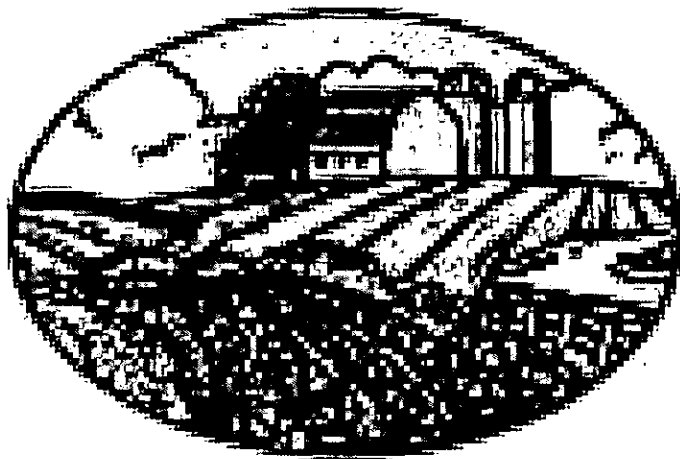


Commissioner's Report on the Status of Missouri Farm Taps

**Commissioner Robert M. Clayton III
Missouri Public Service Commission**

January 25, 2007

**Angie Heffner Robyn, Personal Advisor
Dana Parish, Designated Principal Assistant**



MISSOURI PUBLIC SERVICE COMMISSION
FROM THE DESK OF
COMMISSIONER ROBERT M. CLAYTON III

GOVERNOR OFFICE BUILDING • 200 MADISON STREET • SUITE 900

JEFFERSON CITY, MISSOURI 65101

TEL. 573.751.4221

FAX 573.526.7341

ROBERT.CLAYTON@PSC.MO.GOV

January 25, 2007

Ms. Colleen Dale, Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: Commissioner's Report on the Status of Missouri Farm Taps

Dear Judge Dale:

Pursuant to §386.130, RSMo. 2000, I tender herewith a Commissioner's Report on the Status of Missouri Farm Taps.

The Report compares service and price issues among customers served by unregulated farm taps and traditionally regulated utilities. In addition, the Report includes legal analysis suggesting state authority over farm taps.

Panhandle Eastern Pipe Line Company and DaCott Industries, Inc. submitted comments to the draft report and they are included in this Report.

I would like to recognize several Staff members who have exceeded my expectations in their dedication and commitment to Missouri ratepayers. Many thanks go to Lisa Kremer, Janis Fischer, Laura Wolfe, Janette Davidson and Robert Franson for their efforts in compiling the Report.

Very truly yours,



Robert M. Clayton III
Commissioner

RMC/dp

Cc: Members of the Commission



Panhandle Eastern Pipe Line
Trunkline Gas
Trunkline LNG
Sea Robin Pipeline
Transwestern Pipeline
Florida Gas Transmission

5444 Westheimer Road
Houston, TX 77056-5306
P.O. Box 4967
Houston, TX 77210-4967
713.989.7000

January 22, 2007

Commissioner Robert Clayton
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102-0360

Commissioner Clayton:

Thank you for keeping us apprised of the status of your review and evaluation of the farm tap customers connected to Panhandle Eastern Pipe Line Company (Panhandle). We are pleased that your review has clearly shown that farm tap customers connected to Panhandle are paying commodity gas prices that are comparable to those paid by farm tap customers connected to other interstate pipelines, intrastate pipelines and local distribution companies in Missouri.

During our telephone conversation last week you mentioned that some of the farm tap customers connected to Panhandle are confused and sometimes frustrated because they do not always know who to contact when they have a question regarding farm tap services. To address this concern, Panhandle will coordinate with DaCott Industries to prepare an insert to be included in a billing in the near future. The insert will provide phone numbers and instructions about who to call for specific issues such as physical pipeline operations, measurement questions and billing questions, as well as Panhandle's toll-free number for any other general pipeline related questions.

Sincerely,

Jackie Butler
General Manager, Sales
Panhandle Eastern Pipe Line Co.

From: David B. Geyer [REDACTED]
Sent: Thu 1/18/2007 2:50 PM
To: Clayton, Robert; Scott M. Childs; [REDACTED]
Cc: Robyn, Angie; Kremer, Lisa
Subject: RE: Draft Report on the Status of Missouri Farm Taps

Commissioner Clayton,

I just wanted to follow up on our conversation this morning and confirm that we will, in fact, increase the time between when bills are mailed and when they are due. We are always interested in making those things we can control as comfortable as we can for our customers. We will continue to issue bills on the 10th of each month and will make the due date the 5th of the following month. That will give the customers an additional 10 or 11 days and still allow us time to get the payments posted before the subsequent billing cycle.

Additionally, we will begin looking into the mechanics of installing a toll-free line which the customers can use to contact us about any questions or concerns they might have about their respective bills.

One other point we did not discuss in our conversation this morning is that we have offered for some years now a mechanism under which our customers can sign up for levelized billing. In one of the next two billing cycles we will include an informational piece to better make clear that this plan is available to any of our customers that are interested in signing up for that program.

Thank you again for the opportunity to review your findings before the general release.

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Executive Summary

Upon receipt of complaints voiced by a number of Missouri constituents, this Commissioner opened an investigation pursuant to §386.130, RSMo. 2000, to explore concerns raised by customers served by “farm taps.” Farm taps are connections to a natural gas pipeline possibly including a meter and partial service line. The connections were granted by the pipeline to rural landowners in exchange for easements so the pipeline could cross the landowner’s property. This investigation included a review of past work of Commission Staff, contacts with state and federal regulatory bodies, public hearings in Mexico and Sedalia and a wealth of information provided by landowners on whose property runs the Panhandle Eastern Pipe Line Company (Panhandle).

While many pipelines transverse Missouri, all complaints received by this Commissioner have involved farm taps controlled by Panhandle. Complaints included concerns with natural gas prices, discrepancies on billing, a lack of transparency on gas purchasing and sales, errors in meter reading, disputes in bill collection and dissatisfaction with the company providing service, DaCott Industries, Inc. (DaCott).

This Report to the Missouri Public Service Commission (Commission, PSC) explains the history of farm taps, the nature of the contractual relationships, a comparison of gas pricing with regulated companies, an assessment of how billing policies compare to Commission rules and, finally, an analysis of possible regulatory authority by this Commission. The Report makes the following observations:

1. Farm tap customers are not protected by the same meter reading standards the PSC requires of regulated Local Distribution Companies (LDCs).

2. Farm tap customers do not benefit from the same consistent, non-discriminatory billing practices mandated by the PSC.
3. Farm tap customers do not have access to standardized budget billing or level bill payment options included in PSC-approved tariffs.
4. Farm tap customers do not appear to have equal access to the service provider because there is no toll-free method of contacting the company as required by PSC rule for regulated LDCs.
5. There are no Missouri-state regulated utility protections in place for farm tap customers regarding non-payment of bills, termination of service, application of the Cold Weather Rule, nor any mechanism to ensure a high standard of treatment of customers.
6. In recent years, farm tap customers have paid natural gas commodity prices at a comparable level as natural gas utilities. In comparison to LDCs utilizing Panhandle and other pipelines transporting mid-continent gas, DaCott customers are subject to prices slightly higher than LDC customers in adjacent systems.
7. However, farm tap customers served by an interstate pipeline such as Panhandle are not subject to certain charges that all other natural gas customers pay in the state. Farm tap customers are not subject to paying any intrastate distribution system costs, they do not pay a rate based on costs of any intrastate system, they are not subject to Annual Cost Adjustments to ensure the service provider receives full credit for gas purchases and farm tap customers do not pay a rate based on an authorized

intrastate rate of return. Furthermore, customers served by farm taps on intrastate pipelines owned by LDCs pay for all distribution costs to the entire system.

8. Farm tap customers do not benefit from standard PSC oversight in that there is no review or audit of gas purchasing, no transparency in transactions, no clear hedging strategy and no cost of service review.
9. Farm tap customers connected to interstate pipelines are not subject to federal jurisdiction except for transportation costs, and may be subject to state jurisdiction pursuant to §386.020(18) and (42), §386.250, §393.130 and §393.140, RSMo. 2000.
10. DaCott, an unregulated company which serves Missouri farm tap customers, and Panhandle have agreed that gas prices must be reasonable as they will be subject to the authority and jurisdiction of the PSC.

This Report concludes that farm tap customers would benefit from PSC oversight and standardized rules of procedure to ensure fairness and consistency as well as to avoid discriminatory treatment. While jurisdiction is the ultimate legal question, it is clear that many sound arguments exist for the PSC to assert jurisdiction to protect vulnerable farm tap customers should such customers pursue any type of action to invoke PSC authority.

Report on the Status of Missouri Farm Taps

In June 2006, this Commissioner was contacted by a farm tap customer in Northeast Missouri concerned with poor service from the company billing him for gas service. The customer explained his relationship with Panhandle as a farm tap customer including various aspects of historical background, as well as on-going prices and billing. The customer's concerns escalated when the unregulated price of natural gas spiked to historic highs during the winter of 2005-2006.

The customer's complaint was referred to the Staff of the PSC for an informal investigation of how best to proceed. Staff responded that some work had been done in the past investigating such disputes, but that there was a consensus among Staff that the PSC lacked the authority to take any action on the customer's behalf.

The PSC regulates natural gas sales only at the retail or distribution level. More particularly, the Commission regulates LDCs, which purchase the commodity and, in turn, sell it to the general public. While the Commission reviews the commodity prices for accuracy, for proper hedging procedures, and sound planning and purchasing, the focus of the Commission's role is on the sale transaction to the public and the setting of prices based on costs in the distribution system. LDCs meet the definition of a gas corporation found in §386.020(18), RSMo. 2000, and are subject to PSC jurisdiction and traditional rate of return regulation.

Since farm tap customers receive gas service in a manner similar to their in-town brethren, the concerned farm tap customer posed the question of how his purchase of natural gas differs from a customer purchasing gas from an LDC in town. LDC customers receive the benefit of regulatory oversight providing standardized, accurate

billing, mandated levels of customer service and of assurances that the customer is paying a rate for gas service that is “just and reasonable,”¹ while farm tap customers do not receive these benefits.

Because the questions asked were fair and appeared worthy of further exploration, this Commissioner inquired of PSC Staff to learn more of the history of farm taps and whether the PSC had the authority to take action if it found wrongdoing or discrimination or if a complaint was filed before it. Staff responded that it, too, had received inquiries from various places in the state, all involving farm taps of Panhandle’s interstate pipeline. Panhandle has 546 farm tap customers who are served by DaCott.

This Report will provide historical background regarding farm taps, discuss the past regulatory treatment and evolution of farm tap natural gas sales, analyze customer service, compare farm tap prices to prices of regulated LDCs and discuss whether the PSC has the authority or jurisdiction to take action if demanded from the circumstances.

I. History of Panhandle Farm Taps

Farm taps date back to the very beginning of the natural gas delivery transportation business in the United States. Like many other states, natural gas is not produced in Missouri, so meeting the heating needs of Missouri residents required importation of natural gas from other regions of the nation including the Gulf of Mexico, Louisiana, Texas, Oklahoma and various regions in the West. To transport the gas from areas of production, natural gas pipelines criss-cross the United States to deliver a

¹ §393.130(1), RSMo. 2000.

critically important heating fuel. Because of Missouri's geographic location, it has parts of eleven interstate pipelines passing through its borders.²

This investigation will focus exclusively on Panhandle and DaCott. However, it should be noted that all of Missouri's interstate and intrastate natural gas pipelines were contacted to determine the number of farm taps existing in Missouri and how each is managed. Representatives from the following natural gas pipelines responded that they have no unregulated farm taps in the State of Missouri:

ANR Pipeline Company,
Enbridge (KPC),
Missouri Gas Company,
Missouri Pipeline Company,
Missouri Interstate Gas, L.L.C.,
Centerpoint Energy Gas Transmission Company,
Centerpoint Energy – Mississippi River Transmission Company,
Natural Gas Pipeline Company of America, and
Ozark Gas Transmission, L.L.C.

Southern Star Central Gas Pipeline, Inc. (SSC) responded that it has a total of 581 farm taps in the state. Five hundred and forty-one (541) of the taps are managed in all ways by Missouri Gas Energy, a Division of Southern Union Company (MGE), and subject to PSC regulation. The customers using these farm taps receive a bill from the LDC just as any other LDC customer would receive regardless of whether the customer resides in the city or in the country. The remaining 40 farm taps are managed by SSC. In a telephone conversation between Staff and Daryl Johnson, Vice President of Rates and Regulatory Affairs for SSC, Mr. Johnson stated that SSC bills these customers monthly at the transmission rate per SSC's Federal Energy Regulatory Commission (FERC) tariff plus the indexed gas price as published monthly in *Gas Daily*. The customer's bill does not reflect these two rate elements as separate line items, but rather a single, combined

² Exhibit A (map).

amount owed. SSC acquires the gas as operating gas, i.e., gas placed on the pipeline for use by SSC for powering compressors, etc. Allegedly, SSC makes no profit on the gas and the commodity cost is simply passed through as a cost of service. Because neither this Commissioner nor Staff was able to locate any currently dissatisfied farm tap customers on the SSC pipeline, no additional action was taken to assess the level or quality of service provided to those customers.

Additionally, various other intrastate pipelines offer a form of farm tap service to customers. This category of pipeline generally is owned and operated by an LDC to reach a community located far away from the pipeline. Atmos Energy Corporation (Atmos) owns one such pipeline which interconnects with Panhandle in Northeast Missouri and provides a route for natural gas to reach communities in Lewis, Clark and Scotland Counties. Under such circumstances, the LDC has farm taps in place and those customers are treated identically to residents receiving service within the LDC service territory. Those customers receive the same treatment and are subject to the same PSC rules and tariffs as other Atmos residential customers.³ These customers are also required to pay for the costs of distribution, unlike traditional farm tap customers.

Developing an interstate pipeline requires a great deal of planning considering the distances traveled and the taking of private property of hundreds, if not thousands, of landowners. Panhandle was developed in 1930 to transport gas produced in Texas, through Oklahoma, Kansas, Missouri, Illinois, Indiana and Ohio and terminating in Michigan. Panhandle enters Missouri moving to the northeast in Cass County north of Harrisonville and exits in Pike County north of Louisiana as it goes beneath the Mississippi River. Panhandle acquired permission to lay pipe throughout Missouri by

³ Exhibit B (Atmos tariff).

negotiating with landowners. It is from those negotiations that Panhandle would agree to install a farm tap on the interstate pipeline so that the landowner would receive the benefit of natural gas service in exchange for the landowner conveying an easement to the pipeline.⁴ Those easements were then recorded in the county's Recorder of Deeds Office as a record of the permanent transfer of property rights. The tap generally included a meter from which the customer would then install a service line to the house or other building.

The only contractual evidence is in the form of a deed or real estate filing documenting the right to gas. A few customers brought additional correspondence from the 1950s, 1960s and 1970s, modifying the arrangement or announcing the presence of a new company billing for gas to the public hearings.⁵ It should be noted that none of the "agreements" suggests an end date to the pipeline easement. Landowners may forever be prohibited from using the land on which the easement runs for any construction or any meaningful use. Also, the agreements authorized residential or domestic service only.

Panhandle is an interstate pipeline regulated exclusively by the FERC and beyond the authority of any state regulatory body.⁶ Traditionally, the FERC's policy dictated the rules and standards of farm taps. Prior to FERC Order 636 in 1992, farm tap customers were direct sales customers of Panhandle and tariffs on file at FERC dictated the terms and policies affecting farm tap customers.⁷ In 1992, the FERC entered Order 636 requiring the unbundling of transportation service (interstate pipelines) from

⁴ Exhibit C (redacted easement).

⁵ Exhibit D (redacted modification letters).

⁶ 15 U.S.C §717-717(z).

⁷ Exhibit E (pre-1992 FERC tariff).

commodity/gas sales service.⁸ Mandating unbundling required the transfer of the sales division of Panhandle to another entity.

Prior to 1992, Panhandle was owned by PanEnergy which merged with Duke Energy in 1996. Both PanEnergy and Duke Energy had marketing affiliates to provide the commodity/gas sales service to farm tap customers. CMS Energy purchased Panhandle in 1998 and it also had a marketing affiliate provide commodity/gas sales service to farm tap customers. Southern Union Company purchased Panhandle in 2003. Southern Union Company did not have a marketing affiliate that could provide the commodity/gas sales service to farm tap customers so it contracted with DaCott, to provide this service.⁹ DaCott began billing Missouri farm tap customers in March 2003. DaCott was formed by individuals that had been associated with CMS Energy.

DaCott bills for two categories of service: "transportation service" and the actual cost of the gas or what is commonly known as the "commodity price." The transportation service charge is for moving the gas through the Panhandle system to the farm tap customer. The commodity charge is for moving the gas from the point of purchase to the Panhandle system and includes the actual cost of the gas and other related charges. On the other hand, a typical bill from an LDC includes three categories of service: the volumetric charge, a fixed monthly charge and the purchased gas adjustment (PGA) charge. The PSC determines the appropriate amount that each LDC can bill its customers for the volumetric charge and fixed monthly charge through the rate case process. The PGA is a pass through of actual transportation and gas related costs incurred by the LDC to bring gas to its city gate. The PSC does not regulate these pass

⁸ 59 FERC 61, 030.

⁹ Exhibit F (contract).

through costs. However, PGA costs not prudently incurred by the LDC can be denied recovery by the PSC. Both the volumetric charge and fixed monthly charge are based upon the costs to run the LDC's distribution system. The volumetric charge amount varies from month to month depending upon customer gas usage. The fixed monthly charge is the same each month. The PGA charge is adjusted at least twice a year in Missouri.

DaCott, on behalf of the farm tap customers, receives transportation service from Panhandle under the Small Customer Transportation Service (SCT) tariff rate.¹⁰ The SCT tariff is available for any party/shipper who is a municipality or small distribution company engaged in the resale of natural gas, to the farm tap or irrigation tap customer. DaCott asserts that it passes through the SCT transportation cost of \$.078/CCF to its Missouri farm tap customers and then reimburses this to Panhandle. Panhandle owns the meters at the farm taps. Panhandle has an agreement with DaCott which outlines the commodity/gas sales arrangement for farm tap customers. DaCott is listed as the customer on the Panhandle customer index. When a farm tap customer leaves the system or a new customer begins service, a meter change form must be completed with Panhandle who then in-turn communicates the change to DaCott.

DaCott responded to Staff's inquires and offered a description of how gas is sold. The company indicated that the cost of providing service to the farm tap customers is included in the commodity/gas charge. The estimated usage billed is based on the actual prior spring/summer or fall/winter and is then trued-up when the meter is read. The commodity/gas rate is supposedly based on the actual price of gas purchased by DaCott. DaCott purchases gas typically from the mid-continent gas region. DaCott purchases gas

¹⁰ Exhibit G (FERC tariff).

when Panhandle, after reading the farm tap meters, indicates that the actual DaCott gas imbalance on the system requires a gas purchase to bring the account back in balance. DaCott must then go to the spot market and purchase natural gas. DaCott allegedly buys call options to financially hedge the price of gas. Hedging practices reduce risk in gas prices by locking in a maximum natural gas price.

DaCott has indicated to Staff that it typically charges a commodity price to its customers approximately \$.20 per CCF above the cost of the gas to cover its overhead and operating costs.¹¹ These overhead and operating costs are significantly less than the types of costs Missouri LDCs would recover in their monthly customer service charge and/or volumetric charge. While Missouri LDCs recover overhead and operating costs of their entire distribution systems through the monthly customer service charge and commodity charge, DaCott does not have distribution system costs. DaCott is faced with administrative overhead, but has no investment in gas meters or pipes.

In theory, Panhandle farm tap customers may purchase natural gas from another supplier or marketer other than DaCott, but due to the small quantity purchased it is unlikely that this is a realistic option. DaCott acts similarly to a gas aggregator in that it purchases gas in a larger quantity for a defined group of customers that would be somewhat economically disadvantaged if purchasing gas individually.

Gas marketers and suppliers are neither regulated by the FERC nor are they currently regulated by the PSC. The presumption is that market forces determine the price of the gas commodity that marketers and suppliers charge and that regulation is not required to protect customers. All gas marketers and suppliers include their overhead and

¹¹ Notes from Janis Fischer's phone conversation on November 13, 2006, with David Geyer of DaCott.

operating costs in the price of gas that they pass on to customers. There remains an open question of whether such operators are subject to state authority.¹²

II. Farm Tap Service Quality

Staff conducted an evaluation of the level of customer service provided by DaCott to its customers. Local public hearings conducted in Sedalia and Mexico, on November 14 and 15, 2006, respectively, included a request of attendees to complete a Farm Tap Survey.¹³ The survey contained 19 questions designed to obtain information concerning a variety of service topics such as the customers' understanding of their easement or right away agreements with Panhandle, gas bills received, meter reading, accessibility of DaCott when questions arose, service outages, payment options and an open question to customers to provide any other comments they desired to relay. Other information was also collected at the local public hearings, including copies of bills, customer correspondence from DaCott and Panhandle and select pages of easements.

Fourteen surveys were completed during the local public hearings. Staff compared the customer survey responses to information provided by DaCott. In addition, Staff contrasted the level of customer service experienced by farm tap customers with the customer service practices mandated by PSC rules.¹⁴ Chapter 13 of the Commission's rules governs the service provided to residential customers by local distribution companies.

¹² Energy Sellers Report, Case No. GO-2004-0195.

¹³ Exhibit H (sample survey).

¹⁴ 4 CSR 240-13; Exhibit I (Chapter 13 Rules).

Below are the primary service concerns expressed by customers in their responses to the surveys:

1. High or increasing natural gas bills;
2. Unexplained price changes;
3. Inadequate time to pay bills from receipt of statement to bill due date;
4. Unclear billing statements;
5. Uncertainty as to payment options including level payment plans;
6. Unfair treatment compared to LDC Customers;
7. Meter reading options;
8. Landlord-Tenant dispute resolution regarding gas bills.

In addition, Staff collected other service quality information from customers' bills and from questions answered by DaCott. Staff spoke with DaCott representatives by telephone and also requested that DaCott answer service-related questions in writing. DaCott's response to the questions is attached in Exhibit J.

Staff's analysis and conclusions regarding the service quality differences between DaCott practices and regulated local distribution gas companies indicate that DaCott is providing a mix of service quality practices. Staff suggests that many practices are less favorable toward farm tap customers and lack the stringent requirements of Chapter 13 of the Commission's rules. However, farm tap customer are not subject to tariff provisions which provide protection for the utility such as bad debt collection, debt transfers,

liability on the part of non-customer beneficiaries and methods of prompt service termination.

The following presents a summary of service quality practices presently performed by DaCott contrasted with Commission rules presented in 4 CSR 240-13. Farm tap customers' conditions will be described first followed by a summary of PSC-approved rules and standards experienced by traditionally regulated gas utility customers.

A. Meter Reading

Farm Tap Customers:

Meters are read once every six months by Panhandle employees for DaCott. After a six-month meter read, bills are "trued- up" and customer bills for the next five months are estimated, based upon historical usage with an adjustment for an over or under billing that occurred during the previous five months. The customer's bill will normally change twice a year based upon this billing process.

Customers who have requested to read their own meters on a monthly basis and provide the information to DaCott to be used in a monthly bill calculation have been permitted to do so. DaCott indicates it has not made any general communications to offer this meter reading option to its entire population of Missouri customers. The estimated bills reviewed by Staff were marked on the bill as "estimated."

Utility Customers:

In contrast, pursuant to the requirements of 4 CSR 240-13.020, although estimated meter readings are permitted by Commission rules, those same rules clearly encourage billing statements rendered by a utility to be computed on the actual usage during the billing period. While provisions for estimated bills are identified in Chapter

13, 4 CSR 240 -13.020 3(B) states that a utility shall not render a bill based on estimated usage for more than three (3) consecutive billing periods or one (1) year, whichever is less, except under conditions described in subsection (2)(A) of the rule.

