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Imhoff, Tom

From: Imhoff, Tom
Sent: Tuesday, June 10, 2003 7:58 AM
To: Wood, Warren
Subject: RE: MGC tariff changes

Microsoft Word
 C:\MGC\Administration

Thanks Warren.

-----Original Message-----

From: Wood, Warren
Sent: Tuesday, June 10, 2003 7:13 AM
To: Imhoff, Tom
Subject: FW: MGC tariff changes

The address for you in Dave's e-mail was wrong so I needed to resend this to your correct address.

-----Original Message-----

From: Wood, Warren
Sent: Tuesday, June 10, 2003 7:11 AM
To: 'David J. Ries'
Cc: Tino Monaldo; Tom Imhoff; Russo, Jim; Shemwell, Lera
Subject: RE: MGC tariff changes

Dave,

We are currently working on a mark-up to the tariffs you forwarded and hope to be able to forward a letter with the package this week. The cover letter and marked-up tariffs cover each of the items you identify below. We will probably need to meet again after you have had a chance to look through our suggested clarifications and changes. We may also need to specifically address any issues related to a proposed waiver of any portions of any affiliate rules.

If you have any questions, please e-mail or call me at (573) 751-2978.

Thanks,
 Warren

-----Original Message-----

From: David J. Ries [mailto:riesdj@msn.com]
Sent: Monday, May 26, 2003 4:15 PM
To: Warren Wood ; Tom Imhoff
Cc: Tino Monaldo
Subject: MGC tariff changes



Attached is a red lined markup of the proposed changes to the MGC tariff. I will summarize the most significant of the proposed changes.

1. Deleting all references or sections that referred to Aquila or UtiliCorp. This will update the tariff to reflect current ownership and the subsequent lack of affiliates previously associated. There are currently no affiliated transactions associated with MPC/MGC and the previous reporting requirements need to be reduced. As a substitute we have added nondiscriminatory treatment for similarly situated shippers language typically used for FERC regulated pipelines.
2. Adding language for OFO procedures to require shorter time frame response by

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shippers to match loads. As we discussed this is required primarily to stop a minority of shippers from abusing tariff language and shorting the pipeline on critical flow days.

3. Dropped any reference that would have allowed MGC to buy or sell gas. This is carried through the penalty provisions to allow for penalties only and not the purchase or sale of imbalance volumes. I have included a provision to allow for holding capacity on upstream pipelines to add service flexibility.
4. Significant updating and expanding of imbalance penalties. The proposed language closely matches that of PEPL to provide a timelier disincentive to certain shippers for loading up or shorting volumes on the pipeline and creating potential imbalance penalties between MPC/MGC and PEPL.
5. At your suggestion, included a new Section 6 in the General Terms and Conditions to credit back penalties less costs. Once implemented, I do not anticipate that any revenue will be significant so annual crediting to non-offending firm shippers should be sufficient.
6. Based upon our discussion, any support of commodity transactions for the small towns will be transacted through Omega and will be provided independent of any transportation services provided by MGC to those towns. Based upon the independence of those transactions staff does not consider these to be affiliated transactions and therefore should provide a workable platform for assisting those customers that need help with commodity purchases. This is all premised upon the fact that it not change the regulated status Omega and its primary role of providing direct service to the Fort notwithstanding the requirement for Omega to comply with the Seller of Energy Rule if applicable.
7. Allowance of authorized overrun for FT agreements provides for matching of FT and IT services under one contract with only one imbalance account. This is an improvement in service with no change in revenues expected.

Warren, I appreciate your input and comments to the proposed changes. I would like to proceed to file this revised tariff for MGC and a similar one for MPC by mid-June. I would very much like to do that filing with the recommendation of the Staff to the Commission to adopt the changes. If you have any comments or further suggestions, please let me know soon either verbally or through a mark up of the proposal so that we can deal with the specific concerns between now and mid-June.

Dave