

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Aquila Networks - MPS's )	
Purchased Gas Adjustment Factor to be )	
reviewed in its 2003-2004 Actual Cost )	Case No. GR-2004-0539
Adjustment. )	

**STAFF'S RECOMMENDATION**

COMES NOW Staff of the Public Service Commission of Missouri, and for its recommendation in this case states:

1. On April 16, 2004, Aquila Inc., d/b/a Aquila Networks – MPS (Aquila) filed tariff sheets to implement its summer changes to its Purchased Gas Adjustment factors. The tariff sheets were assigned tracking number YG-2004-1273. On the same date, Aquila filed its motion for waiver permitting to file its PGA tariff changes out of time. Aquila proposed the tariff sheets become effective on April 30, 2004.

2. Staff has reviewed both the waiver and the tariff filing, and recommends that the Commission grant the waiver and approve the tariff sheets. Staff's Memorandum is attached as Attachment A.

3. Staff recommends that the proposed rates be interim, subject to refund, and notes that good cause for approving the tariffs on less than thirty days notice is reflected in Aquila's PGA clause providing for ten days notice.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

/s/ Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.  
Deputy General Counsel  
Missouri Bar No. 29645

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-5239 (Telephone)  
(573) 751-9285 (Fax)  
E-mail: [tschwarz@mail.state.mo.us](mailto:tschwarz@mail.state.mo.us)

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 27th day of April, 2004.

/s/ Thomas R. Schwarz, Jr.

**MEMORANDUM**

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2004-0539, File No. YG-2004-1273,  
Aquila Networks - MPS

FROM: James M. Russo, Energy Department - Tariffs/Rate Design

/s/Warren Wood 4/26/04  
Energy Department/Date

Thomas R. Schwarz, Jr. 4/27/04  
General Counsel's Office/Date

SUBJECT: Staff Recommendation for Aquila Networks - MPS' Scheduled Summer Season PGA  
Filing for MPS' Northern and Southern Systems, Effective April 30, 2004

DATE: April 26, 2004

On April 16, 2004, Aquila Inc. d/b/a Aquila Networks - MPS (Aquila, MPS or Company), of Kansas City, Missouri, filed tariff sheets with the Missouri Public Service Commission (Commission), bearing a proposed effective date of April 30, 2004. On April 21, 2004, the Company withdrew the tariff sheet with the proposed PGA changes to the Eastern System due to the Commission's Order in Case No. GM-2004-0244 granting approval of its sale of the Eastern System to AmerenUE. These tariff sheets were filed to reflect scheduled changes in MPS' Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for MPS' Northern and Southern Systems in the upcoming summer season. The summer season includes the months of April through October.

The net effect of these changes on the Northern System will increase the PGA factor for the summer season to \$0.68974 per Ccf from a scheduled 2003-2004 winter season firm PGA factor of \$0.65240 per Ccf. When compared to current rates, the effect of the proposed change on a typical residential customer's bill for the summer season is an approximate increase of \$8 or 2%.

The net effect of these changes on the Southern System will decrease the PGA factor for the summer season to \$0.62280 per Ccf from a scheduled 2003-2004 winter season firm PGA factor of \$0.62669 per Ccf. When compared to current rates, the effect of the proposed change on a typical residential customer's bill for the summer season is an approximate decrease of \$1 or less than 1%.

Case No. GR-2004-0539, under which these tariff sheets were filed, was established to track the Company's PGA factors to be reviewed in its 2003-2004 Actual Cost Adjustment (ACA) filing. Case Number GR-2003-0369 was established to track the Company's PGA factor to be reviewed in its

Attachment A

2002-2003 ACA filing. Interim subject to refund status should be maintained pending final Commission decision in Case Nos. GR-2004-0539 and GR-2003-0369.

The Commission's Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed this PGA filing and has determined that this filing was calculated in conformance with Aquila's Commission approved PGA Clause. Staff is of the opinion that good cause for approval of the tariff sheet on less than thirty days notice is demonstrated by Aquila's Commission approved PGA clause allowing for ten (10) business days notice for PGA change filings.