Subsection 2(A) of the rule addresses seasonally billed customers and requires that an appropriate tariff be on file with the Commission. Subsection 2(A) also permits estimated readings during extreme weather conditions, when the utility is unable to obtain access to the customer's premises or when the customer makes reading the meter unnecessarily difficult. Finally, the Commission's rules require that utility estimating procedures be approved by the Commission.

Observation:

It appears that meter reading for farm tap customers clearly departs from the uniform standards imposed on LDCs. A significant difference exists between the number of actual meter reads DaCott obtains on its farm tap customers (two annually) than those required by Commission rules. If DaCott were a regulated company, Commission rules would permit that it estimate customer bills for no more than three consecutive months except under unique or special circumstances addressed in the rule, because DaCott bills its customers on a monthly basis. Commission rules clearly encourage that each billing statement be computed on the customer's actual usage.

PSC rules are designed to ensure customers pay their bills based on accurate reflections of usage. The full recitation of meter reading requirements can be found at <http://www.sos.mo.gov/adrules/csr/current/4csr/4c240-13.pdf> or 4 CSR 240-13.020.¹⁶

Farm tap customers do not have the same meter reading protection to encourage accurate billing as LDC customers. While there may be flexibility enjoyed by some,

¹⁶ Exhibit I (Chapter 13 Rules).

there is a lack of uniformity to ensure precise billing and fair treatment of all farm tap customers.

B. Billing

Farm Tap Customers:

Some customers present at the local public hearings indicated confusion in understanding monthly bills from DaCott. Some survey responses also indicated that DaCott customers may not have a full understanding of how the “amounts due” are calculated on their monthly bills. A review of bills provided to Staff concluded that bills contain three primary columns: CCF’s (amount of gas used), Rate (the amount charged per CCF) and Amount (the amount the customer is expected to pay for that period). Estimated bills still retain formatting for CCF’s used and rate columns, but those two columns are sometimes empty or not consistently utilized for the 10 monthly bills that are not true-up bills.¹⁷

For non true-up bills, customers appear to consistently receive a bill with only one component of the bill calculation: the amount due that particular month. Some bills reviewed by Staff contained an additional line item of a transportation charge, but this charge was not present on all monthly bills. Not all true-up bills reviewed included the actual meter readings on the bills, even though the CCF usage was included.

DaCott indicates that customers can request to receive a fixed or levelized bill for an entire year. Staff reviewed the bills for one such customer and noted that the six-month true-up bills contained CCF usage, which would indicate that the customer’s meter

¹⁷ Exhibit K (sample bills).

was read. Actual meter readings were not found to be included on any of the other bills examined of this same customer for that year.

Customers also have expressed concern that the period of time between the point at which billing statements are received and the date that payments are due seems excessively short. Examination of customer bills indicates that there is only a 15 day time period from the invoice date until the bill is due. DaCott indicates it assesses a 1.5% late fee if payment is not received by the time of the bill preparation for the next month. Lastly, telephone numbers to contact DaCott are included on the bill, however, only the number to report gas leaks is toll-free. DaCott representatives have indicated they have offered to return calls to customers in order to minimize call tolls paid by their customers.

Utility Customers:

Some differences exist between the billing statements prepared by DaCott for farm tap customers and bills prepared by utilities regulated by Chapter 13. PSC rules, 4 CSR 240-13.020(9)(A-I) provide requirements that should be present on every bill. These requirements include, among others, the beginning and ending meter readings of the billing period and the dates of the readings, the date when the bill is considered due and when it is considered delinquent if the dates are different, and a toll-free number for customer inquiries or complaints. The cost of gas or purchased gas adjustment cost total or cents per unit basis is also to be present on every bill. Additionally, customers should have at least 21 days from the rendition (mailing) of the bill to pay the utility charges unless the customer has selected a preferred payment date.

Observation:

There are significant differences between the billing practices of DaCott and those that would be considered acceptable for a Missouri regulated utility. All bills of regulated companies are to contain beginning and ending meter readings; because the meters of DaCott customers are only read twice a year, meter readings are not included on every bill. Even on true-up bills, actual meter readings were not consistently presented on bills.

DaCott does not permit 21 days from the rendition of the bill until the bill is due. Even if DaCott bills are mailed on the day the invoice is printed, DaCott customers are still only given 15 days to pay their bill. If DaCott mails the bills sometime after the date printed on bills, DaCott customers are being given less than 15 days to pay their bills. DaCott customers are not provided a toll-free number for their inquiries or complaints. The gas cost also is not consistently printed on every bill. It is fairly clear that farm tap customers do not benefit from the same protections afforded utility customers. Bills of Missouri regulated LDC customers include greater uniformity and, therefore, such customers are provided increased assurance that they will understand their bills and have reason for confidence in their accuracy.

C. Level Payment Plans**Farm Tap Customers:**

DaCott indicates that it has, in the past, sent out general information sheets that describe the annual or level billing process. Such a program permits a consistent monthly bill for a period of one year. Although Staff was not provided a copy of such information sheets, DaCott asserted that customers who express interest in such an arrangement can

participate in the program by agreeing to sign an “acknowledgement” form that describes DaCott's method for calculating the annual bill as well as the bill true-up process used.

Utility Customers:

While Chapter 13 does not require utilities to offer a level payment plan with the exception of payment arrangements during the Cold Weather Rule, Staff takes the position that such plans should be offered consistently to all customers. Each utility has its own level payment plan or budget billing arrangement which is subject to review and approval by the PSC. Tariff sheets on file with the PSC include the terms, rights and responsibilities associated with such arrangements.¹⁸

Observation:

Budget billing plans are critical at a time when energy prices are volatile and subject to significant market fluctuations. Customers can protect themselves to some degree by entering into such arrangements to keep their utility costs within a range of expectation. The customer's bill is “trued-up” at least once a year and both parties are protected if each adheres to their own responsibilities. While farm tap customers do have some access to a level payment plan, it is unclear of their rights, the responsibilities of the company, how one enters the plan or how one terminates their enrollment. Farm tap customers should have access to such a plan with full disclosure of the terms of agreement posted clearly and available for review.

DaCott and Panhandle representatives indicated to Staff that they had some documentation regarding its levelized payment plan but to date that information was not made available to Staff for its review.

¹⁸ Exhibit L (Ameren tariff).

D. Toll-Free Telephone Contact Number

Farm Tap Customers:

As indicated previously, two numbers are printed on DaCott customer bills: a long distance number that would be dialed by customers for inquiries or complaints and a toll-free number to report a gas leak. DaCott is located in Bellaire, Texas, and therefore all inquiry and complaint calls made from its Missouri customers would be a toll call. DaCott has advised that if a customer expresses concern over long distance charges, the customer can call the regular telephone line and advise the company which will, in turn, return the call at DaCott's expense. Staff was unable to confirm this practice.

Utility Customers:

Regulated local distribution companies are mandated to provide a toll-free number to their customers for inquiries and complaints.¹⁹ In addition, regulated utilities also offer contact information over the internet as an alternative communication tool.

Observation:

DaCott does not offer its customers a toll-free number for inquiries and complaints as is required of a regulated local distribution company. Utility customers have greater access to customer service or billing information due to toll-free calling. Open channels of communication are important components of the business-customer relationship.

¹⁹ 4 CSR 240-13.020(9)(g).

**E. Delinquent Accounts, Non-Payment Disconnects and the
Cold Weather Rule**

Farm Tap Customers:

Of primary interest to Staff was how DaCott handled matters with respect to turn-off for non-payment, particularly during periods from November 1 through March 31, when the Commission's Cold Weather Rule is in effect. DaCott indicated in response to Staff's written questions that it had no written policy with regard to terminations and that customers were treated the same irrespective of the time of year. No "Cold Weather Rule" is observed during winter months. However, it should be noted that no customers have communicated dissatisfaction with DaCott based on termination of service. While some customers were dissatisfied with certain service levels, none of the public hearing participants advised this Commissioner of being disconnected.

Utility Customers:

While Chapter 13²⁰ does not require a utility to terminate service for its customers for non-payment, the rule clearly permits such termination, even during periods of the Cold Weather Rule. Staff is not aware of any local distribution company that does not perform non-payment service disconnections. Because the PSC has the responsibility to balance the interests of shareholders and ratepayers, the PSC must ensure all customers pay their bills to protect the company and other ratepayers. A utility must be able to collect its revenue to protect the integrity of the system. Tariff provisions have the effect of law in setting out the rights and responsibilities of all parties. *Carter's Custom Tile & Remodeling, Inc v. Southwestern Bell Telephone*, 834 S.W.2d 892 (Mo.App., E.D. 1992).

²⁰ 4 CSR 240-13.050.

In contrast, the Commission has instituted a Cold Weather Rule to provide some protections to customers from service disconnections during very cold months.²¹ Utilities are required to follow this rule as a mechanism available to all at-risk customers, including low income and disabled customers.

Observations:

Regulated customers who are delinquent on their accounts are subject to having their service terminated by a regulated company. The PSC permits the termination of service for non-payment of bills provided the company follows Commission rules. Because Staff observed no service terminations to evaluate the procedures utilized by DaCott, this Report cannot make a finding on this issue.²²

III. DaCott and Missouri LDC Residential Cost Comparisons

Staff conducted a monthly cost comparison between DaCott and Missouri LDCs²³ for the summer and winter periods of 2005 and 2006. The summer period included the months of April, May, June, July, August, September and October while the winter period included the months of November, December, January, February and March. PGA costs were obtained from each Missouri LDC's current and cancelled tariff sheets for both the summer and winter periods. DaCott's monthly gas costs were determined from information provided by DaCott management as well as verified through farm tap customer billings. Using this information, Staff was able to determine winter and

²¹ 4 CSR 240-13.055.

²² It should be noted that this Report does not review every PSC mandate of customer service performance as compared to farm tap customer service. The items listed above are a sampling to reflect concerns raised by the survey respondents. Exhibit I is attached which provides a comprehensive listing of all PSC required levels of service which may or may not be met by DaCott.

²³ Union Electric Company (Ameren), Atmos Energy Corporation, Empire District Gas Company, Fidelity Natural Gas, Inc., Laclede Gas Company, Missouri Gas Energy, Missouri Gas Utility, Inc., and Southern Missouri Gas Company, L.P.

summer monthly gas costs as well as average winter and summer use levels of 200 CCFs and 60 CCFs respectively.

The attached charts provide a graphic representation of the gas cost comparisons for the winter and summer seasons of 2005 and 2006 between the DaCott farm tap customers and the Missouri LDC residential customers.²⁴ Summer 2005 gas costs to customers ranged from \$33.20 to \$74.33 for 60 CCF and farm tap customers costs were \$52.68. Summer 2006 gas costs to customers ranged from \$42.78 to \$82.94, while farm tap customers experienced \$45.00. Winter 2005 (November 2005-March 2006) gas costs to customers ranged from \$156.57 to \$279.72 for 200 CCF, with farm tap customers at \$234.20. Winter 2006 (November 2006-March 2007) gas costs to customers range from \$137.20 to \$278.14, and farm tap customers experienced costs of \$150.00. DaCott's Winter 2006 rate is based on its current December 2006 price of gas.

Staff's cost analysis provides comparisons of DaCott and Missouri LDC gas charges to their customers reflecting only the commodity price of gas and excluding any overhead adjustment or distribution costs. LDCs charge additional amounts which are fixed and variable charges. Farm tap customers do not have to pay for distribution systems to deliver the gas to their premises; however, they do pay a transportation fee as well as overhead expenses that include billing and customer support. For utility customers, Exhibit M reflects 65-80% of a customer's total estimated bill. For farm tap customers, Exhibit M reflects 85-95% of the farm tap customer's total estimated bill.

DaCott has acknowledged that gas they were required to purchase during 2005 was at a high price and that they passed that cost on to their customers. The analysis shows that for 2005 DaCott customers paid approximately 10% more on average than

²⁴ Exhibit M (graphs).

other Missouri LDC residential customers for gas service. The analysis also shows that for 2006, DaCott customers were paying approximately 20% less on average than other Missouri LDC residential customers were paying for gas service. Exhibit M also identifies comparable service providers that receive natural gas from the same production region (mid-continent) where prices should be similar.

Many factors affect the price of natural gas. The price of natural gas is driven mainly by market forces basically responding to the actual or perceived supply and demand for the natural gas commodity. This is why typically natural gas prices have risen during the winter months when there is more demand and have fallen during the summer when there is less demand. Increased reliance on natural gas as a fuel for electric generation has increased the demand for natural gas during the summer months. Futures trading of the natural gas commodity may also affect the price of natural gas. It should be noted that the price spikes of 2005-2006 affected all gas customers. Hurricanes Katrina and Rita, which occurred in the late summer of 2005, disrupted gas production in the Gulf of Mexico and had an impact on the price of natural gas through the first quarter of 2006 and are reflected in the total costs. Other factors also have an impact on the total gas service cost to customers including the presence of financial speculators which contributed to the run up of gas prices.

DaCott prices appear higher than the average when compared to similarly situated LDCs receiving gas from the same production area, however, this Commissioner cannot conclude whether the prices are reasonable or not. Generally, it is the regulatory process which provides customers the confidence in their bills and the prices they may pay. LDC customers benefit from the work of PSC Staff which evaluates the prudence of decision

making and the effectiveness of hedging. In addition, utility gas costs include an “Annual Cost Adjustment” (ACA) factor that could increase or decrease the amount of gas cost depending on the utility’s collections over time possibly skewing the comparative results. The PSC also reviews and evaluates all distribution costs, while for farm tap customers, there is no evaluation of the \$.20 CCF charge for overhead. Depending on the price of natural gas, this \$.20 CCF charge can become a very significant, unjustified expense for farm tap customers. Ultimately, the PSC establishes that customers are paying rates that are “just and reasonable.”²⁵ If the PSC asserts its authority over farm taps, the determination that rates are “just and reasonable” may protect the farm tap customer.

If a farm tap customer has a complaint regarding the reasonableness of the gas price DaCott charges, both DaCott and Panhandle appear to have agreed on a process to address the dispute. Panhandle has provided a copy of its agreement (Exhibit E) with DaCott which establishes all of the rights and responsibilities of the parties. According to the agreement, the PSC will review the “reasonableness” of the gas price. The relevant section states:

Periodic gas rate changes with the Customers. DACOTT agrees to strive to give Customers at least one month advance notice of a price change. Such gas prices must be reasonable as they will be subject to review by the Missouri Public Service Commission should the Customers elect to complain. Pricing issues with the Customers will be DACOTT’s sole responsibility. *DaCott’s responsibilities 4(c).*²⁶

The PSC has the Staff, access to information and the tools necessary to make a determination of the reasonableness of gas prices. And while DaCott has never contacted

²⁵ §393.130(1), RSMo. 2000.

²⁶ Exhibit F (contract/agreement).

the PSC to request a “review” of its gas prices, the PSC should be prepared to make this determination if and when asked by customers. One should keep in mind that the agreement between Panhandle and DaCott has a termination date. At that time, Panhandle may contract with DaCott or another company to provide this farm tap customer service resulting in a change in the terms and responsibilities of the agreement. A new company may decide to charge a much higher price for gas or include other customer charges. Even if Panhandle and DaCott continue their relationship for many years to come, there is no oversight of the amount DaCott charges a farm tap customer. DaCott could raise or lower its gas prices tomorrow if they so choose.

Observations:

Utility customers benefit from state regulation on the pass-through cost of gas because of mandated price hedging policies. In addition, utility customers have the benefit of the monitoring and verifying of gas prices. Farm tap customers have no method of ensuring that the prices billed to them accurately reflects the prices paid by DaCott or Panhandle. The PSC has the knowledge and experience to provide the service reflected in the DaCott/Panhandle agreement to properly review and approve the price of natural gas for these customers.

IV. Jurisdiction

The ultimate question regarding farm taps and their regulation is whether the sale of gas or provision of service pursuant to the easements executed 70 years ago is subject to the jurisdiction of the PSC. The farm taps come off of an interstate natural gas pipeline. The FERC has regulatory jurisdiction over interstate natural gas pipelines.²⁷

²⁷ 15 U.S.C. §717-717(z).

Officials from the FERC have advised that it has no authority over farm taps.²⁸

Comparisons with other states reveal a mixture of treatment of pipelines, farm tap customers and LDCs.²⁹ The PSC has never asserted any authority over farm taps. If the PSC finds that such authority is now warranted, it must first identify a source of jurisdiction in state statute.

The Legislature may have granted the Commission jurisdiction over DaCott's sale and/or distribution of gas to farm tap customers in §386.250 RSMo. 2000. This statutory provision states:

The jurisdiction, supervision, powers and duties of the public service commission herein created and established shall extend under this chapter: (1) to the manufacture, sale or distribution of gas, natural and artificial, and electricity for light, heat and power, within the state, and to persons or corporations owning, leasing, operating or controlling the same; and to gas and electric plants, and to persons or corporations owning, leasing, operating or controlling the same;

This section appears to give the Commission jurisdiction over the sale or distribution of gas within the state and to persons or corporations owning, leasing, operating or controlling the same. Through its contract with Panhandle, DaCott is engaged in the sale of and/or distribution of gas to farm tap customers in Missouri. Section 386.250(1) can be applied directly to farm tap customers and may establish the Commission's jurisdiction over the sale and/or distribution of gas to such customers.

The Commission regulates the Missouri activities involving the sale of natural gas by all gas corporations. §393.130 RSMo. 2000 and §393.140 RSMo. 2000.

²⁸ Exhibit N (e-mail from the FERC).

²⁹ Exhibit O (compilation of state treatment of LDCs).

A “Gas corporation”:

Includes every corporation, company, association, joint stock company or association, partnership and person, their lessees, trustees, receivers appointed by any court whatsoever, owning, operating, controlling or managing any gas plant operating for public use under privilege, license or franchise now or hereafter granted by the state or any political subdivision, county or municipality thereof. *386.020(18), RSMo. 2000.*

In turn, “Gas plant” is defined as including:

All real estate, fixtures and personal property owned, operated, controlled, used or to be used for or in connection with or to facilitate the manufacture, distribution, sale or furnishing of gas, natural or manufactured for light, heat or power. *386.020 (19), RSMo. 2000.*

While it is less certain that DaCott meets all of the elements of a gas corporation, a good argument may be made that it does. First, DaCott manages and controls natural gas service from the pipeline to the farm tap customers – including the initiation and termination of service. Through Panhandle, DaCott offers its gas service and continues to sell farm taps for public use along the pipeline.

Also significant in this analysis is the actual language in the contract between Panhandle and DaCott. The agreement specifically states that the reasonableness of gas prices will be subject to review by the PSC should a farm tap customer make a complaint.³⁰ The most common complaint from all of the customers contacting this Commissioner and attending the public meetings was the cost of gas service by DaCott. By their own agreement, Panhandle and DaCott have submitted to the Commission’s jurisdiction by entering into this agreement. Farm tap customers would benefit from the Commission’s regulation of the price of gas to ensure the cost is just and reasonable.

³⁰ Exhibit F (contract/agreement).

And, these customers would enjoy the benefit of current Commission rules in Chapter 13 regarding residential service and billing practices.

The PSC law is to be liberally construed in order to effectuate the purpose for which it was created. *State ex rel. Utility Consumers Council of Missouri, Inc. v. Barvick*, 585 S.W.2d 41, 48 (Mo. Banc 1979).

V. Conclusion

Farm tap customers are the only type of natural gas customer not receiving any benefit of regulatory oversight from local, state or federal governments or their agencies. These customers are unique in nature in the sense that they, or their predecessors, bargained for the service by contract with an exchange of rights and responsibilities. Most other natural gas customers obtain their rights and responsibilities from PSC-approved tariffs on file with the Commission including rural landowners served by intrastate pipeline farm taps who pay distribution costs. What is interesting in the overall study of farm taps and their customers is that complaints only recently came to the surface after natural gas price spikes during the past five years. While this Commissioner cannot make the assumption that all farm tap customers have been completely satisfied since the 1930s, farm tap customers in general have enjoyed service without significant objection or complaint.

First and foremost, farm tap customers must evaluate the facts and circumstances involving the treatment and service they have experienced in deciding whether regulatory action or judicial intervention is necessary. It appears clear that there are no mechanisms in place to ensure consistent, non-discriminatory treatment of customers. There are policies which extend some benefits to farm tap customers, but rarely could an official

document be found to clearly set out rights and responsibilities. Farm tap customers have less time to pay their bill from the time of issue, they have no guarantee of a toll-free method of contacting the company in the event of a dispute, there are less stringent policies in place for meter reading, bill organization and construction and options of level payment or budget bill programs. Of additional concern is that there is no regulatory authority at the state or federal level to receive and act upon customer complaints and provide regulatory oversight.

Additionally, there are no assurances that farm tap customers are paying a rate that is "just and reasonable." Staff's cost comparisons in the Report demonstrate that the amount they are paying for the actual cost of the gas is within a range similar to regulated LDC customers. This Report could not evaluate prudence in gas purchasing nor could it illustrate that the prices charged truly reflected the prices DaCott paid for the gas. While LDC customers can expect that all of these items will be checked, verified and potentially approved or rejected by the PSC Staff, farm tap customers can only review the actual bill and compare with other providers to know if they are paying an amount that is comparable to LDC bills. In fairness to DaCott and Panhandle, it does not appear that the farm tap customers are paying amounts that regularly exceed the averages of others. These customers experienced the same swings in gas prices during a difficult time in the gas market that suggests that PSC oversight may not have been able to prevent. There is no evaluation at the PSC level of the transportation charges levied upon customers; nor is there an independent determination of whether the overhead charge of \$0.20 CCF is appropriate.

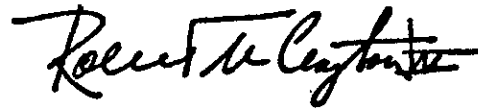
In contrast, farm tap customers receiving service from DaCott are not bound by detailed tariffs on file with the Commission that include a significant amount of provisions directly protecting the LDC. These protections range from opportunities to collect certain past-due bills, disconnecting service based on past performance in paying bills, transferring old bills to new accounts (even if the original customer is not on the account) and being able to pursue complaints in a limited fashion at the PSC. Also, the tariffs are designed to reflect how costs are established and how rates will be determined. Farm tap customers do not pay for distribution system service. They do not have to pay a rate based on offering an opportunity to earn a fair rate of return. Further, farm tap customers do not have to pay rates based on the cost associated with providing the service.

If, after fully reviewing the above and making a determination that a customer is dissatisfied with their service, a farm tap customer has several choices. First, there is no prohibition of going to the circuit court of their home county and filing a lawsuit to request that a Judge make a determination of rights and responsibilities under recorded documents and alleged contracts. While this Report cannot evaluate the success of such a strategy, it is presumed that this method of resolving a dispute is available to the customer. Alternatively, this Report also suggests that sound legal arguments may exist for the PSC to assert jurisdiction upon the filing of a complaint by an aggrieved farm tap customer. There are a number of legal theories that suggest a role for the PSC to protect farm tap customers and assure fair play in the sale of natural gas.

The principal questions of whether the PSC has jurisdiction to regulate farm taps and whether the PSC can change current practice cannot be easily answered in this

Report because the majority of the Commission must participate and render a decision. Additionally, a court of competent jurisdiction may also have to weigh in with approval or rejection of any attempt for the PSC to assert jurisdiction. This Commissioner believes that sufficient facts and law are in place for the PSC to step in and play the role for which it was originally intended. Rural natural gas customers deserve the same protections as all other natural gas customers and it is this Commissioner's hope that the PSC is ready to assume the necessary role to improve service for these citizens.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert M. Clayton III". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

Robert M. Clayton III
Commissioner

Dated at Jefferson City, Missouri,
on this 25th day of January, 2007.

Missouri Natural Gas Pipelines

Prepared by
Missouri Public Service Commission



Missouri Landfill Gas Plants

Missouri currently has two landfill gas (LFG) systems that are not shown on the map, but are considered as jurisdictional gas plants. One serves the Pattonville High School and the other serves the Daimler Chrysler Plant near the Ballwin/Fenton area.

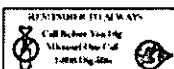
Natural gas is distributed to Jackson County and the Kansas City area by Missouri Gas Energy.

