs will be charged to firm customers at the same time in 2004 and 2005 as VGS phases in Gas Adjustments for fiscal-years 2005 and 2006.

The parties have also agreed to work cooperatively to study and develop an alternative, long-term methodology for regulating VGS and to allow VGS to adjust rates to reflect Gas Adjustments and other supply-related costs accurately, a study that will examine the potential means of making such adjustments (the "Alternative-Regulation Plan"). The parties have also agreed that provisions in this MOU to phase Gas Adjustments in will terminate on the earlier of (a) November 30, 2005, or (b) a final order of the PSB approving an Alternative-Regulation Plan.

In addition, VGS has committed to make an investment of $9.5 million to construct facilities to serve new customers during the term of this MOU, which represents a 137% increase over the average amount of new-customer capital investment made by VGS annually during 2000, 2001 and 2002. The parties have further agreed that, if such investment exceeds certain Benchmarks established by this MOU (defined below) for 2004 and 2005, VGS may phase in the amount by which the increase in rate base and depreciation expenses exceeds the Benchmark at the same time annually, under this MOU, as VGS makes Gas Adjustments as well as changes to its rate base (reflecting capital expenditures made by VGS during the previous fiscal year).

Recognizing that the cost to extend VGS's service to other parts of Vermont could involve a substantial VGS investment of $50-100 million or more, the parties have also committed to work cooperatively on a feasibility study that VGS will prepare to analyze the cost and requirements to extend VGS service on a cost-effective basis, both within its service territory and throughout Vermont, and to use the study's results to evaluate Incremental System Investment, including the Target (defined below) for such investment in 2005

Last, VGS has agreed to adjust VGS' cost of service ("COS") to reflect a lower return on equity and equity ratio and to perform certain COS studies, all as provided in this MOU.

AGREEMENT

Accordingly, VGS and the DPS hereby stipulate to the settlement of all issues between them in Docket No. 6829 as follows:

1. Effective October 1, 2003, VGS may implement a 9.6-percent change to all components of its firm rates to reflect a revenue requirement of $63,890,676.

1.1 The rate change reflects in rates a return on equity investment of 10.98% and an equity ratio (as a percentage of capital investments) of 63.61%.

1.2 The rate change will take effect on a service-rendered basis.

2 Annually, no later than November 15, 2004, and November 15, 2005, VGS shall notify the DPS and PSB of an increase or decrease in its rates (if any) charged to firm customers

to reflect the known-and-measurable changes to VGS's COS specified in this Paragraph 2 (the "Annual Notice").

2.1 The parties acknowledge that TransCanada Pipelines, Limited ("TCPL"), has an obligation under Canadian law to file rates for the transportation of gas annually, which filing may result in both temporary and final increases or decreases to the toll paid for such transportation including transportation of VGS's gas supply.

The parties agree that any such changes will be known and measurable at the time of an NEB order allowing such changes, that such changes are likely during the term of this MOU, and that VGS should be allowed to implement such changes after they are known and can be measured (as reflected in such NEB orders).

No later than fifteen days following any order by the NEB implementing a temporary or permanent increase or decrease to rates that change VGS's Delivery Costs, VGS shall file with the DPS and PSB the details of any such NEB-approved increase or decrease (the "NEB Change").

VGS may implement the NEB Change at the same time as it implements the changes (if any) under Subparagraphs 2.2 and 2.3 and Paragraph 3 of this MOU.

Subject to Paragraph 3.4, VGS shall defer recovery of any NEB Change made in 2003 and in 2004 (but no later than October 1, 2004) and begin to amortize such NEB Change over a one-year period at the time that VGS adjusts rates, under Paragraphs 2 and 3 of this MOU, in 2004 (the "2004 Adjustment").

VGS shall defer recovery of any NEB Change made on or after the 2004 Adjustment, but before October 1, 2005, and begin to amortize such NEB change over a one-year period commencing with implementation of the change in rates for 2005 under Paragraphs 2 and 3 of this MOU (the "2005 Adjustment").

Attachment 1 to this MOU contains a description of the Delivery Costs that are embedded in VGS' rates and are to take effect as provided in Paragraph 1 of this MOU.

