Imhoff, Tom

From: Wood, Warren
Sent: Tuesday, July 01, 2003 3:58 PM
To: Russo, Jim
Cc: Imhoff, Tom
Subject: RE: MGC tariff changes

Jim,

Laura's comment: *What thoughts have you had regarding specifically tariff LUFG and Fuel Retention percentages?*

Currently no fuel retention gas is required on Dave R's pipelines (no compression). I can't say the same for LUFG. I also can't say the same for fuel retention on PEPL and other upstream interstate pipelines if Dave has to buy some gas for imbalances. I guess I would be interested in what the interstate pipelines provide for in these areas.

Dave's comments: have added three changes. Here are the reasons. I'm not sure what the plans are with the "off-system" capacity but it appears to be a bundled sales arrangement. I have deleted that paragraph. I've added the requirement that ALL shipper contracts be provided. Finally, I'm still concerned that penalty, imbalance revenues will go up. We don't have a definition for "annual net commodity cost". So I've limited those costs (if the exist) to 10K. I didn't look closely, but am assuming that this will generally mean that all imbalance and penalty revenues go back to customer with minimal offset.

Let's talk about what tariff provisions look like a bundled sales agreement - I thought we were trying to avoid that. I'm ok with all shipper contracts being provided. I agree with us making certain that Dave R isn't making money on imbalances and penalties - it needs to all go back to the other customers.

As noted above, we also need to pick up Dave S's later comment to make sure that Dave Ries doesn't start owning imbalance gas. When these comments have been incorporated I'm inclined to send it out internally one last time. We also need a transmittal letter drafted from the last one we sent outlining what changes we've made. I thought your e-mail describing the significant changes was a good start.

Thanks,
Warren

-----Original Message-----
From: Russo, Jim
Sent: Tuesday, July 01, 2003 3:03 PM
To: Wood, Warren
Cc: Imhoff, Tom
Subject: MGC tariff changes

Staff Exhibit No. 13
Date 12/13/06 Case No. GC-2006-0491
Reporter MV

Warren

Here you go. Please take a look. This has gone thru Laura, Carmen, Dave and Janis Fisher. My changes are in yellow background and blue, Laura/Carmen green and Dave red. I pasted in a couple of side comments from Laura and Dave. Let me know if we want to discuss further and/or our next step.

Laura:

Just a reminder....What thoughts have you had regarding specifically tariff LUFG and Fuel Retention percentages?

Dave:

have added three changes. Here are the reasons. I'm not sure what the plans are with the "off-system" capacity but it appears to be a bundled sales arrangement. I have deleted that paragraph. I've added the requirement that ALL shipper contracts be provided. Finally, I'm still concerned that penalty, imbalance revenues will go up. We don't have a definition for "annual net commodity cost". So I've limited those costs (if the exist) to 10K. I didn't look closely, but am assuming that this will generally mean that all imbalance and penalty revenues go back to customer with minimal offset.

Thanks

EXHIBIT
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Jim

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