Missouri Ethanol Plants

Mid-Missouri Energy, Inc. (Maiden Pond, Mo.)
Mid-Missouri Ethanol (Larkwood, Mo.)
Northeast Missouri Grain, LLC (Macon, Mo.)

(Ethanol Plants Not Shown on Map)

Missouri Public Service Commission
Consumer Service Hotline
1-800-392-6211



- Natural Gas Distribution Pipelines
- Communities having or approved for natural gas
- Denotes change of ownership
- Natural Gas Transmission Company Pipelines; MGC and MPC are under PSC Jurisdiction.
- Denotes municipally-owned power plant (e.g. Marshall, Mo.)

Safety of natural gas service directly to large industrial customers is regulated by the Missouri Public Service Commission.

The MoPSC has pipeline safety jurisdiction over municipal lines and non-exempt companies. Below are the municipal natural gas operators under MoPSC jurisdiction.

Note: Some municipalities not listed are in a joint utility agreement with other municipal operators.

Albany	Montgomery City
Atterburg-Frontier	New Florence
Barge	New Haven
Berme	Osage
Bethany	Park
Bismarck	Perry
Clarence	Perryville
Cuba	Platte
Fulton	Proctor
Granby	Rockford
Grant City	St. James
Green City	St. Robert
Hermann	Shelbina
Kennett	Springfield
Liberal	Stanhurst
Madison	Unionville
Mars	Waynesville
Middletown	Wheeler
Millersburg	

- 1990 Population of Incorporated Cities and Towns
- 250 TO 999
 - 1,000 TO 4,999
 - 5,000 TO 9,999
 - 10,000 TO 19,999
 - 20,000 AND OVER

UNDERLINE INDICATES COUNTY SEAT

Gas Pipeline Index

Mid-Missouri Energy, Inc.
Mid-Missouri Ethanol
EDG-Empire District Gas Company
MGC-Missouri Gas Company
MPC-Missouri Pipeline Company
MGC-Missouri Gas Utility

Mid-Missouri Energy, Inc.
Mid-Missouri Ethanol
EDG-Empire District Gas Company
MGC-Missouri Gas Company
MPC-Missouri Pipeline Company
MGC-Missouri Gas Utility

MRT-CenterPoint Energy-Mississippi River Transmission Corp
MGC-Missouri Gas Company
MIG-Missouri Interstate Gas, LLC
MPC-Missouri Pipeline Company
NGPL-Natural Gas Pipeline Company of America

OGT-Ozark Gas Transmission, LLC
PEPL-Panhandle Eastern Pipe Line Company
RGTL-Regent Gas Transmission Corporation
SSC-Southern Star Central Gas Pipeline, Inc.
TET-Texas Eastern Transmission, LP

Revised October 9, 2006

FORM NO. 13

P.S.C. MO. No. 1

{Original} SHEET NO. 5

{Revised}

Cancelling P.S.C. MO. No.

{Original} SHEET NO.

{Revised}

Atmos Energy Corporation

FOR -- All Areas

Name of Issuing Corporation

Community, Town or City

MUNICIPALITIES SERVED (continued)

MASTER LIST AND INDEX (continued)

<u>Municipality</u>	<u>County</u>	<u>Rate Schedule Designation</u>	<u>PGA Tariff Sheet (Column)</u>
Palmyra	Marion	Area P	Sheet No. 113 (C)
Passaic	Bates	Area B	Sheet No. 37 (A)
Piedmont	Wayne	Area S	Sheet No. 149 (C)
Portageville	New Madrid/ Pemiscot	Area S	Sheet No. 149 (C)
Puxico	Stoddard	Area S	Sheet No. 149 (C)
Queen City	Schuyler	Area K	Sheet No. 188 (B)
Quilin	Butler	Area U	Sheet No. 188 (D)
Rich Hill	Bates	Area G	Sheet No. 49
Senath	Dunklin	Area S	Sheet No. 149 (C)
Sikeston	Scott/New Madrid	Area S	Sheet No. 149 (C)
Steele	Pemiscot	Area S	Sheet No. 149 (C)
Taylor	Marion	Area U	Sheet No. 188 (B)
Virginia	Bates	Area B	Sheet No. 37 (A)
Wardell	Pemiscot	Area S	Sheet No. 149 (C)
Wayland	Clark	Area U	Sheet No. 188 (B)
West Quincy	Marion	Area U	Sheet No. 188 (B)

Listing includes unincorporated areas contiguous to service territory and rural area adjacent to Company's transmission lines.

DATE OF ISSUE: August 1, 2002

month day year

DATE EFFECTIVE: October 1, 2002

month day year

ISSUED BY: Patricia Childers

name of officer

Vice President-Rates and Regulatory Affairs

title

Franklin, TN

address:

FileMissouri
Service Co.

MISSOURI

AGREEMENT FOR RIGHT-OF-WAY

KNOW ALL MEN BY THESE PRESENTS, That [REDACTED] and [REDACTED] his wife of the post office of Martinsburg, in the State of Mo., for and in consideration of One (\$1.00) Dollar, to them in hand paid, receipt of which is hereby acknowledged, and the further consideration of 50 Cents per rod, to be paid when the pipe lines hereinafter specified are laid, do hereby grant and convey unto Panhandle-Eastern Pipe Line Company of Kansas City, Missouri, its successors and assigns, a Right-of-Way to lay, maintain, alter, repair, operate and remove pipe lines and from time to time parallel pipe lines, drips, gates and all appurtenances convenient for the transportation of oil, gas or other substances, together with the right of ingress and egress, over and through the following premises in the County of Audrain in the State of Missouri, to-wit:

West Half of the NW $\frac{1}{4}$ Sec. 36, Twp. 51
North, Range 7 West.

Said sum is acknowledged as full consideration for the Right-of-Way. Should an additional or parallel line be laid at any time, 50 cents per rod shall be paid for each such line so laid. All damage to growing crops occasioned by the installation of the first line or by making future repairs or in removing said property, or by laying, repairing or removing other lines, drips and gates, shall be paid by grantee after the damage is done; said damages, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one to be appointed by the grantor, one by the grantee; and the third by the two so appointed; and the written award of such three persons shall be final and conclusive.

Grantee to place tap in line for domestic use on the above described land.

It is hereby understood that this agreement cannot be changed in any way except in writing, signed by the grantor, and a duly authorized agent of the grantee.

Signed this 14th day of Dec, 1931

Witnesses:

STATE OF MISSOURI)
) ss.
COUNTY OF AUDRAIN)

On this 14 day of December 1931, before me personally appeared [REDACTED] and [REDACTED] his wife to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

In Testimony whereof I have hereunto set my hand and affixed my official seal at my office in Martinsburg Mo.

My Commission expires March 26, 1933.

(SEAL)

[REDACTED]
Notary Public

Filed for record December 30th, 1931 at 8:30 A.M.

J. Woodward
Recorder

Right-of-Way Grant

KNOW ALL MEN BY THESE PRESENTS, that _____ and _____ his wife

of the Post Office of Bowling Green, in the State of Missouri, hereinafter referred to as "Grantor" (whether one or more), in consideration of One (\$1.00) Dollar, to them in hand paid, receipt of which is hereby acknowledged, and the further consideration of \$ 3.00 per linear rod, to be paid before the first pipe line hereinafter specified is laid do hereby grant and convey unto PANHANDLE EASTERN PIPE LINE COMPANY, a Delaware Corporation, having an office in Kansas City, Missouri, its successors and assigns, hereinafter referred to as "Grantee," a Right-of-Way to lay, construct, maintain, alter, inspect, repair, replace, relocate, change the size of, operate, and remove a pipe line and ~~from time to time additional pipe line or lines, ditches~~, pipe line markers, valves, cathodic equipment, test leads, and all appurtenances convenient for the maintenance and operation of said line and for the transportation of oil, gas, or other substances therein, under, on, over and through the premises hereafter described, and the Grantee is granted the right of ingress and egress, to, on, from and over the following described premises for the purposes aforementioned in the County of Pike in the State of Missouri, to-wit:

All of the north part of the Northeast Quarter of Section 4-T53N-R3W, containing 93.78 acres, more or less, subject to highway right-of-way.

TO HAVE AND TO HOLD said easements, rights, and right-of-way unto the said PANHANDLE EASTERN PIPE LINE COMPANY, its successors and assigns.

~~Should additional pipe line or lines be laid at any time at \$ 3.00 per linear rod, shall be paid for each such line so laid.~~ Grantor to have the right to select, change or alter the routes of all pipe lines herein authorized to be laid under, upon, over and through the above described premises. All pipe installed hereunder shall be buried a minimum of thirty (30) inches. Grantor shall not place anything over or so close to any pipe line or other facility of Grantee as will be likely to interfere with Grantee's access thereto by use of equipment or means customarily employed in the maintenance of pipe lines nor intentionally cause the original cover over any pipe line to be reduced below whichever is the greater of a minimum cover of two (2) feet or below the minimum cover required at any time by any applicable pipe line safety code. All damage to growing crops, drainage tile and fences of Grantor occasioned by the construction or repair of any of the facilities herein authorized to be maintained and operated by Grantee shall be paid by Grantee after the damage is done, said damage, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one to be appointed by the Grantor, one to be appointed by the Grantee, and the third to be chosen by the two so appointed. The written award of such three persons shall be final and conclusive.

It is agreed that after said line is constructed, Grantee shall place one tap thereon at a point selected by Grantee and Grantee shall make arrangements whereby gas will be made available to Grantors through said one tap for domestic purposes only in one residence only on the above described premises, subject to such usual charges and conditions as apply from time to time to farm tap connections on Grantee's pipe lines in the area. It is understood and agreed that said pipe line is a transportation line and not a distribution line and that whenever said Grantee shall temporarily cease to use said pipe line for any reason, or shall remove or abandon said pipe line for any reason, the right of Grantors to purchase gas there from, during such period of temporary disuse or from and after such removal or abandonment, as the case may be, shall cease and terminate.

This Grant shall be binding upon the heirs, executors, administrators, successors, and assigns, of the parties hereto, and it is understood that this Grant cannot be changed in any way except in writing, signed by the Grantor, and a duly authorized agent of the Grantee.

This instrument prepared by _____ P. O. Box 1348, Kansas City, Missouri 64141

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals on this 29th day of May, A.D., 19 69.

Witnesses:

PANHANDLE EASTERN PIPE LINE COMPANY

P.O. BOX 1348

KANSAS CITY, MISSOURI 64141

September 30, 1979

49-24

B-19

Mo

MISSOURI 65264

Subject: Price of Gas Sold Pursuant to
Domestic Tap Connection

Dear Customer:

The basic cost of gas service to you and other individuals purchasing gas from Panhandle Eastern through a Domestic Tap Connection (including so-called farm taps) has substantially increased since Panhandle Eastern set the current price thirteen years ago in 1966. Our costs of labor, equipment, materials, and importantly, our costs of acquiring the gas sold to you have all risen substantially over that period, with the result being that current sales to you are being made at a price that is below the cost of providing the service.

We regret that, for those reasons, we can no longer continue the sale of gas to you at the price per thousand cubic feet (Mcf) currently being charged. Therefore, this letter constitutes notice to you of the establishment of new rates, pursuant to paragraph 5 of the Rules and Regulations Pertaining to Domestic Tap Connections (a copy of which is attached for your reference), to be determined as shown below.

The base price to be paid to Panhandle Eastern Pipe Line Company by you or your tenant/landlord for natural gas delivered by the Company in the State of Missouri shall be:

- a. Ninety cents (\$0.90) per Mcf (1000 cubic feet) effective October 1, 1979. (The increase shall not appear until your November billing.)
- b. One Dollar and Fifteen cents (\$1.15) per Mcf effective October 1, 1980, plus adjustments discussed below.
- c. One Dollar and Forty cents (\$1.40) per Mcf effective October 1, 1981, plus adjustments discussed below.
- d. The base price will be subject to further redetermination October 1, 1982.

Exhibit D
Page 1 of 3

Domestic Tap Customer
September 30, 1979
Page Two

The base prices set forth above shall be adjusted semi-annually, beginning April 1, 1980, to arrive at the total price payable for such gas. Such adjustment will reflect any increase or decrease in Panhandle's cost of purchased gas during the six months next preceding each such adjustment. Such cost will not include any purchases from Trunkline Gas Company, a Panhandle subsidiary, which Company's gas is more costly. All cumulative purchased gas cost adjustments shall be added to each subsequent increase in base price, set out above, so that the total price payable shall equal the then effective base price plus all previous adjustments.

Because of the cost of operating, maintaining, repairing and replacing your gas meter and regulator as well as other overhead costs, there will be a minimum monthly charge of \$3.00.

Finally, we call your attention to those provisions of the attached Rules and Regulations which set forth your maintenance obligations of your service line through which the sale of gas to you is made, in paragraph 1 under "Installation, Operation and Maintenance", and also the billing and payment provision in paragraph 5.

Yours very truly,



W. A. Livingston
Superintendent - Right-of-Way

WAL/vc

Attachment

Exhibit D
Page 2 of 3

RULES AND REGULATIONS PERTAINING TO DOMESTIC TAP CONNECTIONS ON PANHANDLE EASTERN PIPE LINE COMPANY'S FACILITIES

States of Texas, Oklahoma, Kansas and Missouri

Eligibility for Domestic Tap Connection

1. Panhandle Eastern Pipe Line Company (hereinafter referred to as "Panhandle"), is an interstate natural gas pipeline company and is not engaged in the business of local distribution of gas. Domestic service cannot be provided unless provision for a domestic tap connection is made in the Right-of-Way Agreement covering the land owned by Applicant. Only one tap connection will be made by Panhandle on the land covered by the original Right-of-Way Agreement for domestic purposes only in one dwelling only on said land. In order to be entitled to such tap connection, the Applicant must furnish Panhandle with a copy of his Deed to all of the land covered by the Right-of-Way Agreement and such other evidence as may be necessary to establish present ownership by Applicant of all of said land.

2. In the event the land covered by the original Right-of-Way Agreement has been divided among two or more separate owners subsequent to the date on which said Right-of-Way Agreement was made, it will be necessary for Applicant to secure a release or assignment of tap rights from such other owner or owners. Form of release or assignment required by Panhandle will be prepared by Panhandle upon presentation by Applicant of copies of Deeds or other evidence of ownership satisfactory to Panhandle of all other owners having an interest in the tract of land covered by said Right-of-Way Agreement.

Installation, Operation, and Maintenance.

1. Panhandle will install one tap connection on its pipeline, together with regulators and meter, at such location as Panhandle may select immediately adjacent to its said pipeline. Applicant shall pay Panhandle \$75.00 to aid in the cost of installing such tap connection, regulators, and meter. The regulators and meter shall remain the property of Panhandle and shall be maintained by Panhandle. Applicant shall furnish, install, and maintain, at his sole risk, and expense, whatever service line may be necessary to carry the gas from Panhandle's pipeline to Applicant's residence. If the Applicant elects to use steel pipe for his service line, he shall apply a suitable coating to the line. This coating shall be furnished free of charge by Panhandle. If plastic pipe is to be used for the service line, a small copper tracer wire shall be attached to and laid with the plastic line. This tracer wire shall be furnished by Panhandle to the Applicant at no charge. Installation instructions concerning the coating or tracer wire shall be obtained from Panhandle's Area Office. The Applicant shall not bury his service line until Panhandle's representative has inspected and approved the coating application or tracer wire installation. Panhandle shall have the right and privilege, if Applicant fails to maintain the service line in good order, to discontinue furnishing gas to Applicant until necessary repairs are made by Applicant to the satisfaction of Panhandle. The maximum pressure that Panhandle shall be obligated to furnish at the outlet side of Panhandle's meter shall be one (1) pound per square inch gauge (p.s.i.g.).

2. Applicant agrees to assume and agrees to hold Panhandle harmless from and against all risk, loss, injuries, or damage incident to the use and operation by Applicant of any of the facilities and equipment furnished to or installed by Applicant in connection with the gas purchased and delivery of gas hereunder, and Panhandle shall not be responsible for the operation, maintenance, or functioning of any such facilities or equipment.

3. Applicant represents that he understands and agrees that the pipeline from which gas is to be made available to him for purchase is a transportation line and not a distribution line and that whenever Panhandle, or its assigns, shall (a) temporarily cease to use said pipeline for any reason, including necessary interruptions for maintenance and operation of lines; or, (b) remove or abandon said pipeline for any reason, the right of Applicant to purchase gas therefrom shall cease and terminate (a) during such period of temporary disuse; or, (b) from and after such removal or abandonment, as the case may be. It is also fully understood and specifically agreed that the service to be rendered to Applicant is wholly incident to and contingent upon the use of the particular pipeline authorized and laid pursuant to the Right-of-Way Agreement pertaining to the land of Applicant and that such service is special and in no way is to be considered as a public service and that the pipeline and other equipment of Panhandle which is to be used in rendering such service is not property devoted to public service.

4. Panhandle at all times shall have access to the high pressure and low pressure regulators, meter, pipe settings, and other equipment herein provided by Panhandle for the purpose of determining whether such equipment is in proper condition and being operated and maintained in accordance with this Agreement. Adjustment in any bill will be made for any error in registration of the meter only back to the first day of the billing period immediately preceding the billing period in which any test of the meter is made, and no adjustment in such bill will be required to be made if the error is found to be only three per cent (3%) or less. Panhandle shall not be obliged to test any meter at the request of Applicant more often than once in any consecutive 12-month period.

5. Applicant hereby agrees to pay, at the office of Panhandle, P.O. Box 1348, Kansas City, Missouri, 64141, for all gas delivered to and purchased by Applicant, within the time specified on the gas bill, and at such rates as may be established therefore from time to time by Panhandle. Failure to pay the same on or before the date specified in such bill shall entitle Panhandle to discontinue service at any time thereafter WITHOUT NOTICE. Gas deliveries will be resumed through such tap connection upon payment in full of the delinquent gas bill plus a reconnect service charge of \$75.00, and then only if Applicant would otherwise be entitled to the same. If bills for gas sold and delivered hereunder are forwarded to a tenant, the owner shall, nevertheless, remain jointly and severally liable for payment of said bills in the event of non-payment by such tenant.

6. In the event Applicant intends to move from his residence or otherwise discontinue the use of gas, Applicant shall give Panhandle at least five (5) days advance notice thereof.

Exhibit D
Page 3 of 3

RATE SCHEDULE SCT

SMALL CUSTOMER TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for firm natural gas transportation service performed by Panhandle Eastern Pipe Line Company (Transporter).

Such transportation service shall be available for any Shipper:

- (a) which is a municipality or a small distribution company engaged in the resale of natural gas;
- (b) which delivers or causes to be delivered gas to Transporter on a uniform daily basis to the extent practicable for the term of the service for redelivery by Transporter for the account of Shipper; and
- (c) which has executed a Transportation Agreement wherein Transporter has agreed to transport natural gas for Shipper's account up to a specific maximum daily transportation volume not to exceed 10,000 Dt. per day; and
- (d) which shall transport its total system requirements under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

The firm service rendered hereunder is the transportation of natural gas up to the maximum daily volume set out in the Transportation Agreement (not to exceed 10,000 Dt. per day), subject to the availability of capacity, the General Terms and Conditions incorporated herein and the further provisions of the Transportation Agreement. Transporter is not obligated to provide any transportation service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

Shipper may elect at any time to cause or permit other gas supplies to be transported into Shipper's service territory or community by another transporter, by providing notice to Transporter of such election. Thirty days after the date of such notice, Shipper shall be deemed to be served under Rate Schedule SG at the existing level of contract demand.

RATE SCHEDULE SCT (Continued)

SMALL CUSTOMER TRANSPORTATION SERVICE

3. RATE

The rates and charges for firm service under this Rate Schedule shall include the applicable transportation rate component(s) per Dt., as described in Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 and 3.7.

3.1 Applicable Zone Rate

Commodity Charge

For firm service hereunder, except for volumes received at the Haven Pool Point as defined in Section 6.16 of the General Terms and Conditions, the applicable commodity charge per Dt. shall be as set forth on the effective Tariff Sheet Nos. 3-F and 3-G, for the applicable Peak or Off-Peak Billing Month and for the following zone in which redelivery is made to Shipper.

- (1) Zone 1 - the portion of Transporter's system located within the States of Indiana, Ohio and Michigan.
- (2) Zone 2 - the portion of Transporter's system located within the States of Missouri and Illinois.
- (3) Zone 3 - the portion of Transporter's system located on the discharge side of its Haven Compressor Station and extending east to the Kansas-Missouri State border.
- (4) Field Zone - the portion of Transporter's system located on the suction side of its Haven Compressor Station.

Panhandle Eastern Pipe Line Company
FERC Gas Tariff
Original Volume No. 1

First / Fourteenth Revised Sheet No. 3-F
Currently Superseded
Superseding Fourteenth Revised Sheet No. 3-F

CURRENTLY EFFECTIVE RATES			
Rate Schedule PT (Provisional Transportation Service)			
and			
Rate Schedule SCT (Small Customer Transportation Service)			
Peak Service			
Each rate set forth on this tariff sheet is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate schedule.			
WEST-END SYSTEM TRANSPORTATION		Maximum Rates Per Dt.	Minimum Rates Per Dt.
NOVEMBER - MARCH		-----	-----
FIRM TRANSPORTATION - PT			
Zone 1	- Reservation Charge (1)	\$12.53	-
	- Commodity Charge (2) (3)	27.95 >	3.48 >
	- Overrun Charge	41.20	-
Zone 2	- Reservation Charge (1)	\$10.33	-
	- Commodity Charge (2) (3)	27.72 >	3.02 >
	- Overrun Charge	33.96	-
Zone 3	- Reservation Charge (1)	\$6.13	-
	- Commodity Charge (2) (3)	24.77 >	2.20 >
	- Overrun Charge	20.15	-
Field Zone	- Reservation Charge	\$3.26	-
	- Commodity Charge (2) (3)	17.50 >	0.57 >
	- Overrun Charge	10.72	-
FIRM TRANSPORTATION - SCT			
Zone 1	- Commodity Charge (3) (4)	106.41 >	3.48 >
Zone 2	- Commodity Charge (3) (4)	92.41	3.02
Zone 3	- Commodity Charge (3) (4)	63.16	2.20
Field Zone	- Commodity Charge (3) (4)	37.91	0.57
INTERRUPTIBLE TRANSPORTATION			
Zone 1	- Commodity Charge (3) (5)	69.15 >	3.48 >
Zone 2	- Commodity Charge (3) (5)	61.68	3.02
Zone 3	- Commodity Charge (3) (5)	44.92	2.20
Field Zone	- Commodity Charge (3) (5)	28.22	0.57
GRI Funding Unit		1.42 >	1.42 >
ACA Unit Charge Rate		0.23 >	0.23 >
TOP Volumetric Surcharge		1.00 >	1.00 >
FUEL REIMBURSEMENT FOR FIRM AND INTERRUPTIBLE TRANSPORTATION			
Zone 1 - Michigan, Ohio		5.8%	
Zone 1 - Indiana		5.8	
Zone 2 - Illinois		5.2	
Zone 2 - Missouri		4.3	
Zone 3 - Kansas		3.6	
Field Zone		2.9	
(1) Reservation Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: \$1.98 Zone 2: \$1.93 Zone 3: \$1.49 Field Zone: \$1.99			
(2) Commodity Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: 5.68 > Zone 2: 5.68 > Zone 3: 5.63 > Field Zone: 5.68 >			
(3) Commodity Charge Maximum Rates include Gathering Unit Costs:			
Zone 1: 8.34 > Zone 2: 9.69 > Zone 3: 9.69 > Field Zone: 9.69 >			
(4) Commodity Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: 18.08 > Zone 2: 17.77 > Zone 3: 14.96 > Field Zone: 18.14 >			
(5) Commodity Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: 12.19 > Zone 2: 12.02 > Zone 3: 10.53 > Field Zone: 12.23 >			

Issued by: William W. Grvgar Vice President
 Issued on: October 29, 1991

Effective: November 1, 1991

Exhibit E
 Page 3 of 11

CURRENTLY EFFECTIVE RATES			
Rate Schedule PT (Provisional Transportation Service)			
and			
Rate Schedule SCT (Small Customer Transportation Service)			
Off-Peak Service			
Each rate set forth on this tariff sheet is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate schedule.			
WEST-END SYSTEM TRANSPORTATION		Maximum Rates	Minimum Rates
APRIL - OCTOBER		Per Dt.	Per Dt.