2.2 The Annual Notice shall also present the change (if any) to each component of VGS's firm-gas supply, which will include the Firm Commodity Costs under VGS's contracts with Mirant Canada Energy Marketing, Ltd., and Husky Energy Marketing (or their successor organizations) and under any other applicable commodity contract providing supply to VGS's firm customers; the remaining amortization of the gas-deferral account established by PSB order in Docket No. 6495 (the "Amortization"), which Amortization shall be modified as provided in Paragraphs 2.1.4, 2.1.5 and 2.2.1 (but subject to Paragraph 3.4) of this MOU; and Storage Costs, as determined by VGS's average, storage-inventory value and withdrawal charges on September 30 of such year.

Subject to Paragraph 3.4 of this MOU, such notice will also begin to amortize over one year the difference (if any) between Firm Commodity Costs implemented in accordance with Paragraph 1 of this MOU and VGS's actual, booked Firm Commodity Costs effective as of October 1, 2003; VGS will defer such costs until the 2004 Adjustment.

Such adjustments will also reflect changes in the exchange rate between the Canadian dollar and United States dollar, all contracts by which VGS has hedged the price paid for such Firm Commodity Costs, and all contracts by which VGS hedges such exchange rate.

Attachment 2 to this MOU contains Schedule 2c to VGS' COS, which identifies the Firm Commodity Costs, described in the first sentence of Paragraph 2.2, that are embedded in VGS's rates and are to take effect as provided in Paragraph 1 of this MOU.

Attachment 3 to this MOU contains Schedule 2i to VGS's COS, which identifies the Amortization that is embedded in VGS's rates and will continue to be in effect as provided in Paragraph 1 of this MOU.

Attachment 4 to this MOU contains Schedule 2f to the COS, which identifies the Storage Costs, described in the first sentence of this Paragraph 2.2, that are embedded in VGS's rates and that are to take effect as provided in Paragraph of this MOU.

Attachment 5 to this MOU contains a listing of VGS's current firm-supply contracts and the applicable pricing formulas.

The parties acknowledge that VGS' supply and hedge contracts may change from time to time; quarterly, no later than the 15th day of February, May, August, and November, VGS shall provide notice to the DPS and PSB of changes to any such contracts and the rates paid or positions taken thereunder, such notice also to provide information stating the amounts deferred under Paragraphs 2.1.4, 2.1.5 and 2.2.1 of this MOU.

The Annual Notice shall also notify the PSB and DPS of any change to VGS's rate base and depreciation expense resulting from investment that exceeds the annual Benchmarks for Incremental System Investment (for which provision is made in Paragraph 5 of this MOU) and from the previous year's capital investment (to the extent not previously phased-in); the rate-base and depreciation change will reflect gross plant-in-service and accumulated depreciation as of September 30 for the previous year plus Incremental System Investment for the current year.

3. With the Annual Notice of this MOU, VGS shall provide the PSB and the DPS with compliance tariff sheets accompanied by documentation supporting the change.

3.1 In addition, VGS shall give individual notice to customers of the 2004 Adjustment and 2005 Adjustment.

In the absence of a PSB order to the contrary, the 2004 Adjustment and 2005 Adjustment will be considered approved by the PSB, but no earlier than thirty days after providing such Annual Notice.

The 2004 Adjustment and 2005 Adjustment shall take effect on a service-rendered basis and be effective for bills rendered no earlier than thirty days after VGS provides Annual Notice to the PSB and DPS.

3.4 The deferrals authorized by Paragraphs 2.1.4, 2.1.5 and 2.2.1 of this MOU shall not exceed cumulatively $1,200,000 per year; this MOU, however, establishes no floor for any such deferrals.

3.5 To the extent this MOU allows VGS to defer Delivery Costs or Firm Commodity Costs, such right to defer only governs the accounting treatment of such costs and does not bar any party from contesting, or the PSB from determining or disallowing, the reasonableness or prudence of the costs thereby deferred or the rate-making treatment for such costs (in whole or in part) in any rate proceeding.

4. Subject to Paragraph 10, for so long as this MOU is in effect VGS agrees that it will not file a change to its firm rates, except as provided in Paragraphs 2 and 3 of this MOU, before October 15, 2005.