In addition, Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. The Commission's Energy Department Staff has reviewed this filing and is unaware of any issue currently pending before the Commission that affects or is affected by this filing however the following open cases involving this Company are before the Commission at this time:

GR-2002-468  
GR-2003-0311  
GR-2003-0369  
GX-2004-0090  
GO-2004-0195

Therefore, the Staff recommends the Commission approve the following tariff sheets, as filed on April 16, 2004, for Aquila's Northern and Southern Systems, to become effective April 30, 2004, interim subject to refund:

P.S.C. MO. No. 5

28<sup>th</sup> Revised Sheet No. 43, Cancelling 27<sup>th</sup> Revised Sheet No. 43  
31<sup>st</sup> Revised Sheet No. 44, Cancelling 30<sup>th</sup> Revised Sheet No. 44

Copies:        Director - Utility Operations Division  
                  Director - Utility Services Division  
                  General Counsel  
                  Manager - Financial Analysis Department  
                  Manager - Procurement Analysis Department  
                  Manager - Energy Department  
                  Karen S. Russell – Director of Rate Administration (Aquila)  
                  Amy Winkler-Regulatory Analyst (Aquila)  
                  Dean L. Cooper- Attorney for MPS (Brydon, Swearngen & England, PC)  
                  Office of the Public Counsel

**SUMMER SEASON**  
 Approximate Billing Impact Of 312 Ccf per Summer Season  
 Aquila Networks-MPS - Northern System  
 Residential Customer

	<b>Summer Season Current Rates</b>	<b>Ccf Usage</b>	<b>Total Fuel Bill (\$)</b>
* April 2004		96	93.03
* May		53	55.39
* June		36	40.51
* July		28	33.51
* August		27	32.63
* September		30	35.26
* October		42	45.76
	<b>7 Month Summer Season Total</b>	<b>312</b>	<b>\$336.09</b>

	<b>Summer Season Proposed Rates</b>	<b>Ccf Usage</b>	<b>Total Fuel Bill (\$)</b>
> April 2004		96	93.03
> May		53	57.37
> June		36	41.86
> July		28	34.56
> August		27	33.64
> September		30	36.38
> October		42	47.33
	<b>7 Month Summer Season Total</b>	<b>312</b>	<b>\$344.17</b>

**REMARKS**

For a typical residential customer using approximately 312 Ccf's during the summer season (April-October), natural gas rates will increase by \$8.08 or approximately 2% when comparing the fuel bills for the current summer season before and after the scheduled filing effective April 30, 2004.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$9.00; Energy Charge = \$.22295 per Ccf;
- \* (4) Tariff Sheet No. 43: PGA Charge = \$.65240 per Ccf
- > (5) Proposed Tariff Sheet No. 43: PGA Charge = \$.68974 per Ccf

**Missouri Public Service Commission**

**April 2004**

**SUMMER SEASON**  
Approximate Billing Impact Of 312 Ccf per Summer Season  
Aquila Networks-MPS - Southern System  
Residential Customer

	Summer Season Current Rates	Ccf Usage	Total Fuel Bill (\$)
*	April 2004	96	90.57
*	May	53	54.03
*	June	36	39.59
*	July	28	32.79
*	August	27	31.94
*	September	30	34.49
*	October	42	44.68
	<b>7 Month Summer Season Total</b>	<b>312</b>	<b>\$328.09</b>

	Summer Season Proposed Rates	Ccf Usage	Total Fuel Bill (\$)
>	April 2004	96	90.57
>	May	53	53.82
>	June	36	39.45
>	July	28	32.68
>	August	27	31.84
>	September	30	34.37
>	October	42	44.52
	<b>7 Month Summer Season Total</b>	<b>312</b>	<b>\$327.25</b>

**REMARKS**

For a typical residential customer using approximately 312 Ccfs during the summer season (April-October), natural gas rates will decrease by \$0.84 or approximately 0.3% when comparing the fuel bills for the current summer season before and after the scheduled filing effective April 30, 2004.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 2: Customer Charge = \$9.00; Energy Charge = \$.22295 per Ccf;
- \* (4) Tariff Sheet No. 44: PGA Charge = \$.62669 per Ccf
- > (5) Proposed Tariff Sheet No. 44: PGA Charge = \$.62280 per Ccf

**Missouri Public Service Commission**

April 2004