FIRM TRANSPORTATION - PT			
Zone 1	- Reservation Charge (1)	\$ 5.97	-
	- Commodity Charge (2) (3)	14.48 >	1.80 >
	- Overrun Charge	19.63	-
Zone 2	- Reservation Charge (1)	\$ 4.81	-
	- Commodity Charge (2) (3)	14.37 >	1.56 >
	- Overrun Charge	15.81	-
Zone 3	- Reservation Charge (1)	\$ 3.56	-
	- Commodity Charge (2) (3)	12.86 >	1.14 >
	- Overrun Charge	11.70	-
Field Zone	- Reservation Charge	\$ 1.59	-
	- Commodity Charge (2) (3)	9.11 >	0.30 >
	- Overrun Charge	5.23	-
FIRM TRANSPORTATION - SCT			
Zone 1	- Commodity Charge (3) (4)	51.86	1.80 >
Zone 2	- Commodity Charge (3) (4)	44.49 >	1.56
Zone 3	- Commodity Charge (3) (4)	35.15	1.14
Field Zone	- Commodity Charge (3) (4)	19.07	0.30
INTERRUPTIBLE TRANSPORTATION			
Zone 1	- Commodity Charge (3) (5)	34.11 >	1.80 >
Zone 2	- Commodity Charge (3) (5)	30.18	1.56
Zone 3	- Commodity Charge (3) (5)	24.56	1.14
Field Zone	- Commodity Charge (3) (5)	14.34	0.30
GRI Funding Unit		1.42 >	1.42 >
ACA Unit Charge Rate		0.23	0.23
TOP Volumetric Surcharge		1.00	1.00
FUEL REIMBURSEMENT FOR FIRM AND INTERRUPTIBLE TRANSPORTATION			
Zone 1 - Michigan, Ohio		4.5 %	
Zone 1 - Indiana		4.5	
Zone 2 - Illinois		4.1	
Zone 2 - Missouri		3.4	
Zone 3 - Kansas, Oklahoma, Texas		2.7	
Field Zone		2.1	
(1) Reservation Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: \$0.95 Zone 2: \$0.91 Zone 3: \$0.90 Field Zone: \$0.96			
(2) Commodity Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: 2.95 > Zone 2: 2.93 > Zone 3: 2.92 > Field Zone: 2.95 >			
(3) Commodity Charge Maximum Rates include Gathering Unit Costs:			
Zone 1: 4.33 > Zone 2: 5.04 > Zone 3: 5.04 > Field Zone: 5.04 >			
(4) Commodity Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: 8.89 > Zone 2: 8.63 > Zone 3: 8.56 > Field Zone: 8.96 >			
(5) Commodity Charge Maximum Rates include Underground Storage Unit Costs:			
Zone 1: 6.07 > Zone 2: 5.92 > Zone 3: 5.88 > Field Zone: 6.11 >			

Issued by: William W. Grgar Vice President
 Issued on: October 29, 1991

Effective: November 1, 1991

Exhibit E
 Page 4 of 11

RATE SCHEDULE SCT (Continued)

SMALL CUSTOMER TRANSPORTATION SERVICE

3.2 Haven Pool Point Transportation

Commodity Charge

For firm service hereunder, for all volumes received at the Haven Pool Point as defined in Section 6.16 of the General Terms and Conditions, the applicable commodity charge per Dekatherm shall be as set forth in the effective Tariff Sheet Nos. 3-H and 3-I for the applicable Peak or Off-Peak Billing Month and for the above-described Zone 1, Zone 2 or Zone 3 in which redelivery is made to Shipper.

CURRENTLY EFFECTIVE RATES

Rate Schedule PT (Provisional Transportation Service)
 and
 Rate Schedule SCT (Small Customer Transportation Service)
 Peak Service

Each rate set forth on this tariff sheet is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate schedule.

HAVEN POOL POINT TRANSPORTATION NOVEMBER - MARCH		Maximum Rates Per Dt.	Minimum Rates Per Dt.
-----		-----	-----
FIRM TRANSPORTATION - PT			
Zone 1	- Reservation Charge (1)	\$ 9.27	-
	- Commodity Charge (2)	10.45 >	2.91 >
	- Overrun Charge	30.48	-
Zone 2	- Reservation Charge (1)	\$ 7.07	-
	- Commodity Charge (2)	10.22 >	2.45 >
	- Overrun Charge	23.24	-
Zone 3	- Reservation Charge (1)	\$ 2.87	-
	- Commodity Charge (2)	7.27 >	1.63 >
	- Overrun Charge	9.43	-
FIRM TRANSPORTATION - SCT			
Zone 1	- Commodity Charge (3)	68.50 >	2.91 >
Zone 2	- Commodity Charge (3)	54.49	2.45
Zone 3	- Commodity Charge (3)	25.24	1.63
INTERRUPTIBLE TRANSPORTATION - PT			
Zone 1	- Commodity Charge (4)	40.93 >	2.91 >
Zone 2	- Commodity Charge (4)	33.46	2.45
Zone 3	- Commodity Charge (4)	16.70	1.63
GRI Funding Unit		1.42 >	1.42 >
ACA Unit Charge Rate		0.23 >	0.23 >
FUEL REIMBURSEMENT FOR FIRM AND INTERRUPTIBLE TRANSPORTATION			
Zone 1 - Michigan, Ohio		2.9 %	
Zone 1 - Indiana		2.9	
Zone 2 - Illinois		2.3	
Zone 2 - Missouri		1.4	
Zone 3 - Kansas		0.7	

- (1) Reservation Charge Maximum Rates include Underground Storage Unit Costs:
 Zone 1: \$1.98 Zone 2: \$1.93 Zone 3: \$1.49
- (2) Commodity Charge Maximum Rates include Underground Storage Unit Costs:
 Zone 1: 5.68 > Zone 2: 5.68 > Zone 3: 5.63 >
- (3) Commodity Charge Maximum Rates include Underground Storage Unit Costs:
 Zone 1: 18.08 > Zone 2: 17.77 > Zone 3: 14.96 >
- (4) Commodity Charge Maximum Rates include Underground Storage Unit Costs:
 Zone 1: 12.19 > Zone 2: 12.02 > Zone 3: 10.53 >

CURRENTLY EFFECTIVE RATES

Rate Schedule PT (Provisional Transportation Service)
and
Rate Schedule SCT (Small Customer Transportation Service)
Off-Peak Service

Each rate set forth on this tariff sheet is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate schedule.

HAVEN POOL POINT TRANSPORTATION APRIL - OCTOBER			Maximum Rates Per Dt.	Minimum Rates Per Dt.
-----			-----	-----
FIRM TRANSPORTATION - PT				
Zone 1	- Reservation Charge (1)		\$ 4.38	-
	- Commodity Charge (2)		5.37 >	1.50 >
	- Overrun Charge		14.40	-
Zone 2	- Reservation Charge (1)		\$ 3.22	-
	- Commodity Charge (2)		5.26 >	1.26 >
	- Overrun Charge		10.58	-
Zone 3	- Reservation Charge (1)		\$ 1.97	-
	- Commodity Charge (2)		3.75 >	0.84 >
	- Overrun Charge		6.47	-
FIRM TRANSPORTATION - SCT				
Zone 1	- Commodity Charge (3)		32.79 >	1.50 >
Zone 2	- Commodity Charge (3)		25.42	1.26
Zone 3	- Commodity Charge (3)		16.08	0.84
INTERRUPTIBLE TRANSPORTATION - PT				
Zone 1	- Commodity Charge (4)		19.77 >	1.50 >
Zone 2	- Commodity Charge (4)		15.84	1.26
Zone 3	- Commodity Charge (4)		10.22	0.84
GRI Funding Unit			1.42 >	1.42 >
ACA Unit Charge Rate			0.23 >	0.23 >
FUEL REIMBURSEMENT FOR FIRM AND INTERRUPTIBLE TRANSPORTATION				
Zone 1 - Michigan, Ohio		2.4 %		
Zone 1 - Indiana		2.4		
Zone 2 - Illinois		2.0		
Zone 2 - Missouri		1.3		
Zone 3 - Kansas		0.6		

- (1) Reservation Charge Maximum Rates include Underground Storage Unit Costs:
Zone 1: \$0.95 Zone 2: \$0.91 Zone 3: \$0.90
- (2) Commodity Charge Maximum Rates include Underground Storage Unit Costs:
Zone 1: 2.95 > Zone 2: 2.93 > Zone 3: 2.92 >
- (3) Commodity Charge Maximum Rates include Underground Storage Unit Costs:
Zone 1: 8.89 > Zone 2: 8.63 > Zone 3: 8.56 >
- (4) Commodity Charge Maximum Rates include Underground Storage Unit Costs:
Zone 1: 6.07 > Zone 2: 5.92 > Zone 3: 5.88 >

RATE SCHEDULE SCT (Continued)

SMALL CUSTOMER TRANSPORTATION SERVICE

3.3 GRI Funding Unit

For the purpose of funding the Gas Research Institute's (GRI) approved RD & D expenditures, this section establishes a GRI Funding Unit to be applicable to Transporter's Rate Schedule SCT, provided however such unit shall not be applicable when gas is delivered to or further transported by an interstate pipeline GRI member which includes in its rates a Funding Unit for RD & D expenditures by GRI.

Such Funding Unit shall be that increment adjusted to Transporter's pressure base and heating value, if required, which has been approved by Commission orders approving GRI's RD & D expenditures.

Transporter shall remit to GRI, not later than fifteen (15) days after the receipt thereof, all monies received by virtue of the GRI Funding Unit, less any amounts properly payable to a Federal, State or Local authority relating to the monies received hereunder.

3.4 Range of Rates

Unless otherwise agreed upon in writing between Shipper and Transporter, the rate applicable to a Shipper for service hereunder shall be the applicable Maximum Rate(s) as set forth on the effective Tariff Sheet Nos. 3-F, G, H and I. In the event an amount less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such amount shall be applicable prospectively and Transporter shall be responsible for compliance with any reporting requirements prescribed by the Commission.

3.5 Fuel Reimbursement

Shipper shall reimburse Transporter in kind for fuel usage and lost or unaccounted for gas pursuant to the terms and conditions of the Transportation Agreement and as stated on the effective Tariff Sheet Nos. 3-F, G, H and I for service hereunder.

RATE SCHEDULE SCT (Continued)

SMALL CUSTOMER TRANSPORTATION SERVICE

3.6 Annual Charge Adjustment Provision (ACA)

Such ACA Provision shall be the ACA Unit Charge Rate which has been assessed by the Federal Energy Regulatory Commission pursuant to Section 382.202 of the Regulations. The ACA Unit Charge Rate shall be reflected on Sheet Nos. 3-F, G, H and I of this tariff and shall be added to the respective commodity charge component of Transporter's rates.

3.7 Overrun Charge

If during one or more days in the billing month Shipper takes in excess of the applicable maximum daily quantity as stated in the Transportation Agreement for firm service hereunder, the commodity charge per Dt. shall be as set forth on the effective Tariff Sheet Nos. 3-F, G, H and I, for the applicable zone of redelivery for any volumes received by Transporter from Shipper in excess of the maximum daily quantity as stated in the Transportation Agreement, in addition to any charges that may be applicable pursuant to Section 6.2 of the General Terms and Conditions.

4. MONTHLY BILL

The Monthly Bill for deliveries shall be equal to the applicable total rate multiplied by the volume of natural gas actually redelivered by Transporter from Shipper at each Point of Redelivery.

5. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule and the other provisions of Transporter's FERC Gas Tariff, and the applicability thereof, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

6. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions for Rate Schedule PT-Firm are applicable to this Rate Schedule and are hereby made a part hereof.

RATE SCHEDULE SCT (Continued)

SMALL CUSTOMER TRANSPORTATION SERVICE
FORM OF TRANSPORTATION AGREEMENT

ARTICLE 2 - TERM

This Agreement shall be effective from the date first stated above. This Agreement shall remain effective until _____ and thereafter shall continue in effect until terminated by Transporter or Shipper upon at least six (6) months prior notice to the other, as of any date not earlier than the date of expiration of the primary term.

ARTICLE 3 - RATES AND CHARGES

For the services provided or contracted for hereunder, Shipper agrees to pay Transporter the then-effective, applicable rates and charges under Transporter's Rate Schedule SCT filed with the Commission, as such rates and charges and Rate Schedule SCT may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Transporter reserves the unilateral rights from time to time to file and to make effective any such changes in the terms or rate levels under Rate Schedule SCT and the applicability thereof, the General Terms and Conditions or any other provisions of Transporter's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

For the information of Shipper, Exhibit B hereto states the rates and charges anticipated to be effective and applicable to the service agreed to hereunder as of the date first stated above; but, the terms of Rate Schedule SCT, other applicable provisions of Transporter's Tariff, and the Regulations and Orders of the Commission shall control in the event of any conflict with the rates and charges stated on Exhibit B hereto.

From time to time Transporter and Shipper may agree in writing, on a level of discount of the otherwise applicable rates and charges hereunder, pursuant to the effective applicable provisions of Rate Schedule SCT and subject to the Regulations and Orders of the Commission. Any discount(s) shall be effective only on a prospective basis and as specified in the written agreement between Transporter and Shipper.

RATE SCHEDULE SCT (Continued)

SMALL CUSTOMER TRANSPORTATION SERVICE
FORM OF TRANSPORTATION AGREEMENT

ARTICLE 7 - CANCELLATION OF PREVIOUS CONTRACTS

This Agreement supersedes, cancels and terminates, as of the date(s) stated below, the following contracts (if any) with respect to the transportation of natural gas between Transporter and Shipper:

ARTICLE 8 - NOMINATIONS AND NOTICES

Periodic scheduling of the quantities of service requested hereunder must be provided by Shipper to Transporter, at the times and according to the procedures specified in Section 6.3 of the General Terms and Conditions (or succeeding effective provisions). Except as otherwise specified, any other notice, request, demand, statement or bill provided for in the General Terms and Conditions and any other notice which either Transporter or Shipper may desire to give to the other(s), shall be in writing and shall be considered as duly delivered when mailed by registered mail to the Post Office address of the other(s), or at such other address as may be designated by formal written notice. Routine communications and bills (but excluding payments otherwise provided for in the General Terms and Conditions) shall be considered as duly delivered when mailed by registered or ordinary mail or an equivalent. The Post Office addresses of both Transporter and Shipper are as follows:

TRANSPORTER

Payment:	Panhandle Eastern Pipe Line Company Attn: Cash Management P. O. Box 1311 Houston, Texas 77251-1311
Scheduling and Notification:	Panhandle Eastern Pipe Line Company Attn: Gas Control Operations P. O. Box 1642 Houston, Texas 77251-1642 Phone: (713) 627-5623
All Other:	Panhandle Eastern Pipe Line Company Attn: Transportation and Exchange P. O. Box 1642 Houston, Texas 77251-1642 Phone: (713) 627-4765

An International Energy Company

5444 Westheimer Road
Houston TX 77056-3306

tel: 713 685 7000

March 31, 2003

P.O. Box 4967
Houston TX 77219-4967

Mr. David Geyer
DACOTT Industries Inc.
4923 Elm Street
Beaure, Texas 77401

RE: Provider of Service to Farm Tap and Irrigation Customers
Transportation Services on Panhandle Eastern Pipe Line and Trunkline
Gas Company

Dear Mr. Geyer:

This letter agreement between DACOTT and Panhandle Eastern Pipe Line Company ("PEPL") and Trunkline Gas Company ("TGC"), together referred to as "Panhandle", is intended to set out the terms and conditions under which DACOTT shall serve the Farm Tap and Irrigation customers ("Customers"), illustrated on Exhibit A, that are located on PEPL and TGC.

DACOTT will be responsible for the following:

1. Purchase the quantities of gas necessary to serve the Customers. DACOTT will provide the gas volumes for the months November through April by June 30 and for the months May through October by December 31 of each calendar year.
2. Enter into transportation agreements effective April 1, 2003 on PEPL and TGC to provide the service to the customers.
3. Enter a valid nomination for each transportation agreement for each day of each month.
4. Assume responsibility for all contact with the Customers effective April 1, 2003 which will include but not be limited to the following:
 - a. Monthly invoicing for gas and transportation.
 - b. Accounts receivable collection.
 - c. Periodic gas rate changes with the Customers. DACOTT agrees to strive to give Customers at least one-month advance notice of a price change. Such gas prices must be reasonable as they will be subject to review by the Missouri Public Service Commission should the Customers elect to complain. Pricing issues with the Customers will be DACOTT's sole responsibility.

-20521642:3) PM3/31/2003

Exhibit F
Page 1 of 3

5. Maintain the past and current system of billing the Customers which is as follows:

- a. Farm taps will be bill on an average volume and trued up twice a year as follows:
 - i. May - September (average) October-True-up month
 - ii. November-March (average) April-True-up month
- b. Irrigation Customers - Billed on actual volumes each month.
- c. DACOTT will maintain an Accounts Receivable aging report and forward a copy to Panhandle each month. Such aging shall be sent to Panhandle by the 15th of the following month.

6. As stated below Panhandle will reimburse DACOTT for Accounts Receivable over 60 days at the end of each year. DACOTT will use best efforts, including sending delinquency notices, to collect these balances and will forward any such collections to Panhandle if and when collected. At Panhandle's option, DACOTT shall assign any uncollectable accounts to Panhandle and it shall be the responsibility of Panhandle to collect on such accounts.

7. DACOTT shall be solely responsible for securing and maintaining any approvals and authorizations required from governmental authorities for its services to the Customers.

8. DACOTT agrees to indemnify, defend and hold Panhandle and Trunkline harmless from and against any claims made by DACOTT's Customers or any third persons in connection with DACOTT's services to the Customers, except to the extent any such claims arise as a result of a breach by Panhandle or Trunkline of its obligations under one or more of its transportation contracts with DACOTT. Panhandle agrees to indemnify DACOTT for any claims arising from activities occurring prior to April 1, 2003.

Panhandle will be responsible for the following:

- 4 1. Pay DACOTT [REDACTED] for the services provided above. Such payment shall be wired to DACOTT by the last business day of each month beginning April 2003.
2. Provide assistance in transferring the invoicing system from CMS MS&T to DACOTT. Panhandle is not liable for such program and is not required to assist in the operation of this program.
3. At the end of the calendar year Panhandle will reimburse DACOTT for Accounts Receivable over 60 days old. DACOTT agrees to provide Panhandle with a detail aging of Accounts Receivable as of December 31, each year. Panhandle will review the list and make payment to DACOTT for all undisputed balances by January 31, of each year.

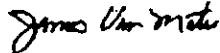
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4. Provide measurement information each month for the irrigation Customers by the 15th day of each month for the preceding months volumes.

Provide actual measurement information for the Farm Tap customers twice a year. The meters will be read at the end of March and September of each year. Such information shall be provided to DACOTT by the 15th day of April and October. The term of this agreement shall be [REDACTED] and can be terminated by either party thereafter with three-months prior written notice.

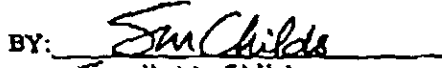
If you are in agreement with the foregoing, please so indicate by having a duly authorized representative sign both originals of this agreement in the appropriate space provided below, and return both signed originals to the letterhead address. We will then execute the documents and return one fully executed document to you.

Sincerely,


James Van Matre
Director Supply


Accepted and Agreed to this
2 day of April, 2003:

DACOTT Industries Inc.

BY: 
Scott M. Childs
[Name]
Vice-President
[Title]

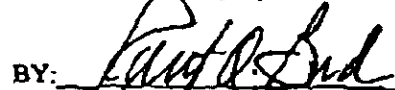
Accepted and Agreed to this
9 day of April, 2003:

Panhandle Eastern Pipe Line Company

BY: 
Robert R. Bond
[Name]
Vice-President-Marketing
[Title]

Accepted and Agreed to this
9 day of April, 2003:

CMS Trunkline Gas Company LLC

BY: 
Robert R. Bond
[Name]
Vice-President-Marketing
[Title]

-01256722:39 PM 3/31/2003

Original Sheet No. 48 : Effective

RATE SCHEDULE SCT SMALL CUSTOMER TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for Natural Gas Transportation and Gathering service performed by Panhandle Eastern Pipe Line Company, LP (hereinafter called Panhandle) for any party (hereinafter called Shipper):

- (a) which is a municipality or a small distribution company engaged in the resale of Natural Gas, or a Farm Tap or Irrigation Tap customer;
- (b) which has executed a Service Agreement in the form prescribed under Panhandle's FERC Gas Tariff for service under this Rate Schedule for a Maximum Daily Contract Quantity (MDCQ) not to exceed 10,000 Dt. per Day;
- (c) which delivers Natural Gas or causes Natural Gas to be delivered to Panhandle for delivery by Panhandle for the account of Shipper;
- (d) which receives such Gas from Panhandle at a physical Point(s) of Delivery; and
- (e) which transports its total system requirements under this Rate Schedule, provided, however, that on any Day Shipper has taken its Maximum Daily Contract Quantity, Shipper may receive additional Quantities under Rate Schedule IT, EIT or pursuant to a Release Agreement under Section 15 of the General Terms and Conditions.

This service is available for firm service at a Point(s) of Delivery without regard to the presence of a Flow Control Device.

A Shipper with an executed Service Agreement under this Rate Schedule shall have its service and Service Agreement automatically converted to service and form of agreement under Rate Schedule EFT effective as of the date any Gas service is received through such Shipper's facilities other than under this Rate Schedule, except as provided in (e) above.

Original Sheet No. 49 : Effective

RATE SCHEDULE SCT (Continued)
SMALL CUSTOMER TRANSPORTATION SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to the firm Transportation and Gathering of Natural Gas on Panhandle's system, subject to the General Terms and Conditions herein and the further provisions of the Service Agreement.

The service provided by Panhandle under this Rate Schedule consists of the receipt of Natural Gas by Panhandle at the Point(s) of Receipt located on Panhandle's system and specified in the executed Service Agreement and the delivery of such Gas, after appropriate reductions, at the Point(s) of Delivery located on Panhandle's system and specified in the executed Service Agreement up to the Maximum Daily Contract Quantity (MDCQ) set out in the executed Service Agreement (not to exceed 10,000 Dt. per Day) on a basis consistent with Section 5 hereof. Shipper's MDCQ shall be a uniform quantity throughout the term of the Service Agreement, except that Panhandle may, but shall not be obligated to, agree on a not unduly discriminatory basis to certain differing levels in Shipper's MDCQ for specified periods during the term of the Service Agreement. The effective period of each MDCQ level shall be specified in the executed Service Agreement.

Service provided at the primary and secondary Point(s) of Receipt and Point(s) of Delivery shall be provided on a firm basis subject to the scheduling, curtailment and interruption provisions of Sections 8 and 9 of the General Terms and Conditions.

In no event shall Panhandle be obligated to provide any Transportation or Gathering service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for service under this Rate Schedule SCT shall be as set forth in this Section 3. All such rates and charges shall be determined based upon the Shipper's designation of its Primary Point(s) of Receipt and Primary Point(s) of Delivery without regard to the actual Points of Receipt or Delivery, except that Receipts or Deliveries of Gas outside the Shipper's Primary Path shall be charged at such higher rate, if any, as would be applicable had the actual Receipt or Delivery Point been designated as a Primary Point.