5. VGS agrees that it will accelerate investment in the expansion of its system in 2004 and 2005; the Target for Incremental System Investment (the "Target") will be $3,540,000 in 2004 and $6,000,000 in 2005; and the benchmark for determining what investment exceeds VGS's plans for such investment as of the date of this MOU ("Benchmark") will be $3,540,000 in 2004 and $3,668,000 in 2005, respectively.

5.1 In 2004 and 2005, VGS, at a minimum, shall make an investment to expand its system in the amount of the Benchmark for each such year: For 2004, the amount, at a minimum, shall be $3,540,000, and for 2005, the amount, at a minimum, shall be $3,668,000.

5.2 If VGS makes an Incremental System Investment in a given year that exceeds the applicable Benchmark, VGS will have the right to change its rates as provided in Subparagraph 2.3 and Paragraph 3 of this MOU to reflect such above-Benchmark investment.

VGS shall not otherwise phase in increases in rate base and depreciation expense for capital investment in 2003 and 2004 until it makes, respectively, the 2004 Adjustment and 2005 Adjustment, as provided in Paragraphs 2.3 and 3 of this MOU.

5.4 Annually no later than March 15 during this MOU's term, VGS will meet with the DPS to (a) discuss the Incremental System Investment made by VGS during the previous calendar year including the cost, location and customer base therefor and (b) review VGS's preliminary plans for Incremental System Investment in the current calendar year, again including the cost, location and customer base therefor.

Annually no later than October 30 during this MOU's term but at least fifteen days before VGS provides the Annual Notice in accordance with Paragraph 2 hereof, VGS will meet with the DPS to present the expected adjustment to rate base and depreciation expense that will result from above-Benchmark Incremental System Investment, so that the DPS can evaluate whether the expected adjustment is or will be at the time that it takes effect hereunder known and measurable.

6. VGS agrees to conduct a study that will evaluate the feasibility of providing service in locations throughout Vermont, which study shall be completed, with a copy provided to the DPS, in time to consider adjustments to VGS' construction plan for the 2004 season.

6.1 The study also will evaluate the Target for 2005.

If VGS and the DPS agree in writing that the 2005 Target should increase or decrease, this MOU will be deemed to be amended to substitute such agreed amount for the 2005 Target established by Paragraph 5 of this MOU, effective ten days following written notice thereof to the PSB.

6.1.2 If VGS and the DPS do not agree as to whether the 2005 Target should so change, either party may petition the PSB to request that this MOU be amended to decrease or increase the 2005 Target.

6.2 At least ten days before issuing a request for proposals from prospective consultants to conduct the study, VGS will submit to the DPS a statement of the study's proposed design and potential consultants, VGS and the DPS will then consult on the study's scope and prospective consultants, and VGS will make any reasonable change to such design or consultant list that the DPS proposes, provided that the DPS will make such proposals no later than ten days after receiving such statement.

VGS will provide the DPS ten days' advance notice of the name of the consultant that VGS proposes to retain to assist it in conducting the study.

VGS will not retain any consultant without the DPS's consent, which consent will not be withheld unreasonably.

6.2.3 The DPS shall be deemed to have consented to the consultant proposed by VGS unless it provides written notice, withholding such consent, within ten days following notice under Paragraph 6.3.1

After retaining the consultant, VGS will notify the DPS before proposing to refine the initial or to make any subsequent amendment to the study's scope.

VGS will defer the cost of such consultant; such deferral, however, only governs the accounting treatment of such costs and does not bar any party from contesting, or the PSB from determining or disallowing, the reasonableness or prudence of the costs thereby deferred or the rate-making treatment for such costs (in whole or in part) in any rate proceeding.

6.3 The parties agree that certain aspects of the feasibility study may contain information that is confidential; VGS reserves the right to designate such information as confidential, and the DPS agrees to hold such information in confidence unless it provides written notice to VGS that the DPS does not believe that such information is confidential, in which case the DPS shall hold such information in confidence for ten business days following such notice to allow VGS the opportunity to seek a protective order if it so elects.

