Calculation of the Cost of Gas Rate

Period Covered: Summer Period May 1, 2012 through October 31, 2012

Projected Gas Sales - therms 320,321

Total Anticipated Cost of Propane Sendout \$589,800

Add: Prior Period Deficiency Uncollected (\$15,719)

Interest (\$1,213)

Deduct: Prior Period Excess Collected \$0

Interest \$0

Prior Period Adjustments and Interest (\$16,932)

Total Anticipated Cost \$572,868

Cost of Gas Rate - Beginning Period (per therm) \$1.7884

Mid Period Adjustment - June 1, 2012 (\$0.5117)

Mid Period Adjustment - July 1, 2012 (\$0.0742)

Mid Period Adjustment - August 1, 2012 \$0.0988

Mid Period Adjustment - September 1, 2012 (\$0.1486)

Revised Cost of Gas Rate - Effective September 1, 2012 (per therm) \$1.1527

Pursuant to tariff section 17(d), the Company may adjust the approved cost of gas rate upward on a monthly basis to the following rate:

Maximum Cost of Gas Rate (per therm) \$2.2355

Issued: A

August 27, 2012

Effective: September 1, 2012

Issued By:

Michael D. Eastman

Michael S. Eastman

Treasurer

In Compliance with DG 12-071, Order No. 25,353