Original Sheet No. 50 : Effective

RATE SCHEDULE SCT (Continued)
SMALL CUSTOMER TRANSPORTATION SERVICE

3.1 Transmission Charge

If Shipper designates a Point(s) of Receipt or a Point(s) of Delivery on the transmission portion of Panhandle's system, the applicable Transmission Charge shall be the product of the actual Quantity of Gas delivered during the Month up to Shipper's MDCQ times the applicable Transmission commodity rates per Dt. as set forth on the effective Tariff Sheet No. 6. If both the Point(s) of Receipt and the Point(s) of Delivery are located within the Field Zone, the applicable rates shall be as set forth on the effective Tariff Sheet No. 6 for service within the Field Zone only; if both the Point(s) of Receipt and Point(s) of Delivery are located within the Market Zone, the applicable rates shall be as set forth on the effective Tariff Sheet No. 6 for service within the Market Zone only; if the Point(s) of Receipt and the Point(s) of Delivery are located in different zones, the applicable rates shall be derived by adding the effective rates for service in the Field Zone and the Market Zone.

3.2 Gathering Charge

If Shipper designates a primary Point(s) of Receipt or a Point(s) of Delivery on the Gathering portion of Panhandle's system or utilizes the Gathering portion of Panhandle's system for firm service hereunder, Shipper shall pay a Gathering charge which shall be the product of the actual Quantity of Gas delivered during the Month times the applicable commodity rate per Dt. as set forth on the effective Tariff Sheet No. 6.

If Shipper designates a Point(s) of Receipt on the Gathering portion of Panhandle's system as a secondary Point(s) of Receipt pursuant to Section 10.3(c) of the General Terms and Conditions, the otherwise applicable charges shall also include the Gathering commodity rate per Dt. as set forth on the effective Tariff Sheet No. 6.

Original Sheet No. 51 : Effective

RATE SCHEDULE SCT (Continued)
SMALL CUSTOMER TRANSPORTATION SERVICE

3.3 Special Rate for Limited Class of Backhaul Service

For firm service hereunder for all volumes received at or East of Tuscola and delivered on Panhandle's Transmission facilities at or West of the Haven, Kansas Compressor Station, the rate charged shall be one-half the applicable Transmission charge per Dt. as set forth on the effective Tariff Sheet No. 6. Backhaul services provided which do not satisfy the foregoing specified criteria shall be charged the generally applicable rate.

3.4 Transportation Involving Pooling

The rates for firm Transportation under Rate Schedule SCT involving pooling, as set forth in Section 14 of the General Terms and Conditions, shall be as specified in this Section 3; provided that if the Pooling Shipper notifies Panhandle in writing at the time its initial nomination for the Month is submitted that it has agreed to pay the Field Zone Charges, such charges shall not apply to the Quantities transported under the Corresponding Transportation Agreement but shall apply to the Pooling Transportation Agreement for such Month. In addition, if the Corresponding Shipper notifies Panhandle in writing at the time its initial nomination for the Month is submitted that it has agreed to pay the Gathering charges, such charges shall not apply to the Quantities transported under the Pooling Transportation Agreement but shall apply to the Corresponding Transportation Agreement for such Month.

3.5 Surcharges

Shipper shall pay all surcharges specified in the General Terms and Conditions or which otherwise may be applicable to service under this Rate Schedule from time to time.

3.6 Overrun Charges and Unauthorized Overrun Penalties

(a) Overrun Charge for Takes in Excess of MDCQ

If during one or more Days in the billing Month Shipper takes Quantities of Gas in excess of the applicable Maximum Daily Contract Quantity as stated in the Service Agreement (hereinafter called overrun

Original Sheet No. 52 : Effective

RATE SCHEDULE SCT (Continued)
SMALL CUSTOMER TRANSPORTATION SERVICE

quantities) for firm service hereunder, Shipper shall be subject to an Overrun Charge in addition to the applicable commodity charge and any balancing charges that may be applicable pursuant to Section 12 of the General Terms and Conditions. The applicable charge per Dt. for such overrun quantities shall be as set forth on the effective Tariff Sheet No. 6. In addition, subject to the provisions of Section 3.6(c) of this Rate Schedule, Shipper shall be subject to an Unauthorized Overrun Penalty as set forth in Section 12.16 of the General Terms and Conditions.

(b) Takes in Excess of Permissible Hourly Deliveries

If, pursuant to Section 5 hereof, Shipper has been notified that it must limit takes to one-sixteenth of the Quantities nominated for delivery at the Point(s) of Delivery, Shipper must use its best efforts to limit its takes to one-sixteenth of the Quantities nominated for delivery at the Point(s) of Delivery as soon as possible, but in no event later than two hours following notification. If, after such two hours, the Shipper's takes exceed such hourly limitation for any hour during the next twenty-four hour period, Shipper shall pay the overrun charges as set forth on the effective Tariff Sheet No. 6, in addition to the applicable commodity rates.

(c) Unauthorized Overrun Penalty for Takes During an OFO

Panhandle may issue an OFO and, if it does so, Panhandle shall notify Shippers through the Messenger system, the Web Site and by telephone, and facsimile or via e-mail communication. Once issued the OFO shall continue until Panhandle notifies Shippers to the contrary using the above methods. If the OFO requires the elimination of unauthorized overruns, the applicable Unauthorized Overrun Penalty shall be as set forth in Section 12.17(f)(ii) of the General Terms and Conditions.

Original Sheet No. 53 : Effective

RATE SCHEDULE SCT (Continued)
SMALL CUSTOMER TRANSPORTATION SERVICE

3.7 Range of Rates

Unless otherwise agreed to in writing by Shipper and Panhandle, any rate applicable to a Shipper for service hereunder, by reference to the effective Tariff Sheet No. 6 shall be the applicable Maximum Rate(s) set forth thereon. If an amount less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such amount shall be applicable prospectively.

3.8 Fuel Reimbursement

Shipper shall reimburse Panhandle in kind for fuel usage and lost or unaccounted for Gas pursuant to the terms and conditions of the Service Agreement and as stated on the effective Tariff Sheet No. 6 for service hereunder.

3.9 Balancing Charges

If balancing charges are incurred in accordance with Section 12 of the General Terms and Conditions, then such balancing charges shall also be applicable.

4. MONTHLY BILL

The Monthly Bill for service under this Rate Schedule shall be equal to the Transmission Charge, the Gathering Charge, any applicable overrun and balancing charges, plus all applicable surcharges.

Original Sheet No. 54 : Effective

RATE SCHEDULE SCT (Continued)
SMALL CUSTOMER TRANSPORTATION SERVICE

5. HOURLY DELIVERIES

Shipper shall deliver or cause to be delivered Natural Gas for the account of Shipper on a uniform hourly basis as nearly as practicable. At each Point(s) of Delivery Shipper may receive from Panhandle in any hour such Quantities of Gas as it desires or as are consistent with available pipeline pressures at such point(s); provided that Panhandle shall be entitled to require Shipper to restrict takes at any point during any hour to one-sixteenth of the Natural Gas nominated for Transportation to that Point(s) of Delivery on that Day by notifying Shipper through the Messenger system, the Web Site and by telephone or facsimile communication.

6. RESERVATIONS

Panhandle reserves the right from time to time to unilaterally make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule and the other provisions of Panhandle's FERC Gas Tariff, and the applicability thereof, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of Panhandle's FERC Gas Tariff are applicable to this Rate Schedule and are hereby made a part hereof.

MISSOURI PUBLIC SERVICE COMMISSION

FROM THE DESK OF
COMMISSIONER ROBERT M. CLAYTON III

GOVERNOR OFFICE BUILDING • 200 MADISON

STREET • SUITE 900

JEFFERSON CITY, MISSOURI 65101

FARMTAPS@PSC.MO.GOV

FARM TAP SURVEY

We would appreciate your time in completing the following questions:

Name: _____ Telephone Number: _____

Address: _____ E-mail Address: _____

_____ County: _____

What is your understanding of the easement/right away agreement that was made regarding your property?

Does DaCott bill you for natural gas? If no, please indicate who does.

How long have you been receiving bills from DaCott?

Have you always been billed for natural gas by DaCott?

If not, when did you begin to be billed by DaCott if you can recall?

THE MISSOURI PUBLIC SERVICE COMMISSION WORKS TO ENSURE MISSOURI CITIZENS RECEIVE SAFE, RELIABLE AND AFFORDABLE UTILITY SERVICE. IF YOU HAVE A BILLING QUESTION OR SERVICE-RELATED PROBLEM THAT YOUR UTILITY PROVIDER CANNOT ANSWER, CALL (800) 392-4211, OR VISIT WWW.PSC.MO.GOV

Exhibit H
Page 1 of 3

How often do you get bills from DaCott? (for example: monthly, quarterly)

Is there a gas meter on your property?

Do your gas bills include actual meter readings?

Are you able to calculate your bill amount based upon the information presented on the bill?

Has your bill amount ever changed? If yes, was this change explained or accounted for?

Have you ever observed a meter reader on your property?

Have you contacted the Company about your bills by telephone, internet or mail?

If you attempted to contact the Company, were they easy to reach and responsive to your questions?

Have you had any dissatisfaction with your gas service such as outages, company being inaccessible, billing unclear or other matters?

In the past, have you checked with the local distribution gas company that serves the area nearest you to inquire about receiving gas service from them? If so, what did you learn from this contact?

• (573) 751-4221 • ROBERT.CLAYTON@PSC.MO.GOV •

WWW.PSC.MO.GOV

Exhibit H
Page 2 of 3

Does DaCott periodically provide any additional information to you or have other communication with you other than your bill? (Such as bill inserts that may include information about the Company, changes in the cost of gas, etc).

Does DaCott provide any payment arrangements such as budget billing programs, or paying a fixed amount year round to avoid periods of very high bills?

Did you bring any documentation with you that the PSC may copy and return to you including bills or statements, easements, agreements for service or others?

Please provide any other comments you care to add:

• (573) 751-4221 • ROBERT.CLAYTON@PSC.MO.GOV •

WWW.PSC.MO.GOV

Exhibit H
Page 3 of 3



Rules of Department of Economic Development

Division 240—Public Service Commission Chapter 13—Service and Billing Practices for Residential Customers of Electric, Gas and Water Utilities

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4 CSR 240-13.010 General Provisions	3
4 CSR 240-13.015 Definitions	3
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4 CSR 240-13.055 Cold Weather Maintenance of Service: Provision of Residential Heat-Related Utility Service During Cold Weather	10
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**Title 4—DEPARTMENT OF
ECONOMIC DEVELOPMENT**

Division 240—Public Service

Commission

**Chapter 13—Service and Billing Practices
for Residential Customers of Electric, Gas
and Water Utilities**

4 CSR 240-13.010 General Provisions

PURPOSE: This rule describes in general terms the provisions of this chapter.

(1) This chapter applies to residential utility service provided by all electric, gas and water public utilities, referred to in this chapter as utilities, which are subject to the jurisdiction of the Public Service Commission under the laws of the state.

(2) A utility shall not discriminate against a customer or applicant for service for exercising any right granted by this chapter.

(3) The informal procedures contained in these rules shall not constitute a formal complaint as defined in 4 CSR 240-2.070.

(4) A utility shall adopt rules governing its relations with customers and applicants for service which are consistent with this chapter. The rules shall be part of a utility's tariffs. Any tariff revisions, if required to comply with this chapter or to reflect any variances therefrom previously granted by the commission, shall be filed by the utility within ninety (90) days of the effective date of this rule. Once such revised tariffs become effective, the utility's tariffs shall be deemed to be in full compliance with this chapter.

AUTHORITY: section 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.015 Definitions

PURPOSE: This rule defines various terms that are used in this chapter.

(1) The following definitions shall apply to this chapter:

(A) Applicant means an individual(s) who has applied to receive residential service from the utility;

(B) Bill means a written demand for payment for service and the taxes and franchise fees related to it;

(C) Billing period means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected or final bills;

(D) Complaint means an informal or formal complaint under 4 CSR 240-2.070;

(E) Customer means a person or legal entity responsible for payment for service except one denoted as a guarantor;

(F) Cycle billing means a system which results in the rendition of bills to various customers on different days of a month;

(G) Delinquent charge means a charge remaining unpaid by a monthly billed customer at least twenty-one (21) days and for at least sixteen (16) days by a quarterly billed customer from the rendition of the bill by the utility or a charge remaining unpaid after the preferred payment date selected by the customer;

(H) Delinquent date means the date stated on a bill, which shall be at least twenty-one (21) days for a monthly billed customer, and at least sixteen (16) days for a quarterly billed customer from the rendition of the bill or which shall be the preferred payment plan date selected by the customer, after which the utility may assess an approved late payment charge in accordance with a utility tariff on file with the commission;

(I) Denial of service means the utility's refusal to commence service upon an applicant's request for service at a particular location;

(J) Deposit means a money advance to a utility for the purpose of securing payment of delinquent charges which might accrue to the customer who made the advance;

(K) Discontinuance of service or discontinuance means a cessation of service not requested by a customer;

(L) Due date means the date stated on a bill when the charge is considered due and payable;

(M) Estimated bill means a charge for utility service which is not based on an actual reading of the meter or other registering device by an authorized utility representative;

(N) Extension agreement means a verbal agreement between the utility and the customer extending payment for fifteen (15) days or less;

(O) Guarantee means a written promise from a third party to assume liability up to a specified amount for delinquent charges which might accrue to a particular customer;

(P) In dispute means any matter regarding a charge or service which is the subject of an unresolved inquiry;

(Q) Late payment charge means an assessment on a delinquent charge in accordance with a utility tariff on file with the commission and in addition to the delinquent charge;

(R) Preferred payment date plan means a commission-approved plan offered at the utility's option in which the delinquent date for the charges stated on a bill shall occur on the same day during each billing period as selected by the customer;

(S) Purchased gas adjustment clause means the adjustment procedure approved by the commission to recognize variations in the cost of purchased gas;

(T) Rendition of a bill means the mailing or hand delivery of a bill by a utility to a customer;

(U) Residential service or service means the provision of or use of a utility service for domestic purposes;

(V) Seasonally billed customer means a residential customer billed on a seasonal basis in accordance with a utility tariff on file with the commission;

(W) Settlement agreement means an agreement between a customer and a utility which resolves any matter in dispute between the parties or provides for the payment of undisputed charges over a period longer than the customer's normal billing period;

(X) Tariff means a schedule of rates, services and rules approved by the commission;

(Y) Termination of service or termination means a cessation of service requested by a customer;

(Z) Utility means an electric, gas or water corporation as those terms are defined in section 386.020, RSMo; and

(AA) Utility charges means the rates for utility service and other charges authorized by the commission as an integral part of utility service.

AUTHORITY: sections 386.250(6) and 393.140(11), RSMo 2000. Original rule filed Sept. 22, 1993, effective July 10, 1994. Amended: Filed March 24, 2004, effective Oct. 30, 2004.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.020 Billing and Payment Standards

PURPOSE: This rule establishes reasonable and uniform billing and payment standards to be observed by utilities and customers.



(1) A utility shall normally render a bill for each billing period to every residential customer in accordance with its tariff.

(2) Each billing statement rendered by a utility shall be computed on the actual usage during the billing period except as follows:

(A) A utility may render a bill based on estimated usage—

1. To seasonally billed customers, provided an appropriate tariff is on file with the commission and an actual reading is obtained before each change in the seasonal cycle;

2. When extreme weather conditions, emergencies, labor agreements or work stoppages prevent actual meter readings; and

3. When the utility is unable to obtain access to the customer's premises for the purpose of reading the meter or when the customer makes reading the meter unnecessarily difficult. If the utility is unable to obtain an actual meter reading for these reasons, where practicable it shall undertake reasonable alternatives to obtain a customer reading of the meter, such as mailing or leaving postpaid, preaddressed postcards upon which the customer may note the reading unless the customer requests otherwise;

(B) A utility shall not render a bill based on estimated usage for more than three (3) consecutive billing periods or one (1) year, whichever is less, except under conditions described in subsection (2)(A) of this rule;

(C) Under no circumstances shall a utility render a bill based on estimated usage—

1. Unless the estimating procedures employed by the utility and any substantive changes to those procedures have been approved by the commission;

2. As a customer's initial or final bill for service unless conditions beyond the control of the utility prevent an actual meter reading;

(D) When a utility renders an estimated bill in accordance with these rules, it shall—

1. Maintain accurate records of the reasons for the estimate and the effort made to secure an actual reading;

2. Clearly and conspicuously note on the bill that it is based on estimated usage; and

3. Use customer-supplied readings, whenever possible, to determine usage; and

(E) When a utility underestimates a customer's usage, the customer shall be given the opportunity, if requested, to make payment in installments.

(3) If a utility is unable to obtain an actual meter reading for three (3) consecutive billing periods, the utility shall advise the

customer by first class mail or personal delivery that the bills being rendered are estimated, that estimation may not reflect the actual usage and that the customer may read and report electric, gas or water usage to the utility on a regular basis. The procedure by which this reading and reporting may be initiated shall be explained. A utility shall attempt to secure an actual meter reading from customers reporting their own usage at least annually, except for quarterly-billing utilities in which case it shall be every two (2) years. These attempts shall include personal contact with the customer to advise the customer of the regular meter reading day. The utility shall offer appointments for meter readings on Saturday or prior to 9:00 p.m. on weekdays. The utility's obligation to make appointments shall begin only after a tariff, for the appointments, has been filed with and approved by the commission. Discontinuance of the service of a customer who is reading and reporting usage on a regular basis because of inability to secure an actual meter reading shall not be required.

(4) If a customer fails to report usage to the utility, the company shall obtain a meter reading at least annually. The utility shall notify the customer that if usage is not reported regularly by the customer and if the customer fails, after written request, to grant access to the meter, then service may be discontinued pursuant to 4 CSR 240-13.050.

(5) Notwithstanding section (2) of this rule, a utility may bill its customers in accordance with equal payment billing programs at the election of the utility customer, provided the equal payment billing program has been previously approved by the commission.

(6) A utility may bill its customers on a cyclical basis if the individual customer receives each billing on or about the same day of each billing period. If a utility changes a meter reading route or schedule which results in a change of nine (9) days or more of a billing cycle, notice shall be given to the affected customer at least fifteen (15) days prior to the date the customer receives a bill based on the new cycle.

(7) A monthly-billed customer shall have at least twenty-one (21) days and a quarterly-billed customer shall have at least sixteen (16) days from the rendition of the bill to pay the utility charges, unless a customer has selected a preferred payment date in accordance with a utility's preferred payment date

plan. If the due date or delinquent date falls upon a Sunday, legal holiday, or any other day when the offices of the utility regularly used for the payment of customer bills are not open to the general public, the due date or delinquent date shall be extended through the next business day. The date of payment for remittance by mail is the date on which the utility receives the remittance. A utility shall not base an assessment of a deposit or delinquent charge, or a discontinuance of service, on a payment that was made to a payment agent on or before the due date or delinquent date.

(8) A utility shall not assess an additional charge upon a customer by reason of the customer's failure to pay any balance due and owing prior to the delinquent date unless this additional charge has been approved by the commission as a part of the utility's rate tariffs.

(9) Every bill for residential utility service shall clearly state—

(A) The beginning and ending meter readings of the billing period and the dates of these readings.

(B) The date when the bill will be considered due and the date when it will be delinquent, if different;

(C) Any previous balance which states the balance due for utility charges separate from charges for services not subject to commission jurisdiction;

(D) The amount due for the most recent billing period for electric, gas or water usage stated separately from the amount due for the same period for a deposit and the amount due for the same period for service not subject to commission jurisdiction;

(E) The amount due for other authorized charges;

(F) The total amount due;

(G) The telephone number the customer may call from the customer's service location without incurring toll charges and the address of the utility where the customer may initiate an inquiry or complaint regarding the bill as rendered or the service provided. Charges for measured local service are not toll charges for purposes of this rule;

(H) License, occupation, gross receipts, franchise and sales taxes; and

(I) Purchased gas adjustment cost in total or cents per unit basis.

(10) A utility shall render a separate billing for service provided at each address unless



otherwise requested by the customer and agreed to by the utility.

(11) A utility may include charges for special services together with utility charges on the same bill if the charges for special services are designated clearly and separately from utility charges. If partial payment is made, the utility shall first credit all payments to the balance outstanding for gas, electric or water charges, before crediting a deposit.

(12) During the billing period prior to any tariffed seasonal rate change, a utility shall notify each affected customer, on the bill or on a notice accompanying the bill, of the direction of the upcoming seasonal rate change and the months during which the forthcoming seasonal rate will be in effect.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 393.140(11), RSMo 1986.* *Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.025 Billing Adjustments

PURPOSE: This rule establishes billing adjustments in the event of an overcharge or an undercharge.

(1) For all billing errors, the utility will determine from all related and available information the probable period during which this condition existed and shall make billing adjustments for the estimated period involved as follows:

(A) In the event of an overcharge, an adjustment shall be made for the entire period that the overcharge can be shown to have existed not to exceed sixty (60) consecutive monthly billing periods, or twenty (20) consecutive quarterly billing periods, calculated from the date of discovery, inquiry or actual notification of the utility, whichever comes first;

(B) In the event of an undercharge, an adjustment shall be made for the entire period that the undercharge can be shown to have existed not to exceed twelve (12) monthly billing periods or four (4) quarterly billing periods, calculated from the date of discov-

ery, inquiry or actual notification of the utility, whichever was first;

(C) No billing adjustment will be made where the full amount of the adjustment is less than one dollar (\$1);

(D) Where, upon test, an error in measurement is found to be within the limits prescribed by commission rules, no billing adjustment will be made; and

(E) When evidence of tampering is found, or there are misrepresentations of the use of service by the customer, the utility will calculate the billing adjustment period in accordance with the applicable statute of limitations for the prosecution of such claim after determining the probable period during which such condition existed from all related and available information.

AUTHORITY: section 393.140(11), RSMo 1986.* *Original rule filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority 1939, amended 1940, 1967.*

4 CSR 240-13.030 Deposits and Guarantees of Payment

PURPOSE: This rule establishes reasonable and uniform standards regarding deposits and guarantees required by utilities.

(1) A utility may require a deposit or other guarantee as a condition of new residential service if—

(A) The customer has outstanding with a utility providing the same type of service, an unpaid bill which accrued within the last five (5) years and, at the time of the request for service, remains unpaid and not in dispute;

(B) The customer has in an unauthorized manner interfered with or diverted the service of a utility providing the same service situated on or about or delivered to the customer's premises within the last five (5) years; or

(C) The customer is unable to establish an acceptable credit rating under standards contained in tariffs filed with and approved by the commission. The customer shall be deemed *prima facie* to have established an acceptable credit rating if the customer meets any of the following criteria:

1. Owns or is purchasing a home;
2. Is and has been regularly employed on a full-time basis for at least one (1) year;
3. Has an adequate regular source of income; or

4. Can provide adequate credit references from a commercial credit source.

(2) A utility may require a deposit or guarantee as a condition of continued residential service if—

(A) The service of the customer has been discontinued by the utility for nonpayment of a delinquent account not in dispute;

(B) In an unauthorized manner, the customer interfered with or diverted the service of the utility situated on or about or delivered to the customer's premises; or

(C) The customer has failed to pay an undisputed bill on or before the delinquent date for five (5) billing periods out of twelve (12) consecutive monthly billing periods, or two (2) quarters out of four (4) consecutive quarters. Prior to requiring a customer to post a deposit under this subsection, the utility shall send the customer a written notice explaining the utility's right to require a deposit or include such explanation with each written discontinuance notice.

(3) Deposits for gas and electric service assessed under the provisions of subsection (2)(A) or (C) of this rule during the months of November, December and January may be paid, if the customer is unable to pay the entire deposit, by installments over a six (6)-month period.

(4) A deposit shall be subject to the following terms:

(A) It shall not exceed two (2) times the highest bill for utility charges actually incurred or estimated to be incurred by the customer during the most proximate twelve (12)-month period at the service location or, in the case of a new customer, who is assessed a deposit under subsection (1)(C) of this rule, one-sixth (1/6) of the estimated annual bill for monthly billed customers and one-third (1/3) of the estimated annual bill for quarterly billed customers for utility charges at the requested service location;

(B) It shall bear interest at a rate specified in utility tariffs, approved by the commission, which shall be credited annually upon the account of the customer or paid upon the return of the deposit, whichever occurs first. Interest shall not accrue on any deposit after the date on which a reasonable effort has been made to return it to the customer. Records shall be kept of efforts to return a deposit. This rule shall not preclude a utility from crediting interest upon each service account during one (1) billing cycle annually;



(C) Upon discontinuance or termination other than for a change of service address, it shall be credited, with accrued interest, to the utility charges stated on the final bill and the balance, if any, shall be returned to the customer within twenty-one (21) days of the rendition of the final bill.