7. VGS agrees to market actively the expansion of natural-gas service in Vermont, whether from its existing system, from other natural-gas pipelines or local-distribution companies or by other means, and to work cooperatively with the DPS and other agencies of the State of Vermont to promote the extension of natural-gas service throughout Vermont where economically feasible.

8. VGS and the DPS agree to work cooperatively to develop an Alternative-Regulation Plan that will include appropriate recovery mechanisms allowing VGS to adjust its gas costs on a timely basis and address VGS' investment in the expansion of its system, including the impact or potential impact of expanding the system aggressively; the target for completing an Alternative-Regulation Plan is December 31, 2003.

If VGS and DPS retain a consultant to assist the parties to evaluate the Alternative-Regulation Plan, the cost of such consultant will be paid and deferred by VGS for recovery in a subsequent rate proceeding.

Such right to defer, however, only governs the accounting treatment of such costs and does not bar any party from contesting, or the PSB from determining or disallowing, the reasonableness or prudence of the costs thereby deferred or the rate-making treatment for such costs (in whole or in part) in any rate proceeding.

9. During the term of this MOU, VGS agrees that it will maintain its budgeted expenditures on DSM programs and services at least at the amount budgeted for fiscal-year 2002-03.

9.1 VGS shall also prepare cost-allocation and depreciation studies with respect to its COS.

9.2 Such studies shall be completed and submitted to the DPS and PSB, in time to be considered during proceedings on an Alternative-Regulation Plan if agreed and submitted to the PSB as contemplated by Paragraph 8 of this MOU, but in any event no later than July 1, 2004.

10. This MOU will expire on November 30, 2005, unless earlier amended or revoked by PSB order issued on its own initiative, at the request of the DPS or at the request of VGS based on an extraordinary change in circumstances.

Such extraordinary circumstances include but are not limited to a material modification to any supply contract under which VGS incurs Firm Commodity Costs, an extended disruption or interruption of deliveries by pipeline or related facilities that transport and deliver VGS' gas supply (for reasons beyond VGS' control), loss of one or more major VGS customers without an offsetting increase in other customers' requirements, introduction of transportation service for customers not now eligible to transport under VGS tariffs, and an emergency reasonably deemed by VGS to require a rate increase necessary for the purpose of providing adequate and efficient service or for the preservation of VGS property devoted to public use.

The foregoing notwithstanding, the provisions of Paragraphs 2 and 3 will expire on the earlier of (a) November 30, 2005, following implementation of the change in rates for which Annual Notice is given under Paragraph 3, or (b) thirty days following a final PSB order authorizing VGS to implement an Alternative-Regulation Plan.

11 This MOU provides a final resolution to all issues in Docket No. 6829.

12. This MOU shall become effective upon the issuance of an order approving the MOU by the PSB.

13. The parties agree that (a) this MOU and any order approving this MOU relates only to these parties and shall not be construed as having precedential or any other impact on

proceedings involving other utilities, (b) the parties have made compromises on specific issues to reach agreement on this MOU, and (c) the MOU and any order approving this MOU shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving the parties, except as necessary to ensure VGS's performance of this MOU or to enforce an order of the PSB resulting from this MOU.

14. The parties agree that the terms of the MOU shall be effective and binding on the parties only if the PSB issues an order in this docket that is consistent in all respects with the terms of this MOU.

15. The parties agree that should the PSB fail to approve the MOU in its entirety, or in the event any modification or condition is made to this MOU by the PSB, the parties' agreements set forth herein shall terminate, each party shall be placed in the position that it enjoyed in this proceeding before entering into the MOU, and all negotiations and proceedings connected therewith shall be without prejudice to the rights of the parties.

Dated at Montpelier, this 1st day of October, 2003

VERMONT DEPARTMENT OF PUBLIC SERVICE

By: ______________________________
June E. Tierney

Dated at St. Johnsbury, this 1st day of October, 2003

VERMONT GAS SYSTEMS, INC.
By its attorneys, Downs Rachlin Martin PLLC

By: ______________________________
John H. Marshall

STJ/STJ-#180739-v2-VGS_Dkt6829Amended_MOU_10-1-031.WPD proceedings involving other utilities, (b) the parties have made compromises on specific issues to reach agreement on this MOU, and (c) the MOU and any order approving this MOU shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving the parties, except as necessary to ensure VGS's performance of this MOU or to enforce an order of the PSB resulting from this MOU.