(D) Upon satisfactory payment of all undisputed utility charges during the last twelve (12) billing months, it shall be promptly refunded or credited, with accrued interest, against charges stated on subsequent bills. Payment of a charge is satisfactory if received prior to the date upon which the charge becomes delinquent provided it is not in dispute. Payment of a disputed bill shall be satisfactory if made within ten (10) days of resolution or withdrawal of the dispute. A utility may withhold refund of a deposit pending the resolution of a dispute with respect to charges secured by the deposit;

(E) A utility shall maintain records which show the name of each customer who has posted a deposit, the current address of the customer, the date and amount of deposit, the date and amount of interest paid and information to determine the earliest possible refund date;

(F) Each customer posting a security deposit shall receive, in writing, at the time of tender of deposit or with the first bill a receipt as evidence of deposit, unless the utility shows the existence or nonexistence of a deposit on the customer's bill, in which event the receipt shall not be required unless requested by the customer. The receipt shall contain the following minimum information:

1. Name of customer;
2. Date of payment;
3. Amount of payment;
4. Identifiable name, signature and title of the utility employee receiving payment; and
5. Statement of the terms and conditions governing the payment, retention and return of deposits;

(G) A utility shall provide means where a person entitled to a return of a deposit is not deprived of the deposit refund even though s/he may be unable to produce the original receipt for the deposit; provided, s/he can produce adequate identification to ensure that s/he is the customer entitled to refund of the deposit;

(H) No deposit or guarantee or additional deposit or guarantee shall be required by a utility because of race, sex, creed, national origin, marital status, age, number of dependents, source of income, disability or geographical area of residence; and

(I) A utility shall provide means where a customer required to make a deposit may pay the deposit in installments unless the utility can show a likelihood that the customer does not intend to pay for the service.

(5) In lieu of a deposit, a utility may accept a written guarantee. The limit of the guarantee shall not exceed the amount of a cash deposit.

(6) A guarantor shall be released upon satisfactory payment of all undisputed utility charges during the last twelve (12) billing months. Payment of a charge is satisfactory if received prior to the date upon which the charge becomes delinquent provided it is not in dispute. Payment of a disputed bill shall be satisfactory if made within ten (10) days of resolution or withdrawal of the dispute.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Amended: Filed June 10, 1992, effective Feb. 26, 1993. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.035 Denial of Service

PURPOSE: This rule prescribes conditions under which utilities may refuse to commence service to an applicant for residential service and establishes procedures to be followed by utilities to insure reasonable and uniform standards exist for the denial of service. This rule also protects an applicant(s) at the time of their application, from being required to pay for the bill incurred by other individuals for service from which the applicant(s) did not receive substantial benefit.

(1) A utility may refuse to commence service to an applicant for any of the following reasons:

(A) Failure to pay an undisputed delinquent utility charge for services provided by that utility or by its regulated affiliate. To be considered to be disputed, the unpaid charge must be the subject of an open informal complaint at the commission.

(B) Failure to post a required deposit or guarantee in accordance with 4 CSR 240-13.030 or the utility's tariffs;

(C) Refusal or failure to permit inspection, maintenance, replacement or meter reading of utility equipment. If the applicant does not provide access to the utility for such purposes, the utility shall provide notice to the applicant regarding its need for inspection, maintenance, replacement or meter reading of utility equipment and shall maintain an accurate record of the notice provided.

1. The notice shall include one (1) of the following:

A. Written notice by first class mail sent to the applicant; or

B. Written notice delivered in hand to the applicant; or

C. At least two (2) telephone call attempts reasonably calculated to reach the applicant; or

D. Written notice in the form of a door hanger left at the applicant's premises.

2. The notice shall contain the following information:

A. The name and address of the applicant and the address where service is being requested;

B. How the applicant may comply with the requirements to have service connected;

C. A telephone number the applicant may call from the service location without incurring toll charges and the address of the utility prominently displayed where the applicant may make an inquiry;

D. A statement in Spanish either:

(I) Advising the applicant that if they do not read English, to ask someone who does to translate the notice for them; or

(II) Advising the applicant to call the utility for assistance if the utility provides telephone assistance in Spanish;

E. If the applicant is unable to resolve the matter satisfactorily with the utility, they may contact the Public Service Commission;

(D) Misrepresentation of identity;

(E) Violation of any other rules of the utility approved by the commission which adversely affects the safety of the customer or other persons or the integrity of the utility's system;

(F) As provided by state or federal law;

(G) Failure of a previous owner or occupant of the premises to pay a delinquent utility charges where the previous owner or occupant remains an occupant;

(H) Failure to comply with the terms of a settlement agreement; or

(I) Unauthorized interference, diversion of use of the utility's service by the applicant, or by a previous owner or occupant who remains an occupant.



(2) A utility may not refuse to commence service to an applicant for any of the following reasons:

(A) Failure to pay for merchandise, appliances or services not subject to commission jurisdiction as an integral part of the utility service provided by a utility;

(B) Failure to pay the bill of another customer, unless the applicant who is seeking service received substantial benefit and use of the service to that customer, or unless the applicant is the legal guarantor for a delinquent bill. In this instance, the utility refusing to commence service, shall have the burden of proof to show that the applicant received substantial benefit and use of the service, or that the applicant is the legal guarantor, provided that such burden shall not apply if the applicant refuses to cooperate in providing or obtaining information she/he/it does or should have regarding the applicant's residence history. To meet that burden the utility must have reliable evidence that:

1. The applicant and that customer resided together at the premises where the bill was incurred and during the period the bill was incurred; and
2. The bill was incurred within the last seven (7) years; and
3. The utility has attempted to collect the unpaid bill from the customer of record; and
4. At the time of the request for service, the bill remains unpaid and not in dispute.

(3) The utility shall commence service at an existing residential service location in accordance with this rule as close as reasonably possible to the day specified by the customer for service to commence, but no later than, three (3) business days following the day specified by the customer for service to commence provided that the applicant has complied with all requirements of this rule. When service to a new residential location is requested, the utility shall commence service in accordance with this rule as close as reasonably possible to the day specified by the applicant for service to commence, but normally no later than three (3) business days following the day that all required construction is completed and all inspections have been made.

(4) Notwithstanding any other provision of this rule, a utility may refuse to commence service temporarily for reasons of maintenance, health, safety or a state of emergency until the reason for such refusal has been resolved.

(5) Any provision of this rule may be waived or varied by the commission for good cause.

(6) The requirements of the rule shall be implemented by the utility no later than November 1, 2004.

AUTHORITY: sections 386.250(6) and 393.140(11), RSMo 2000 and 393.130(1), RSMo Supp. 2003.* Original rule filed Nov. 3, 2003, effective May 30, 2004.

*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.130, RSMo 1939, amended 1949, 1967, 1969, 2002; 393.140, RSMo 1939, amended 1949, 1967.

4 CSR 240-13.040 Inquiries

PURPOSE: This rule establishes procedures to be followed when customers make inquiries of utilities so the inquiries are handled in a reasonable manner.

(1) A utility shall adopt procedures which will ensure the prompt and thorough receipt, investigation and, where possible, resolution of inquiries. The utility shall submit the procedures to the commission and the utility shall notify the commission and the public counsel of any substantive changes in these procedures prior to implementation.

(2) A utility shall establish personnel procedures which, at a minimum, insure that—

(A) Qualified personnel shall be available and prepared at all times during normal business hours to receive and respond to all customer inquiries, service requests and complaints. A utility shall make necessary arrangements to insure that customers unable to communicate in the English language receive assistance;

(B) Qualified personnel responsible for and authorized to enter into written agreements on behalf of the utility shall be available at all times during normal business hours to respond to customer inquiries and complaints;

(C) Qualified personnel shall be available at all times to receive and initiate response to customer contacts regarding any discontinuance of service or emergency condition occurring within the utility's service area; and

(D) Names, addresses and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the commission regarding customer inquiries, service requests and complaints shall be provided to the commission.

(3) A utility shall prepare, in written form, information which in layman's terms summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter. The form shall be submitted to the consumer services department of the Missouri Public Service Commission, and to the Office of the Public Counsel. This written information shall be displayed prominently, and shall be available at all utility office locations open to the general public, and shall be mailed or otherwise delivered to each residential customer of the utility if requested by the customer. The information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request. The written information shall indicate conspicuously that it is being provided in accordance with the rules of the commission, and shall contain information concerning, but not limited to:

(A) Billing and estimated billing procedures;

(B) Methods for customer verification of billing accuracy;

(C) Customer payment requirements and procedures;

(D) Deposit and guarantee requirements;

(E) Conditions of termination, discontinuance and reconnection of service;

(F) Procedures for handling inquiries;

(G) Explanation of meter reading procedures which would enable a customer to read his/her own meter;

(H) A procedure where a customer may avoid discontinuance of service during a period of absence;

(I) Complaint procedures under 4 CSR 240-2.070;

(J) The telephone number and address of a customer services office of the Missouri Public Service Commission, the commission's 800 telephone number, and the statement that the company is regulated by the Missouri Public Service Commission;

(K) The address and telephone number of the Office of Public Counsel and a statement of the function of that office; and

(L) If the utility is a gas distribution company, an explanation of the function of the purchased gas adjustment clause.

(4) At all of its public business offices, a utility shall make available for public inspection a copy of this chapter and the utility's tariffs. At these offices, conspicuous signs shall be posted which indicate that this information is available for public inspection.



(5) A utility shall maintain records on its customers for at least two (2) years which contain information concerning:

(A) The payment performance of each of its customers for each billing period;

(B) The number and general description of complaints registered with the utility;

(C) The number of settlement agreements made by the utility;

(D) The actual number of discontinuances of service due to each of the following categories of reasons:

1. The customer's failure to keep a settlement agreement or cold weather rule payment agreement;

2. The customer's failure to make any other required utility payment;

3. Unauthorized interference, diversion or use of utility service; and

4. All other reasons combined.

(E) Actual number of reconnections; and

(F) Refund of deposits.

(6) The utility shall submit to the commission, upon request, a written summary of the information required by section (5) of this rule.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.045 Disputes

PURPOSE: This rule establishes reasonable and uniform standards for handling disputes between customers and utilities.

(1) A customer shall advise a utility that all or part of a charge is in dispute by written notice, in person or by a telephone message directed to the utility during normal business hours. A dispute must be registered with the utility at least twenty-four (24) hours prior to the date of proposed discontinuance for a customer to avoid discontinuance of service as provided by these rules.

(2) When a customer advises a utility that all or part of a charge is in dispute, the utility shall record the date, time and place the con-

tact is made; investigate the contact promptly and thoroughly; and attempt to resolve the dispute in a manner satisfactory to both parties.

(3) Failure of a customer to participate with the utility in efforts to resolve an inquiry which has the effect of placing charges in dispute shall constitute a waiver of the customer's right to continuance of service and the utility, not less than five (5) days after provision of the notification required by section (9), may proceed to discontinue service unless the customer files an informal complaint with the commission within the five (5)-day period.

(4) Customers presenting frivolous disputes shall have no right to continued service. A utility, before proceeding to discontinue the service of a customer presenting a dispute it deems frivolous, shall advise the consumer services department of the commission of the circumstances. The consumer services department shall attempt to contact the customer by telephone and ascertain the basis of the dispute. If telephone contact cannot be made, the consumer services department shall send the customer a notice by first class mail stating that service may be discontinued by the utility unless the customer contacts the consumer services department within twenty-four (24) hours. If it appears to the consumer services department that the dispute is frivolous or if contact with the customer cannot be made within seventy-two (72) hours following the utility's report, the utility shall be advised that it may proceed to discontinue service. If it appears that the dispute is not frivolous, service shall not be discontinued until ten (10) days after the notice required by 4 CSR 240-13.050(5) has been sent to the customer by the utility. The customer shall retain the right to make an informal complaint to the commission.

(5) If a customer disputes a charge, s/he shall pay to the utility an amount equal to that part of the charge not in dispute. The amount not in dispute shall be mutually determined by the parties. The parties shall consider the customer's prior consumption history, weather variations, the nature of the dispute and any other pertinent factors in determining the amount not in dispute.

(6) If the parties are unable to mutually determine the amount not in dispute, the customer shall pay to the utility, at the utility's option, an amount not to exceed fifty percent (50%)

of the charge in dispute or an amount based on usage during a like period under similar conditions which shall represent the amount not in dispute.

(7) Failure of the customer to pay to the utility the amount not in dispute within four (4) working days from the date that the dispute is registered or by the delinquent date of the disputed bill, whichever is later, shall constitute a waiver of the customer's right to continuance of service and the utility may then proceed to discontinue service as provided in this rule.

(8) If the dispute is ultimately resolved in favor of the customer in whole or in part, any excess moneys paid by the customer shall be refunded promptly.

(9) If the utility does not resolve the dispute to the satisfaction of the customer, the utility representative shall notify the customer that each party has a right to make an informal complaint to the commission, and of the address and telephone number where the customer may file an informal complaint with the commission. If a customer files an informal complaint with the commission prior to advising the company that all or a portion of a bill is in dispute, the commission shall notify the customer of the payment required by sections (5) or (6) of this rule.

(10) A utility may treat a customer complaint or dispute involving the same question or issue based upon the same facts as already determined and is not required to comply with these rules more than once prior to discontinuance of service.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.050 Discontinuance of Service

PURPOSE: This rule prescribes the conditions under which service to a customer may be discontinued and procedures to be followed by utilities and customers regarding these matters so that reasonable and uniform standards exist for the discontinuance of service.



(1) Service may be discontinued for any of the following reasons:

(A) Nonpayment of an undisputed delinquent charge;

(B) Failure to post a required deposit or guarantee;

(C) Unauthorized interference, diversion or use of the utility service situated or delivered on or about the customer's premises;

(D) Failure to comply with terms of a settlement agreement;

(E) Refusal after reasonable notice to permit inspection, maintenance, replacement or meter reading of utility equipment. If the utility has a reasonable belief that health or safety is at risk, notice at the time inspection is attempted is reasonable;

(F) Misrepresentation of identity in obtaining utility service;

(G) Violation of any other rules of the utility approved by the commission which adversely affects the safety of the customer or other persons or the integrity of the utility's system; or

(H) As provided by state or federal law.

(2) None of the following shall constitute sufficient cause for a utility to discontinue service:

(A) The failure of a customer to pay for merchandise, appliances or services not subject to commission jurisdiction as an integral part of the utility service provided by a utility;

(B) The failure of the customer to pay for service received at a separate metering point, residence or location. In the event of discontinuance or termination of service at a separate residential metering point, residence or location in accordance with these rules, a utility may transfer and bill any unpaid balance to any other residential service account of the customer and may discontinue service after twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this rule;

(C) The failure of the customer to pay for a different class of service received at the same or different location. The placing of more than one (1) meter at the same location for the purpose of billing the usage of specific devices under optional rate schedules or provisions is not construed as a different class of service for the purpose of this rule;

(D) The failure to pay the bill of another customer, unless the customer whose service is sought to be discontinued received substantial benefit and use of the service;

(E) The failure of a previous owner or occupant of the premises to pay an unpaid or

delinquent bill except where the previous occupant remains an occupant or user; or

(F) The failure to pay a bill correcting a previous underbilling, whenever the customer claims an inability to pay the corrected amount, unless a utility has offered the customer a payment arrangement equal to the period of underbilling.

(3) On the date specified on the notice of discontinuance or within eleven (11) business days after that, and subject to the requirements of these rules, a utility may discontinue service to a residential customer between the hours of 8:00 a.m. and 4:00 p.m. Service shall not be discontinued on a day when utility personnel are not available to reconnect the customer's service, or on a day immediately preceding such a day. After the eleven (11) business day effective period of the notice, all notice procedures required by this rule shall again be followed before the utility may discontinue service.

(4) The notice of discontinuance shall contain the following information:

(A) The name and address of the customer and the address, if different, where service is rendered;

(B) A statement of the reason for the proposed discontinuance of service and the cost for reconnection;

(C) The date on or after which service will be discontinued unless appropriate action is taken;

(D) How a customer may avoid the discontinuance;

(E) The possibility of a settlement agreement if the claim is for a charge not in dispute and the customer is unable to pay the charge in full at one (1) time; and

(F) A telephone number the customer may call from the service location without incurring toll charges and the address of the utility prominently displayed where the customer may make an inquiry. Charges for measured local service are not toll charges for purposes of this rule.

(5) A utility shall not discontinue residential service pursuant to section (1) unless written notice by first class mail is sent to the customer at least ten (10) days prior to the date of the proposed discontinuance. Service of notice by mail is complete upon mailing. As an alternative, a utility may deliver a written notice in hand to the customer at least ninety-six (96) hours prior to discontinuance. A utility shall maintain an accurate record of the date of mailing or delivery. A notice of dis-

continuance of service shall not be issued as to that portion of a bill which is determined to be an amount in dispute pursuant to sections 4 CSR 240-13.045(5) or (6) that is currently the subject of a dispute pending with the utility or complaint before the commission, nor shall such a notice be issued as to any bill or portion of a bill which is the subject of a settlement agreement except after breach of a settlement agreement, unless the utility inadvertently issues the notice, in which case the utility shall take necessary steps to withdraw or cancel this notice.

(6) Notice shall be provided as follows:

(A) At least ten (10) days prior to discontinuance of service for nonpayment of a bill or deposit at a multidwelling unit residential building at which usage is measured by a single meter, notices of the company's intent to discontinue shall be conspicuously posted in public areas of the building; provided, however, that these notices shall not be required if the utility is not aware that the structure is a single-metered multidwelling unit residential building. The notices shall include the date on or after which discontinuance may occur and advise of tenant rights pursuant to section 441.650, RSMo. The utility shall not be required to provide notice in individual situations where safety of employees is a consideration.

(B) At least ten (10) days prior to discontinuance of service for nonpayment of a bill or deposit at a multidwelling unit residential building where each unit is individually metered and for which a single customer is responsible for payment for service to all units in the building or at a residence in which the occupant using utility service is not the utility's customer, the utility shall give the occupant(s) written notice of the utility's intent to discontinue service; provided, however, that this notice shall not be required unless one (1) occupant has advised the utility or the utility is otherwise aware that s/he is not the customer; and

(C) In the case of a multidwelling unit residential building where each unit is individually metered or in the case of a single family residence, the notice provided to the occupant of the unit about to be discontinued shall outline the procedure by which the occupant may apply in his/her name for service of the same character presently received through that meter.

(7) At least twenty-four (24) hours preceding a discontinuance, a utility shall make reasonable efforts to contact the customer to advise



him/her of the proposed discontinuance and what steps must be taken to avoid it. Reasonable efforts shall include either a written notice following the notice pursuant to section (4), a doorhanger or at least two (2) telephone call attempts reasonably calculated to reach the customer.

(8) Immediately preceding the discontinuance of service, the employee of the utility designated to perform this function, except where the safety of the employee is endangered, shall make a reasonable effort to contact and identify him/herself to the customer or a responsible person then upon the premises and shall announce the purpose of his/her presence. When service is discontinued, the employee shall leave a notice upon the premises in a manner conspicuous to the customer that service has been discontinued and the address and telephone number of the utility where the customer may arrange to have service restored.

(9) Notwithstanding any other provision of this rule, a utility shall postpone a discontinuance for a time not in excess of twenty-one (21) days if the discontinuance will aggravate an existing medical emergency of the customer, a member of his/her family or other permanent resident of the premises where service is rendered. Any person who alleges a medical emergency, if requested, shall provide the utility with reasonable evidence of the necessity.

(10) Notwithstanding any other provision of this rule, a utility may discontinue residential service temporarily for reasons of maintenance, health, safety or a state of emergency.

(11) Upon the customer's request, a utility shall restore service consistent with all other provisions of this chapter when the cause for discontinuance has been eliminated, applicable restoration charges have been paid and, if required, satisfactory credit arrangements have been made. At all times, a reasonable effort shall be made to restore service upon the day restoration is requested, and in any event, restoration shall be made not later than the next working day following the day requested by the customer. The utility may charge the customer a reasonable fee for restoration of service, if provided in the utility's approved tariffs.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Dec. 19, 1975, effective*

Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Emergency amendment filed Jan. 30, 1984, effective Feb. 9, 1984, expired April 1, 1984. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11) 1939, amended 1949, 1967.*

4 CSR 240-13.055 Cold Weather Maintenance of Service: Provision of Residential Heat-Related Utility Service During Cold Weather

PURPOSE: This rule protects the health and safety of residential customers receiving heat-related utility service by placing restrictions on discontinuing and refusing to provide heat-related utility service from November 1 through March 31 due to delinquent accounts of those customers. Reporting requirements regarding heat-related utility service are found at 4 CSR 240-3.175 for electric utilities and at 4 CSR 240-3.250 for gas utilities.

(1) The following definitions shall apply in this rule:

(A) Energy Crisis Intervention Program (ECIP) means the federal ECIP administered by the Missouri Division of Family Services under section 660.100, RSMo;

(B) Heat-related utility service means any gas or electric service that is necessary to the proper function and operation of a customer's heating equipment;

(C) Low Income Home Energy Assistance Program (LIHEAP) means the federal LIHEAP administered by the Missouri Family Support Division under section 660.110, RSMo;

(D) Registered elderly or disabled customer means a customer's household where at least one (1) member of the household has filed with the utility a form approved by the utility attesting to the fact that s/he:

1. Is sixty-five (65) years old or older;
2. Is disabled to the extent that s/he has filed with their utility a medical form submitted by a medical physician attesting that such customer's household must have natural gas or electric utility service provided in the home to maintain life or health; or
3. Has a formal award letter issued from the federal government of disability benefits. In order to retain his/her status as a registered elderly or disabled customer, each such customer must renew his/her registration with the utility annually. Such registration

should take place by October 1 of each year following his/her initial registration; and

(E) Low income registered elderly or disabled customer means a customer registered under the provisions of subsection (1)(C) of this rule whose household income is less than one hundred fifty percent (150%) of the federal poverty guidelines, and who has a signed affidavit attesting to that fact on file with the utility. The utility may periodically audit the incomes of low income registered elderly or disabled customers. If, as a result of an audit, a registered low income elderly or disabled customer is found to have materially misrepresented his/her income at the time the affidavit was signed, that customer's service may be discontinued per the provisions of this rule that apply to customers who are not registered low income elderly or disabled customers and payment of all amounts due, as well as, a deposit may be required before service is reconnected.

(2) This rule takes precedence over other rules on provision of heat-related utility service from November 1 through March 31 annually.

(3) Notice Requirements. From November 1 through March 31, prior to discontinuance of service due to nonpayment, the utility shall—

(A) Notify the customer, at least ten (10) days prior to the date of the proposed discontinuance, by first-class mail, and in the case of a registered elderly or handicapped customer the additional party listed on the customer's registration form of the utility's intent to discontinue service. The contact with the registered individual shall include initially two (2) or more telephone call attempts with the mailing of the notice;

(B) Make further attempts to contact the customer within ninety-six (96) hours preceding discontinuance of service either by a second written notice as in subsection (3)(A), sent by first class mail; or a door hanger; or at least two (2) telephone call attempts to the customer;

(C) Attempt to contact the customer at the time of the discontinuance of service in the manner specified by 4 CSR 240-13.050(8);

(D) Make a personal contact on the premises with a registered elderly or handicapped customer or some member of the family above the age of fifteen (15) years, at the time of the discontinuance of service; and

(E) Ensure that all of the notices and contacts required in this section shall describe the terms for provisions of service under this rule, including the method of calculating the



required payments, the availability of financial assistance from the Division of Family Services and social service or charitable organizations that have notified the utility that they provide that assistance and the identity of those organizations.

(4) The utility will not make oral representations of service termination for nonpayment when termination would occur on a known "no-cut" day as governed by the temperature moratorium.

(5) Weather Provisions. Discontinuance of gas and electric service to all residential users, including all residential tenants of apartment buildings, for nonpayment of bills where gas or electricity is used as the source of space heating or to control or operate the only space heating equipment at the residence is prohibited—

(A) On any day when the National Weather Service local forecast between 6:00 a.m. to 9:00 a.m., for the following twenty-four (24) hours predicts that the temperature will drop below thirty-two degrees Fahrenheit (32°F); or

(B) On any day when utility personnel will not be available to reconnect utility service during the immediately succeeding day(s) (Period of Unavailability) and the National Weather Service local forecast between 6:00 a.m. to 9:00 a.m. predicts that the temperature during the Period of Unavailability will drop below thirty-two degrees Fahrenheit (32°F); or

(C) From November 1 through March 31, for any registered low income elderly or low income disabled customer (as defined in this rule), provided that such customer has entered into a cold weather rule payment plan, made the initial payment required by section (10) of this rule and has made and continues to make payments during the effective period of this rule that are at a minimum the lesser of fifty percent (50%) of:

1. The actual bill for usage in that billing period; or

2. The levelized payment amount agreed to in the cold weather rule payment plan. Such reductions in payment amounts may be recovered by adjusting the customer's subsequent levelized payment amounts for the months following March 31.

(D) Nothing in this section shall prohibit a utility from establishing a higher temperature threshold below which it will not discontinue utility service.

(6) Discontinuance of Service. From November 1 through March 31, a utility may not discontinue heat-related residential utility service due to nonpayment of a delinquent bill or account provided—

(A) The customer contacts the utility and states his/her inability to pay in full;

(B) The utility receives an initial payment and the customer enters into a payment agreement both of which are in compliance with section (10) of this rule;

(C) The customer complies with the utility's requests for information regarding the customer's monthly or annual income; and

(D) There is no other lawful reason for discontinuance of utility service.

(7) Whenever a customer, with a cold weather rule payment agreement, moves to another residence within the utility's service area, the utility shall permit the customer to receive service if the customer pays in full the amounts that should have been paid pursuant to the agreement up to the date service is requested, as well as, amounts not included in a payment agreement that have become past due. No other change to the terms of service to the customer by virtue of the change in the customer's residence with the exception of an upward or downward adjustment to payments necessary to reflect any changes in expected usage between the old and new residence shall be made.

(8) Deposit Provisions. A utility shall not assess a new deposit or bill deposits that were previously assessed during or after the period of this rule to those customers who enter into a payment agreement and make timely payments in accordance with this rule.

(9) Reconnection Provisions. If a utility has discontinued heat related utility service to a residential customer due to nonpayment of a delinquent account, the utility, from November 1 through March 31, shall reconnect service to that customer without requiring a deposit; provided—

(A) The customer contacts the utility, requests the utility to reconnect service and states an inability to pay in full;

(B) The utility receives an initial payment and the customer enters into a payment agreement both of which are in compliance with section (10) of this rule;

(C) The customer complies with the requests of the utility for information regarding the customer's monthly or annual income;

(D) None of the amount owed is an amount due as a result of unauthorized interference, diversion or use of the utility's service, and the customer has not engaged in such activity since last receiving service; and

(E) There is no other lawful reason for continued refusal to provide utility service.

(10) Payment Agreements. The payment agreement for service under this rule shall comply with the following:

(A) A pledge of an amount equal to any payment required by this section by the agency which administers LIHEAP shall be deemed to be the payment required. The utility shall confirm in writing the terms of any payment agreement under this rule, unless the extension granted the customer does not exceed two (2) weeks.

(B) Payment Calculations.

1. The utility shall first offer a twelve (12)-month budget plan which is designed to cover the total of all preexisting arrears, current bills and the utility's estimate of the ensuing bills.

2. If the customer states an inability to pay the budget plan amount, the utility and the customer may upon mutual agreement enter into a payment agreement which allows payment of preexisting arrears over a reasonable period in excess of twelve (12) months. In determining a reasonable period of time, the utility and the customer shall consider the amount of the arrears, the time over which it developed, the reasons why it developed, the customer's payment history and the customer's ability to pay.

3. A utility shall permit a customer to enter into a payment agreement to cover the current bill plus arrearages in fewer than twelve (12) months if requested by the customer.

4. The utility may revise the required payment in accordance with its budget or levelized payment plan.

5. If a customer defaults on a cold weather rule payment agreement but has not yet had service discontinued by the utility, the utility shall permit such customer to be reinstated on the payment agreement if the customer pays in full the amounts that should have been paid pursuant to the agreement up to the date service is requested, as well as, amounts not included in a payment agreement that have become past due.

(C) Initial Payments.

1. For a customer who has not defaulted on a payment plan under the cold weather rule, the initial payment shall be no more than twelve percent (12%) of the twelve (12)-



month budget bill amount calculated in subsection (10)(B) of this rule unless the utility and the customer agree to a different amount.

2. For a customer who has defaulted on a payment plan under the cold weather rule, the initial payment shall be an amount equal to eighty percent (80%) of the customer's balance, unless the utility and customer agree to a different amount.

(11) If a utility refuses to provide service pursuant to this rule and the reason for refusal of service involves unauthorized interference, diversion or use of the utility's service situated or delivered on or about the customer's premises, the utility shall maintain records concerning the refusal of service which, at a minimum, shall include: the name and address of the person denied reconnection, the names of all utility personnel involved in any part of the determination that refusal of service was appropriate, the facts surrounding the reason for the refusal and any other relevant information.

(12) The commission shall recognize and permit recovery of reasonable operating expenses incurred by a utility because of this rule.

(13) A utility may apply for a variance from this rule by filing an application for variance with the commission pursuant to the commission's rules of procedure. A utility may also file for commission approval of a tariff or tariffs establishing procedures for limiting the availability of the payment agreements under section (10) of this rule to customers residing in households with income levels below one hundred fifty percent (150%) of the federal poverty level, and for determining whether, and under what circumstances, customers who have subsequently defaulted on a new payment plan calculated under paragraph (10)(C)2. should be required to pay higher amounts toward delinquent installments owed under that payment plan.

(14) This section only applies to providers of natural gas services to residential customers. Other providers of heat-related utility services will continue to provide such service under the terms of sections (1) through (13) of this rule. The provisions of sections (1) through (13) of this rule continue to apply to providers of natural gas service except where inconsistent with the terms of this section.

(A) From November 1 through March 31, notwithstanding paragraph (10)(C)2. of this rule to the contrary, a gas utility shall restore service upon initial payment of the lesser of fifty percent (50%) or five hundred dollars (\$500) of the preexisting arrears, with the

deferred balance to be paid as provided in subsection (10)(B). Any reconnection fee, trip fee, collection fee or other fee related to reconnection, disconnection or collection shall also be deferred. Between November 1 and March 31, any customer threatened with disconnection may retain service by entering into a payment plan as described in this section. Any payment plan entered into under this section shall remain in effect (as long as its terms are adhered to) for the term of the payment plan, which shall be twelve (12) months' duration, unless the customer requests a shorter period or the utility agrees to a longer period. However, a gas utility shall not be required to offer reconnection or retention of service under this subsection (14)(A) more than once every two (2) years for any customer or to any customer who has defaulted on a payment plan under this section three (3) or more times.

(B) Any customer who is not disconnected or in receipt of a disconnect notice shall, at the customer's request, be permitted to enroll immediately in a gas utility's equal payment, budget-billing or similar plan. Any current bill or existing arrearage at the time of enrollment shall be dealt with consistent with paragraphs (10)(B)1. through (10)(B)4. of this rule, provided that the customer agrees to make the initial payment prescribed in paragraph (10)(C)1. or subsection (14)(A) as applicable.

(C) If a customer enters into a cold weather rule payment plan under this section:

1. Late payment charges shall not be assessed except with respect to failure to make timely payments under the payment plan; and

2. The gas utility shall not charge customers interest on the account balance for any deferral period.

(D) Any customer who enters into a cold weather rule payment agreement under this section and fully complies with the terms of the payment plan shall be treated, going forward, as not having defaulted on any cold weather rule payment agreement.

(E) A gas utility shall describe the provisions of section (14) in any notices or contacts with customers. In telephone contacts with customers expressing difficulty paying their gas bills, gas utilities shall inform those customers of their options under section (14).

(F) A gas utility shall be permitted to recover the costs of complying with this section as follows:

1. The cost of compliance with this section shall include any reasonable costs

incurred to comply with the requirements of this section:

2. No gas utility shall be permitted to recover costs under this section that would have been incurred in the absence of this section, provided that the costs calculated in accordance with paragraph (14)(F)1. shall be considered costs of complying with this section;

3. Any net cost resulting from this section as of June 30 each year shall accumulate interest at the utility's annual short-term borrowing rate until such times as it is recovered in rates; and

4. No bad debts accrued prior to the effective date of this section may be included in the costs to be recovered under this section, provided that a gas utility may continue to calculate and defer for recovery through a separate Accounting Authority Order the costs of complying with the commission's January 1, 2006 emergency amendment to this rule upon the same terms as set forth herein. The costs eligible for recovery shall be the unpaid charges for new service received by the customer subsequent to the time the customer is retained or reconnected by virtue of this section plus the unpaid portion of the difference between the initial payment paid under this section and the initial payment that could have been required from the customer under the previously enacted payment provisions of section (10) of this rule, as measured at the time of a subsequent disconnection for nonpayment or expiration of the customer's payment plan.

(G) A gas utility shall be permitted to defer and recover the costs of complying with this rule through a one (1)-term Accounting Authority Order until such time as the compliance costs are included in rates as part of the next general rate proceeding or for a period of two (2) years following the effective date of this amendment:

1. The commission shall grant an Accounting Authority Order, as defined below, upon application of a gas utility, and the gas utility may book to Account 186 for review, audit and recovery all incremental expenses incurred and incremental revenues that are caused by this section. Any such Accounting Authority Order shall be effective until September 30, of each year for the preceding winter;

2. Between September 30 and October 31 each year, if a utility intends to seek recovery of any of the cost of compliance with this section, the utility shall file a request for determination of the cost of compliance with this section for the preceding winter season.



The request by the utility shall include all supporting information. All parties to this filing will have no longer than one hundred twenty (120) days from the date of such a filing to submit to the commission their position regarding the company's request with all supporting evidence. The commission shall hold a proceeding where the utility shall present all of its evidence concerning the cost of compliance and other parties, including commission staff, shall present any evidence that the costs asserted by the utility should be disallowed in whole or part. Such a proceeding may be waived by the unanimous request of the parties or by a non-unanimous request without objection. The commission shall establish the amount of costs it determines have been reasonably incurred in complying with this section within one hundred eighty (180) days of the utility's request and such amount will be carried forward into the utility's next rate case without reduction or alteration. Such costs shall be amortized in rates over a period of no greater than five (5) years and shall be recovered in a manner that does not impair the utility's ability to recover other costs of providing utility service. If the commission fails to establish the amount of costs within one hundred eighty (180) days, then the amount requested by the utility shall be deemed reasonably incurred.

3. The commission has adopted the Uniform System of Accounts in 4 CSR 240-4.040. Accounting Authority Orders are commission orders that allow a utility to defer certain expenses to Account 186 under the Uniform System of Accounts for later recovery as determined by the commission in a subsequent general rate case; and

4. Although the Accounting Authority Order allows the gas utility to recover the reasonably incurred expenses only within the context of a general rate case, all such reasonably incurred expenses shall be recovered by the gas utility, together with interest thereon, as set forth above.

AUTHORITY: sections 386.250 and 393.140, RSMo 2000 and 393.130, RSMo Supp. 2005. Original rule filed June 13, 1984, effective Nov. 15, 1984. Amended: Filed Dec. 30, 1992, effective Oct. 10, 1993. Amended: Filed March 10, 1995, effective Jan. 30, 1996. Emergency amendment filed Nov. 8, 2001, effective Nov. 18, 2001, expired March 31, 2002. Amended: Filed Aug. 16, 2002, effective April 30, 2003. Emergency amendment filed Dec. 16, 2005, effective Dec. 26, 2005, expired March 31, 2006. Amended: Filed April 9, 2004, effective Oct. 30, 2004.*

Emergency amendment filed Dec. 16, 2005, effective Dec. 26, 2005, expired March 31, 2006. Amended: Filed May 15, 2006, effective Nov. 1, 2006.

**Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.130, RSMo 1939, amended 1949, 1967, 1969, 2002; and 393.140, RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.060 Settlement Agreement and Extension Agreement

PURPOSE: This rule establishes procedures where a customer may enter into a settlement agreement or obtain an extension of time in which to pay charges due a utility so that reasonable and uniform standards are established with regard to payment.

(1) When a utility and a customer arrive at a mutually satisfactory settlement of any dispute or the customer does not dispute liability to the utility but claims inability to pay the outstanding bill in full, a utility and the customer may enter into a settlement agreement. A settlement agreement which extends beyond sixty (60) days shall be in writing and mailed or otherwise delivered to the customer.

(2) Every settlement agreement resulting from the customer's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the customer pays the amount of the outstanding bill specified in the agreement and agrees to pay a reasonable portion of the remaining outstanding balance in installments until the bill is paid. For purposes of determining reasonableness, the parties shall consider the following: the size of the delinquent account, the customer's ability to pay, the customer's payment history, the time that the debt has been outstanding, the reasons why the debt has been outstanding, and any other relevant factors relating to the customer's service.

(3) If a customer fails to comply with the terms and conditions of a settlement agreement, a utility may discontinue service after notifying the customer in writing by personal service or first class mail in accordance with 4 CSR 240-13.050—that the customer is in default of the settlement agreement; the nature of the default; that unless full payment of all balances due is made, the utility will discontinue service; and the date upon or after which service will be discontinued.

(4) The utility may enter into an extension agreement upon the request of a customer who claims an inability to pay the bill in full.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.065 Variance

PURPOSE: This rule establishes the procedure to be followed by a utility seeking a variance from any provision of this chapter.

(1) Any utility may file an application with the commission seeking a variance from all or parts of Chapter 13, which may be granted for good cause shown.

(2) A utility filing an application for a variance with the commission shall mail, contemporaneously with the filing, copies of the application by first class mail to the newspaper with the largest circulation in each county within the utility's service area affected by the variance, the public counsel and each party in the utility's most recent rate case who represented residential customers.

(3) Any variance granted by the commission shall be reflected in a tariff.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

4 CSR 240-13.070 Commission Complaint Procedures

PURPOSE: This rule sets forth the procedures to be followed prior to and in filing formal or informal complaints with the commission regarding matters covered in this chapter.



(1) Prior to filing an informal or formal complaint, the customer shall pursue remedies directly with the utility as provided in this chapter. The commission specifically reserves the right to waive this requirement when circumstances so require.

(2) Any person aggrieved by a violation of any rules in this chapter or the Public Service commission laws of Missouri relating to utilities may file an informal or formal complaint under 4 CSR 240-2.070.

(3) If a utility and a customer fail to resolve a matter in dispute, the utility shall advise the customer of his/her right to file an informal complaint with the commission under 4 CSR 240-2.070.

(4) If the staff is unable to resolve the complaint to the satisfaction of the parties, the staff shall send a dated letter to that effect to the complainant and to the utility.

(A) The letter shall advise the complainant that, if s/he desires, s/he may file a formal complaint in accordance with 4 CSR 240-2.070.

(B) If the complaint concerns a bill, the nonpayment of which could subject the complainant to discontinuance of service under the provisions of 4 CSR 240-13.050, the staff's letter shall advise the complainant that if a formal complaint is not filed within thirty (30) days of the date of the letter, the complainant may become subject to discontinuance of service.

(5) The commission staff may treat an informal complaint involving the same question or issue based upon the same facts dealt with in a prior informal complaint as already decided, and may advise the complainant that this informal complaint will not be reviewed.

(6) A utility shall not discontinue residential service relative to the matter in dispute during the pendency of an informal complaint and until at least thirty-one (31) days after the date of the letter issued pursuant to section (4), and shall in no case discontinue this service without leaving a notice of discontinuance after the date of the letter issued pursuant to section (4).

(7) Failure of the customer to pay the amount of a bill which is not in dispute, as determined pursuant to sections 4 CSR 240-13.045(5) or (6) of these rules, shall be grounds for dismissal of an informal or formal complaint.

AUTHORITY: sections 386.250(6), RSMo Supp. 1991 and 393.140(11), RSMo 1986. Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Amended: Filed Jan. 14, 1981, effective July 15, 1981. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.*

**Original authority: 386.250(11), RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

Additional Questions For DaCott

What is the actual late fee percentage? Is it 1 or 1.5%? Is this late fee consistently applied to delinquent accounts?

The Late Fee is 1.5% of outstanding balances as of the date of the next invoice. While the late fees could conceptually be charged as of the due date of the invoice (the 25th of each month), we do not assess late fees if payment is received prior to the mailing of the next invoice cycle which generally occurs on the 10th of each month.

In addition, if a customer calls with a reasonably valid reason for why the payment is late (such as mailing it on the 10th), we will waive the late fee if requested.

At what point after payment is due does DaCott apply a late fee?

Late fees are assessed on outstanding balances as of the subsequent invoice cycle, which is generally the 10th of each month.

Does DaCott communicate or inform all of its Missouri customers that they have the option of reading their gas meters once a month?

We have not made any general communications of this nature. As a rule, we did not offer this as an option due to the uncertainty of receiving the meter read information consistently and accurately (ultimately, we must still rely on the pipeline meter reads in March and September).

With the price spikes of 2005, we had a very few number of customers (less than 5) request that they be allowed to read their own meters and provide the information to us. We did allow these customers this option, but only 3 continued the practice beyond the winter period.

Does DaCott communicate or inform all of its Missouri customers that they have the option to levelize their billing.

We have, in the past, sent out general information sheets describing the annual billing process. In addition, if a customer calls with questions about the amount of the monthly estimate, we will offer the annualized billing option. To take advantage of this option, we do require that the customers sign an acknowledgement form that details the method for calculating the annual bill, as well as the process for annual "true-ups".

Does DaCott have any revert to owner agreements with its Missouri customers?

No, we do not.

Who reads the meters for DaCott?

Panhandle Eastern field reps read the meters. The data is communicated to the PEPL Houston office who provides the data to DaCott.

Are all DaCott Missouri bills formatted the same way?

All Missouri bills are formatted the same, however, those on annual billing do not receive volume data on their invoices. Estimated volume data is provided to the annual billing customers on the acknowledgement form.

One six-month DaCott "true-up" bill presented at the Mexico local public hearing on November 15th, 2006 did not include an actual meter reading and the total amount due from the previous month was not adjusted. What circumstances could prompt a customer bill stamped 'true-up' to not include an actual meter reading or an adjusted bill amount.

Normal customers are invoiced for 5 months at an estimated volumetric rate. During the 6th month, when the meters have been read, they are provided information that shows the estimated usage during the previous period as well as the actual usage information derived from the meter readings.

The customer in question here is an annual billing customer, who may or may not be "trued-up" during the normal true-up months of April and October (depending on when they signed up for annual billing service). Annual customers are "trued-up" based upon annual usage and the annual billing amount is based on the following factors (which are not currently reported on the invoice):

Actual Usage – Estimated Usage = A

Annual Billing Price times A = "True-Up" Collection shortfall or excess

New Annual Bill Amount = (Actual Usage / 12) times Current Annual Billing Price +
Shortall or Excess / 12

As an example, assume a customer with estimated usage of 1,200 ccf at an initial price of \$1.20/ccf.

Actual usage comes in at 1,400 ccf.

New annual price is \$1.00/ccf.

Actual – Estimated = 200 ccf, times \$1.20 = \$240.00, divided by 12 = \$20.00

New usage estimate is 1,400 ccf (based on actual metered usage)

New Usage times New Rate = 1,400 X \$1.00 = \$1,400, divided by 12 = \$116.67

New Annual Bill Amount = \$116.67 + \$20.00 = \$136.67

What types of customer account and billing information does DaCott retain on its Missouri customers?

All billing records since March, 2003 are retained.

General customer information (address, phone number where available, etc.) is retained. In addition, we attempt to capture and retain information relative to customer changes (ie: original customer at this location)

Does DaCott keep customer complaint records on its Missouri customers?

If so, specifically, what information is retained and for how long?

Any customer complaint that is provided in writing is retained. Telephone complaints are logged, but are not always retained.

Are special pay arrangements granted during periods of cold weather? If so, please describe.

While we do not have a specific program for special pay arrangements, if a customer calls with concerns over their ability to pay their bills, especially during winter periods, we will work with that customer to develop a payment plan that meets their needs to the best of our ability. This may involve annual billing options or simply delaying payments until summer periods.

[REDACTED]

Does DaCott provide a toll-free number to its customers?

We do not have a toll free number, however, if a customer calls and mentions this as a concern, we always offer to get their telephone number and call them back so that they may avoid any telephone charges. Generally, this has not seemed to be a concern for the vast majority of calls that we receive.

We do provide a toll free emergency number on the invoices for the customers to call in the event that they feel they have gas leak or other mechanical problem that would require immediate attention.

What business office hours is DaCott available to be reached by its Missouri customers?

Our normal office hours are 8:00 AM to 5:00 PM, however we are frequently in the office from 7:00 AM to 6:00 PM or later and any calls received outside of normal business hours are answered if someone is in the office.

Account: 4737 MO-FT

DaCott Industries Inc.
P.O. Box 1086
Sugar Land, Texas 77487-1086

Invoice Number: 20675

Cycle: 33

Invoice Date: 4/11/05

Gas Charges For Period From: 9/1/2004 To: 3/1/2005 Billing Usage: True-Up

Bill MessagePlease note that due to increasing gas prices, the summer
rate for gas will be \$1.00/ccf.**Invoice Due Date****4/26/2005****Actual Meter Readings**

9/1/2004	1,901.0 ccf
3/1/2005	2,814.0 ccf

True-Up Billing Details**Ccf****Rate****Amount**Your **Actual Usage**, as measured by Panhandle Eastern

Natural Gas Commodity Charges

913.00 \$ 0.8030 \$ 733.14

Transportation Charges

913.00 \$ 0.0780 \$ 71.21

Total Actual Gas Costs During True-Up Period

\$ 804.35

During the period, your **Estimated Usage** and billings were

Natural Gas Commodity Charges

945.00 \$ 0.8030 \$ 758.84

Transportation Charges

945.00 \$ 0.0780 \$ 73.71

Total Estimated Billings During the Period

\$ 832.55

True-Up Billing Amount

Past Due Amounts - Please disregard if already paid

\$ -

Total Amount Due *Credit Invoice - Do Not Pay***\$ (28.20)****DaCott Industries Inc. Greatly Appreciates Your Business !**

For questions on this invoice, please call (713) 664-8600.

For suspected gas leaks, please call 24 hour customer service at 1-800-225-3913Exhibit K
Page 1 of 5

Account:	4/3/	MO-FI	DaCott Industries Inc. P.O. Box 1086 Sugar Land, Texas 77487-1086
Invoice Number:	21261		
Cycle:	34		

Invoice Date: 5/10/05

Gas Charges For Period From: 4/1/2005 **To:** 4/30/2005 **Billing Usage:** Summer Est

Bill Message
9048 5-15-05

Invoice Due Date
5/25/2005

Monthly Billing Detail	Ccf	Rate	Amount
Natural Gas Commodity Charges	50.00	\$ 1.0000	\$ 50.00
Transportation Charges	50.00	\$ 0.0780	\$ 3.90
Sales Taxes (if applicable)			\$ -
Other Charges			\$ -
Late Charges (if applicable)			\$ -
Past Due Amounts - Please disregard if already paid			\$ (28.20)
Total Amount Due			\$ 25.70

DaCott Industries Inc. Greatly Appreciates Your Business !

For questions on this invoice, please call (713) 664-8600.