14. The parties agree that the terms of the MOU shall be effective and binding on the parties only if the PSB issues an order in this docket that is consistent in all respects with the terms of this MOU.

15. The parties agree that should the PSB fail to approve the MOU in its entirety, or in the event any modification or condition is made to this MOU by the PSB, the parties' agreements set forth herein shall terminate, each party shall be placed in the position that it enjoyed in this proceeding before entering into the MOU, and all negotiations and proceedings connected therewith shall be without prejudice to the rights of the parties.

Dated at Montpelier, this 1st day of October, 2003

VERMONT DEPARTMENT OF PUBLIC SERVICE

By: ______________________________
June E. Tierney

Dated at St. Johnsbury, this 1st day of October, 2003

VERMONT GAS SYSTEMS, INC.
By its attorneys, Downs Rachlin Martin PLLC

By: ______________________________
John H. Marshall

STJ/180739.2

Memorandum of Understanding
Docket No. 6829
Attachment 1

	TCPL FT-Demand Charges (1)	TCPL Storage Demand Charges (2)
October 2003	$543,471	$109,488
November	$586,083	$110,024
December	$588,375	$110,454
January	$588,754	$110,525
February	$589,131	$110,596
March	$590,131	$110,784
April	$590,083	$110,775
May	$589,345	$110,636
June	$590,968	$110,941
July	$590,804	$110,910
August	$590,725	$110,895
September	$590,613	$110,874
Total	$7,028,484	$1,326,903

(1) Per Schedule 2e, columns 5 and 7 of the Cost of Service Study in Docket No. 6829
(2) Per Schedule 2h, column 4 of the Cost of Service Study in Docket No. 6829

Memorandum of Understanding
Docket No. 6829
Attachment 2

VERMONT GAS SYSTEMS, INC.
COST OF SERVICE - PRODUCTION
Commodity Cost - Purchases for
Firm Customers
For The Twelve Months Ended
September 30, 2002

10-Jul-03
Sched. 2c

Line No.	(1) Adjusted Test Year	(2) Adjusted Firm Customer Purchases (Mcf) 1/	(3) Average Firm Commodity Cost ($/Mcf)	(4) Adjusted Firm Customer Commodity Cost
1	Sep-04	166,648	$4.6434	$773,816
2	Aug-04	142,991	$4.5391	$649,058
3	Jul-04	142,942	$4.2947	$613,889
4	Jun-04	219,035	$4.2077	$921,628
5	May-04	323,227	$4.4462	$1,437,148
6	Apr-04	477,063	$4.3204	$2,061,079
7	Mar-04	489,480	$4.6034	$2,253,291
8	Feb-04	476,248	$4.7972	$2,284,668
9	Jan-04	465,636	$4.2051	$1,958,040
10	Dec-03	401,252	$3.4822	$1,397,249
11	Nov-03	358,295	$3.4627	$1,240,683
12	Oct-03	226,672	$3.3220	$753,008
13		3,889,489		$16,343,556

1/ Excluding Storage Withdrawals and Peaking Supplies

Memorandum of Understanding
Docket No. 6829
Attachment 3

VERMONT GAS SYSTEMS, INC.
COST OF SERVICE - ADMINISTRATION & GENERAL
Calculation of Gas Costs Deferrals Plus Carrying Costs