For suspected gas leaks, please call 24 hour customer service at 1-800-225-3913

Invoice Number: 27629

Cycle: 45

Invoice Date: 4/10/06

P.O. Box 1086
Sugar Land, Texas 77487-1086

Gas Charges For Period From: 3/1/2006 To: 3/31/2006 Billing Usage:

True-Up

Bill Message

Invoice Due Date

4/25/2006

Monthly Billing Detail	Ccf	Rate	Amount
Natural Gas Commodity Charges (Delivered)	687.00	\$ -	\$ -
Other Charges			\$ -
Prior Period Adjustments <i>Annualized Billing Charge</i>			\$ 155.00
Late Charges (if applicable)			\$ -
Past Due Amounts - Please disregard if already paid			\$ -
Total Amount Due			\$ 155.00

DaCott Industries Inc. Greatly Appreciates Your Business !

For questions on this invoice, please call (713) 664-8600.

For suspected gas leaks, please call 24 hour customer service at 1-800-225-3913

Don Henderson 277-430-2512

Account: 4737 MO-FT

Invoice Number: 31628

Cycle: 52

Invoice Date: 11/10/06

Gas Charges For Period From: 10/1/2006 To: 10/31/2006 Billing Usage: Winter Est

Remit To:

DaCott Industries Inc.
P.O. Box 1086
Sugar Land, Texas 77487-1086

Bill Message

Invoice Due Date

11/25/2006

Monthly Billing Detail	Ccf	Rate	Amount
Natural Gas Commodity Charges (Delivered)	-	\$ -	\$ -
Other Charges			\$ -
Prior Period Adjustments Annualized Billing Charge			\$ 74.00
Late Charges (if applicable)			\$ (81.00)
Past Due Amounts - Please disregard if already paid			\$ 81.00
Total Amount Due			\$ 74.00

DaCott Industries Inc. Greatly Appreciates Your Business !

For questions on this invoice, please call (713) 664-8600.

For suspected gas leaks, please call 24 hour customer service at 1-800-225-3913

Account: 4737 MO-FT

Invoice Number: 31056

Cycle: 51

Invoice Date: 10/13/06

Gas Charges For Period From: 9/1/2006 To: 9/30/2006 Billing Usage:

Remit To:

DaCott Industries Inc.
P.O. Box 1086
Sugar Land, Texas 77487-1086

True-Up

Bill Message

0

Invoice Due Date

10/28/2006

Monthly Billing Detail	Ccf	Rate	Amount
Natural Gas Commodity Charges (Delivered)	379.00	\$ -	\$ -
Other Charges			\$ -
Prior Period Adjustments <i>Annualized Billing Charge</i>			\$ 155.00
Late Charges (if applicable)			\$ -
Past Due Amounts - Please disregard if already paid			\$ -
Total Amount Due			\$ 155.00

DaCott Industries Inc. Greatly Appreciates Your Business !

For questions on this invoice, please call (713) 664-8600.

For suspected gas leaks, please call 24 hour customer service at 1-800-225-3913

UNION ELECTRIC COMPANY

GAS SERVICE

Missouri Public
Service Commission

Applying to MISSOURI SERVICE AREA

REC'D DEC 14 2001

***c. Other Bill Estimation Methods**

Where the aforementioned methods of estimating natural gas usage cannot be utilized or may not be appropriate for either residential or non-residential customers, other reasonable methods may be employed to estimate the gas usage at the customer's premises. These methods may utilize the metered gas usage at the premises from earlier months, customer supplied meter readings, comparable customer gas usage, or other available gas consumption information.

***d. Billing Estimates for Re-Billing Purposes**

In instances associated with a non-registering meter, the Company shall estimate the customer's monthly gas usage in accordance with the provisions of paragraphs (a)-(c) of this Section C, as applicable, for purposes of rebilling the customer.

D. Estimated Initial and Final Bills

The Company will normally be granted access to customer's premises for purposes of obtaining initial and final meter readings and the associated connection and disconnection of gas service. However, where such access cannot be obtained, or other conditions beyond the control of Company prevent obtaining an actual meter reading, estimated initial and final bills may be rendered by Company. When obtained, meter readings will be adjusted to customer's service responsibility date. However, customer will be responsible for all gas utilized until access is provided to Company for obtaining actual meter readings and the disconnection of gas service. No final bill will be rendered where the amount of the bill for gas usage is less than \$1.00, except for those accounts where a customer deposit is being refunded to customer.

E. Budget Billing Plan

Customers who are billed under the Residential Service Classification or General Service Classification with postcard billing and, at the Company's option, certain eleemosynary customers may elect to be billed and pay for all service under Company's Budget Billing Plan provided customer shall have satisfied Company's credit requirements. The provisions of the Budget Billing Plan are as follows:

*Indicates Change

DATE OF ISSUE December 14, 2001

DATE EFFECTIVE January 14, 2002

ISSUED BY C. W. Mueller

Chairman & CEO

St. Louis, Missouri

Name of Officer

Title

Address

FILED JAN 14 2002

02-70
Service Commission

Exhibit L
Page 1 of 2

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA**RECEIVED**VIII. Billing Practices (Cont'd.)

DEC 2 1988

1. Bills will be rendered during each of the Budget Bill Months in which the Budget Bill Plan applies to customer in amounts equal to one-twelfth of the estimated annual cost of service to the customer.
2. Bills rendered during the twelfth month after monthly billing under this Plan, and bills each successive twelfth month thereafter will be based on actual usage during such billing period plus or minus any adjustment necessary to correct to an actual use bases the bills rendered during the preceding Plan Months.
3. Company will adjust the average billing during the fourth and eighth months of each twelve month period of billing under this Plan, if the recalculated Budget Bill Plan amount indicates an increase of \$3.00 or more.
4. Company may terminate this Budget Billing Plan as to any customer who shall fail to make payment hereunder when due, and, upon such termination and thereafter, such customer shall be billed in accordance with the term's of Company's standard monthly billing practice. Any billing adjustments required at the date of such termination shall be included in the next bill rendered to the customer.
5. Customer may, at any time, elect to terminate the application of this Budget Billing Plan to himself by (1) requesting, in writing, such termination, and (2) paying any amounts, including billing adjustments, which may be necessary in order to settle his account hereunder.
6. Final bills, whenever rendered, will include such amounts as may be necessary to settle the account based on actual usage as of the date of final meter reading.

JAN 1 1989

Public Service Commission

DATE OF ISSUE December 2, 1988DATE EFFECTIVE January 1, 1989ISSUED BY William E. CorneliusChairman St. Louis, Missouri

Name of Officer

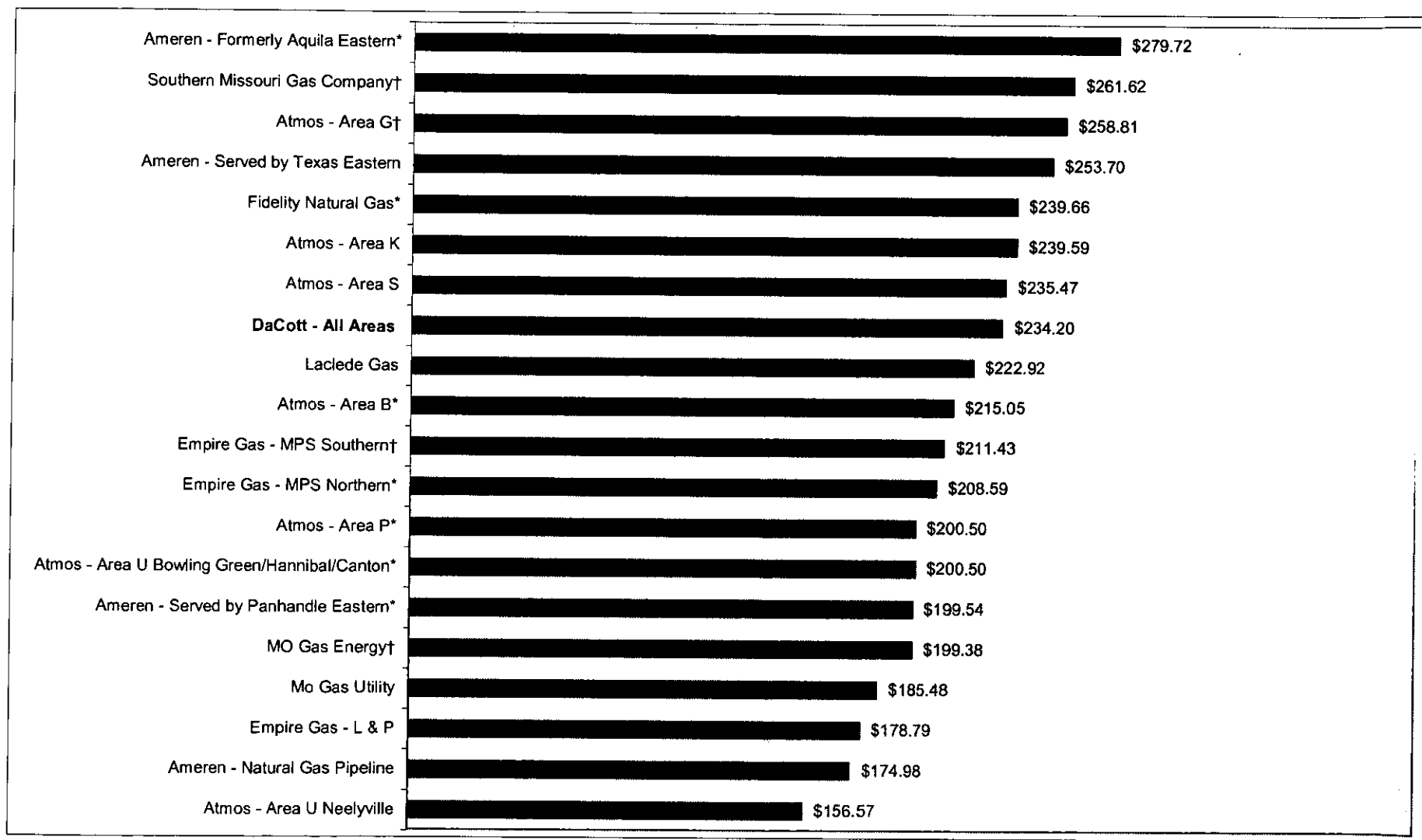
Title

Address

Exhibit L

Page 2 of 2

DACOTT / MISSOURI LDCs MONTHLY COST COMPARISON **WINTER 2005** **(Gas Costs with Transportation)**



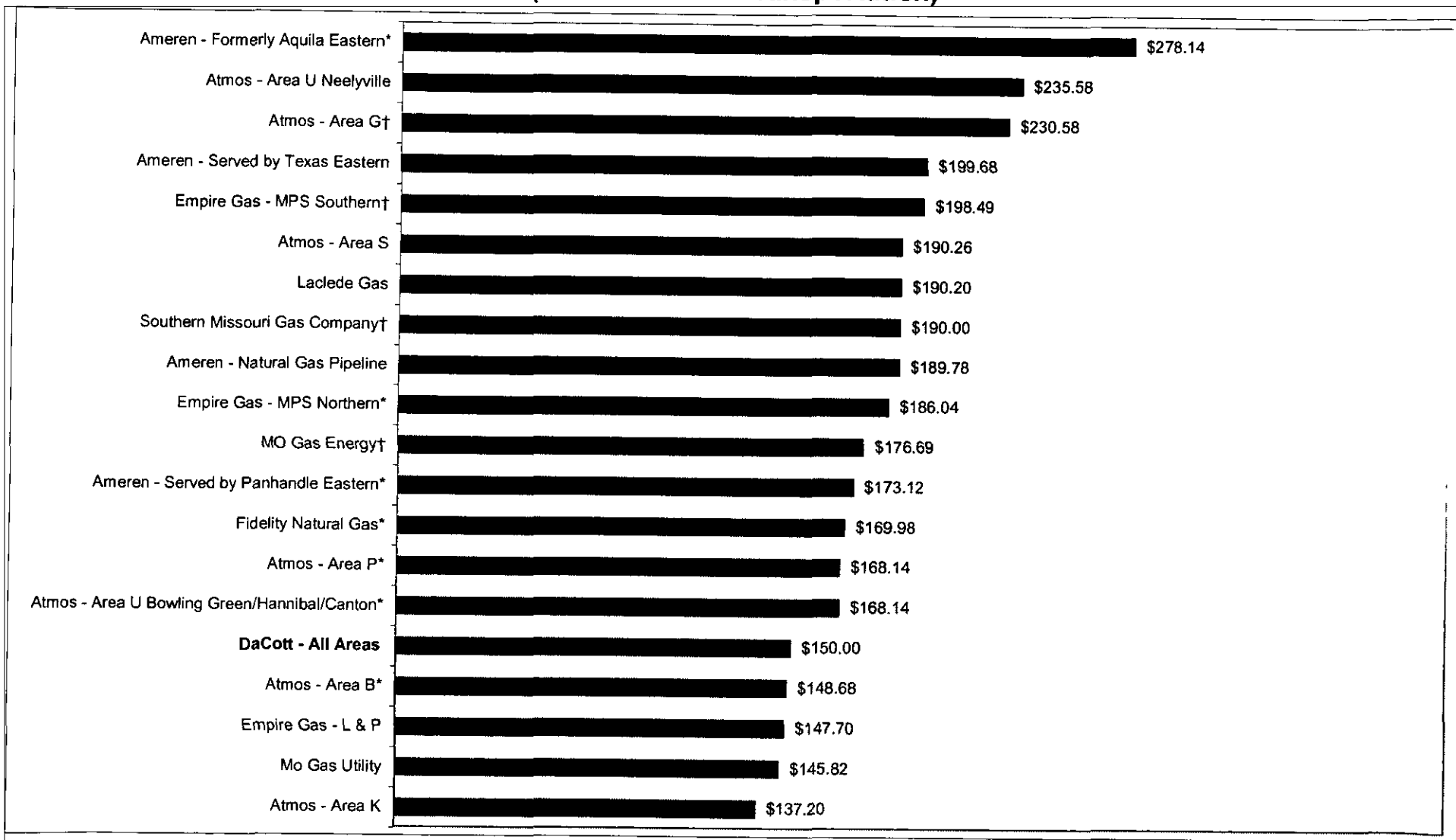
Based on use of 200 Ccf per month

DaCott total adjusted by .20¢ per ccf to eliminate overhead costs.

* Served by PEPL

† Served by Southern Star

DACOTT / MISSOURI LDCs MONTHLY COST COMPARISON **WINTER 2006** **(Gas Costs with Transportation)**



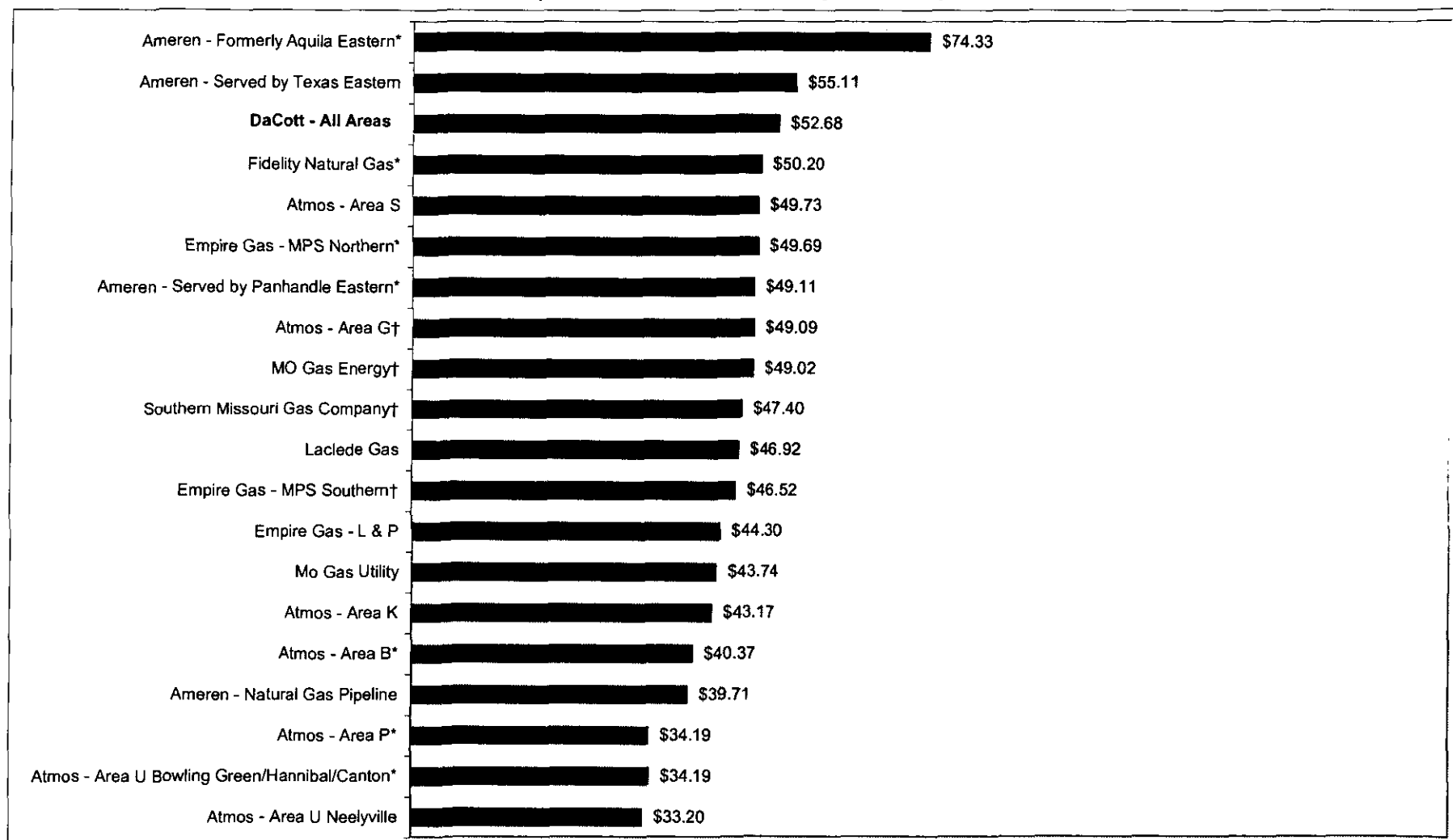
Based on use of 200 Ccf per month

Dacott total adjusted by .20¢ per ccf to eliminate overhead costs.

* Served by PEPL

† Served by Southern Star

DACOTT / MISSOURI LDCs MONTHLY COST COMPARISON **SUMMER 2005** **(Gas Costs with Transportation)**



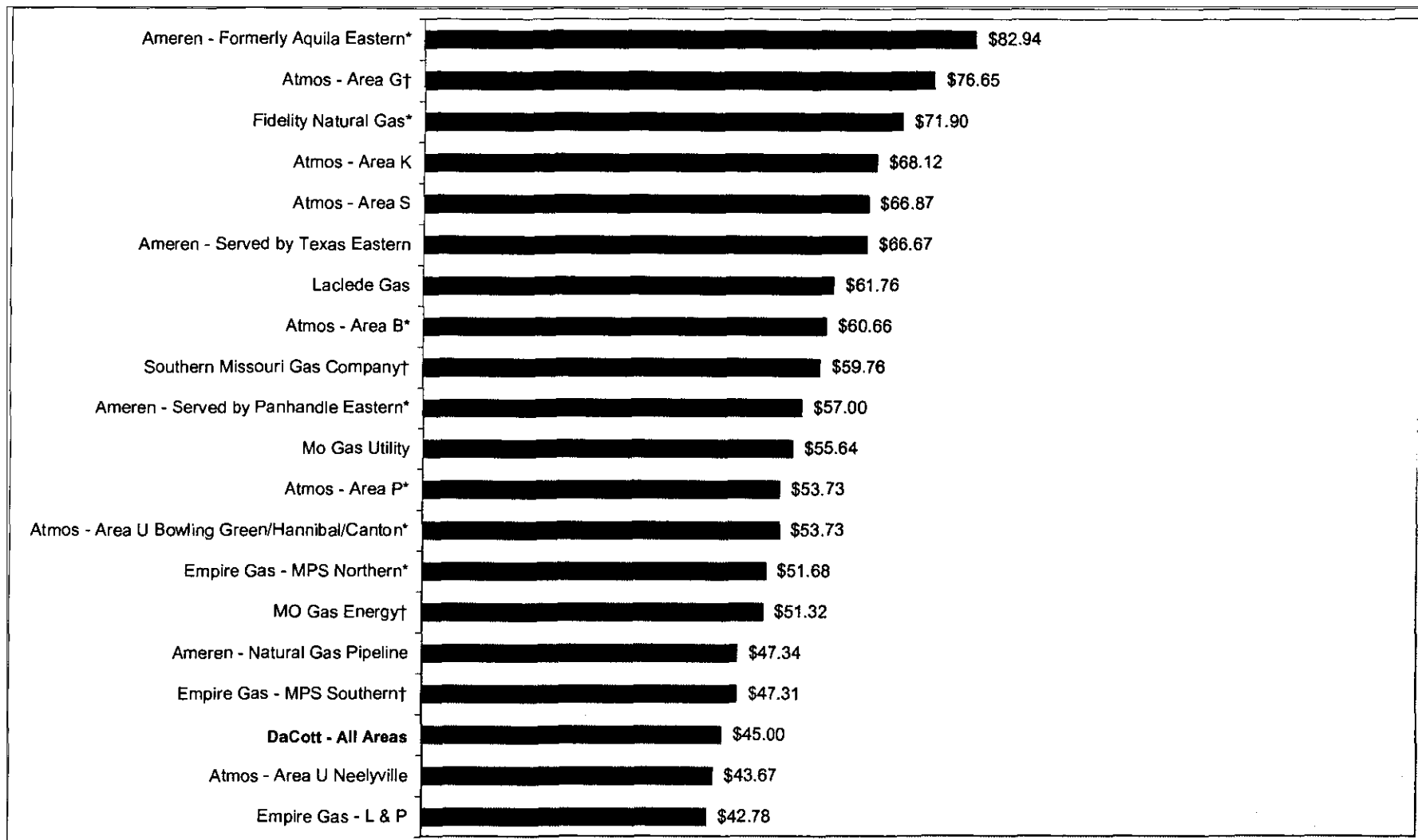
Based on use of 60 Ccf per month

DaCott total adjusted by .20¢ per ccf to eliminate overhead costs.

* Served by PEPL

† Served by Southern Star

DACOTT / MISSOURI LDCs MONTHLY COST COMPARISON **SUMMER 2006** **(Gas Costs with Transportation)**



Based on use of 60 Ccf per month

Dacott total adjusted by .20¢ per ccf to eliminate overhead costs.

* Served by PEPL

† Served by Southern Star

Parish, Dana

From: Parish, Dana
Sent: Tuesday, January 09, 2007 2:20 PM
To: Parish, Dana
Subject: FW: Farm Taps

From: Jacqueline Holmes [mailto:Jacqueline.Holmes@ferc.gov]
Sent: Friday, December 15, 2006 10:10 AM
To: Franson, Robert*
Subject: RE: Farm Taps

Correct.

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

From: Franson, Robert* [mailto:robert.franson@psc.mo.gov]
Sent: Friday, December 15, 2006 11:11 AM
To: Jacqueline Holmes
Subject: FW: Farm Taps

Ms. Holmes: I am a Senior Counsel with the Missouri Public Service Commission. We spoke on the telephone in July regarding farm taps. I just wanted to verify that my understanding is correct that FERC does not have and/or does not regulate farm taps regarding the actual delivery and charges to any farm taps customers.

Thank you in advance for your assistance. Thank you Robert Franson

Clayton, Robert

From: Franson, Robert*
Sent: Wednesday, August 16, 2006 8:23 PM
To: Clayton, Robert
Subject: Farm Taps, Other State Notes

Commissioner Clayton: Here is the information that I have about other states:

Iowa: I talked to Cecil Wright. Farm Tap customers are now treated as Residential Customers and are regulated. Aquila is the company that has these.

Illinois: I looked back at some cases that I had gotten off of Lexis regarding Farm Taps in Illinois. These were sent on July 10 via email. The cases pertain to extensions of pipelines to serve farm tap customers. I do not have any information beyond that.

Kansas: Farm Tap customers are Aquila customers and I believe are like residential customers or may have a specific separate class.

Oklahoma: No farm taps like these. The difference is that it is a producing state so a farm tap is a tap into a natural gas well. Thank you Robert