For The Twelve Months Ended
September 30, 2002

10-Jul-03
Sched. 2i

Line No.	Date	(1) Beginning Balance	(2) Deferral Amortization	Other Adjustment	(3) Ending Balance
		$3,443,045			
2	Dec-01		$95,640		$3,347,405
3	Jan-02		$95,640		$3,251,764
4	Feb-02		$95,640		$3,156,124
5	Mar-02		$95,640		$3,060,484
6	Apr-02		$95,640		$2,964,844
7	May-02		$95,640		$2,869,204
8	Jun-02		$95,640		$2,773,564
9	Jul-02		$95,640		$2,677,924
10	Aug-02		$95,640		$2,582,284
11	Sep-02		$95,640		$2,486,643
12	Oct-02		$95,640		$2,391,003
13	Nov-02		$95,640		$2,295,363
14	Dec-02		$95,640		$2,199,723
15	Jan-03		$95,640		$2,104,083
16	Feb-03		$95,640		$2,008,443
17	Mar-03		$95,640		$1,912,803
18	Apr-03		$95,640		$1,817,162
19	May-03		$95,640		$1,721,522
20	Jun-03		$95,640		$1,625,882
21	Jul-03		$95,640		$1,530,242
22	Aug-03		$95,640		$1,434,602
23	Sep-03		$95,640		$1,338,962
24	Oct-03		$95,640		$1,243,322
25	Nov-03		$95,640		$1,147,682
26	Dec-03		$95,640		$1,052,041
27	Jan-04		$95,640		$956,401
28	Feb-04		$95,640		$860,761
29	Mar-04		$95,640		$765,121
30	Apr-04		$95,640		$669,481
31	May-04		$95,640		$573,841
32	Jun-04		$95,640		$478,201
33	Jul-04		$95,640		$382,561
34	Aug-04		$95,640		$286,920
35	Sep-04		$95,640		$191,280
36	Oct-04		$95,640		$95,640
37	Nov-04		$95,640		$0

Rate Year Amortization $1,147,682

Memorandum of Understanding
Docket No. 6829
Attachment 4

VERMONT GAS SYSTEMS, INC.
COST OF SERVICE - PRODUCTION
Storage Commodity Cost by Month

For The Twelve Months Ended
September 30, 2002

10-Jul-03
Sched. 2f

Line No.	Column (1) Adjusted Test Year	(2) Withdrawal Volume (Mcf)	(3) Withdrawal Charge ($/Mcf)	(4) Total Withdrawal Charge ($)	(5) Withdrawal Gas Volume (Mcf)	(6) Gas Charge ($/Mcf)	(7) Total Gas Charge ($)	(8) Total Storage Commodity Charge ($)
	Sep-04	0	$0.0000	$0	0	$0.0000	$0	$0
2	Aug-04	0	$0.0000	$0	0	$0.0000	$0	$0
3	Jul-04	0	$0.0000	$0	0	$0.0000	$0	$0
4	Jun-04	2,033	$0.2516	$512	2,033	$4.6642	$9,484	$9,996
5	May-04	6,677	$0.2510	$1,676	6,677	$4.9541	$33,078	$34,754
6	Apr-04	105,648	$0.2513	$26,546	105,648	$3.5776	$377,965	$404,511
7	Mar-04	304,189	$0.2513	$76,440	304,189	$3.5776	$1,088,265	$1,164,705
8	Feb-04	393,532	$0.2509	$98,723	393,532	$3.5776	$1,407,899	$1,506,622
9	Jan-04	451,389	$0.2507	$113,165	451,389	$3.5776	$1,614,884	$1,728,049
10	Dec-03	209,990	$0.2505	$52,612	209,990	$3.5776	$751,259	$803,871
11	Nov-03	49,723	$0.2496	$12,409	49,723	$3.5776	$177,890	$190,299
12	Oct-03	0	$0.0000	$0	0	$0.0000	$0	$0
13		1,523,182		$382,082	1,523,182		$5,460,724	$5,842,806

Note: Storage withdrawal volumes excludes fuel gas at 1.26%.

Mirant Canada Energy Marketing, Ltd

See Attached FMCC Certificate for the contract year beginning November 1, 2002.
As required by the Board's approval of this contract, the FMCC Certificate for the the contract year beginning Novmber 1, 2003 will be filed with the Board and the Department as soon as it is available, anticipated to be October 2003.

Husky Energy Marketing Inc.

Reference Price plus 1.5%
Where Reference Price equals:

Alberta Boarder (Empress) Month Average Spot (One Month) price, expressed in $/GJ, for the Month of delivery, as reported in the table entitled "Canadian Natural Gas Supply Prices" in the first of the months issue of Canadian Gas Price Reporter published by Canadian Enerdata Ltd.

Coral Energy

NYMEX Henry Hub Last Day USD/MMBTU plus $.4025