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October 24, 2002

FILED[3]
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Missouri Public Service Commission

Secretary
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GR-2002-520 and GR-2001-461(Consolidated)

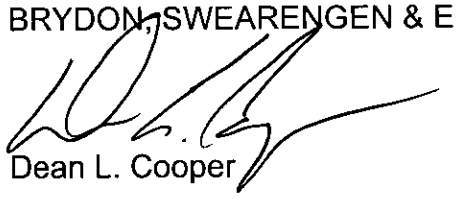
Dear Mr. Roberts:

Enclosed please find an original and eight copies of the Direct Testimony of Karen S. Russell and an original and eight copies of the Direct Testimony of Shawn Gillespie filed on behalf of Aquila, Inc. Please file stamp the enclosed extra receipt copy and return to me for my records.

If you have any questions concerning this matter, then please do not hesitate to contact me. Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By: 
Dean L. Cooper

DLC/tli
Enclosures
cc: Office of the Public Counsel
General Counsel

Exhibit No.:
Issues: Purchasing Practices
Witness: Shawn Gillespie
Exhibit Type: Direct
Sponsoring Party: Aquila, Inc.
d/b/a Aquila Networks - MPS
Case No.: GR-2002-520
GR-2001-461 (Consolidated)
Date: October 24, 2002

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. GR-2002-520

CASE NO. GR-2001-461 (Consolidated)

DIRECT TESTIMONY

OF

SHAWN GILLESPIE

ON BEHALF OF

AQUILA, INC

D/B/A AQUILA NETWORKS - MPS

JEFFERSON CITY, MISSOURI

State of Nebraska)
) ss
County of Douglas)

AFFIDAVIT OF SHAWN GILLESPIE

Shawn Gillespie, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Shawn Gillespie"; that said testimony was prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

Shawn Gillespie

Subscribed and sworn to before me this 23 day of October, 2002.

Notary Public

My Commission expires:

10/17/2004

GENERAL NOTARY-State of Nebraska
ANN McCARTHY
My Comm. Exp. Oct. 17, 2004

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WITNESS INTRODUCTION

Q. Please state your name and business address.

A. My name is Shawn Gillespie. My business address is 7101 Mercy Road, Suite 400, Omaha, NE 68106.

Q. By whom are you employed and in what capacity?

A. My employer is Aquila, Inc. ("Aquila") I work in the Aquila Networks business unit, in the Aquila Networks Gas Supply Services department. My current position is Senior Gas Supply Representative.

Q. Please state your educational background.

A. I have a Bachelor of Science (BS) in Accounting and a Master of Business Administration (MBA). Both degrees were obtained from Bellevue University, located in Bellevue, Nebraska.

Q. How long have you been employed with Aquila?

A. I have been employed with Aquila since April of 1994.

Q. What positions have you held within Aquila?

A. I started with Aquila (then UtiliCorp United, Inc.) on April 13, 1994, working in the PGA group for Peoples Natural Gas division. I was responsible for the PGA filings and ACA filings for the State of Kansas. Beginning June 1, 1995, I began

dispatching natural gas for Aquila Networks Gas Supply Services. I was responsible for dispatching, managing storage and balancing natural gas on various local distribution companies and pipelines for Aquila's retail division. Beginning approximately June, 1996, I dispatched, managed storage and balancing natural gas on Colorado Interstate Gas (CIG), Kinder Morgan Interstate Gas Transmission LLC (KMIGT, previously KN), Williams Gas Pipelines Central, Inc (WGPC, previously WNG) and Reliant pipelines, for Aquila Networks Gas Supply regulated division. Beginning June 1997, I added the Transportation & Exchange (T&E) responsibilities and backup Buyer of natural gas to my dispatching responsibilities for the same pipelines. Beginning in July 1999, I was named an Operations Lead. In this position, the dispatching responsibilities were handled by others, and I was responsible for all operational issues on these pipelines. Beginning in September 2000, I moved into my current position, Senior Gas Supply Representative, in the Planning group within Aquila Networks Gas Supply Services.

Q. What are your responsibilities as Senior Gas Supply Representative?

A. My responsibilities in this position are to manage the planning and operations of Aquila's transportation and supplies on the CIG, KMIGT, WGPC and Reliant pipelines. The planning responsibilities consist of developing the supply portfolio on previously mentioned pipelines, to support Regulatory Services on state activities in Kansas, Colorado, Missouri and Nebraska, and negotiate storage and transportation contracts on the above mentioned pipelines. The operation

responsibilities consist of supervising two dispatchers and ensuring the developed portfolio plans are executed.

Q. Have you previously presented testimony in any regulatory proceedings?

A. Yes. I have testified in the following proceedings before the Kansas Corporation Commission (KCC) in the Application for approval of a proposed Transportation Contract with Williams Gas Pipeline Central, Inc. for capacity on the proposed Western Frontier Pipeline, Docket No. 02-UTCG-177-CON. I have also testified before the Public Utilities Commission of the State of Colorado in the matter of the Gas Purchase Plan for Peoples Natural Gas (PNG), Docket No. 00P-305G. I have further filed testimony before the Public Service Commission of the State of Missouri Case No. GR-99-435.

PURPOSE

Q. What is the purpose of your testimony in this proceeding?

A. This testimony will respond to the Commission Staff's (Staff) proposed adjustments on the Aquila Networks-MPS (MPS) Southern System and the MPS Eastern System concerning purchasing practices. I will also address the understanding that has been reached with the Staff concerning its proposed "Put/Call" adjustment.

DESCRIPTION OF SYSTEMS

Q. Please describe the MPS Southern, Northern and Eastern Systems?

A. The MPS Southern System serves approximately 31,627 customers in the following communities: Clinton, Deerfield, Henrietta, Leeton, Lexington,

Marshall, Nevada, Otterville, Platte City, Richmond, Sedalia, Smithton, Tracy, Weston and rural customers in Central Missouri. The MPS Southern System is supplied gas by Williams Gas Pipeline Central (WGPC). The MPS Northern System serves approximately 10,843 customers in the following communities: Brookfield, Brunswick, Bucklin, Chillicothe, Chula, Glasgow, Keytesville, Laclede, Marceline, Meadville, Salisbury, Trenton, Utica, Wheeling and rural customers in North Central Missouri. The MPS Eastern System serves approximately 4,206 customers in the following communities: Owensville, Rolla, Salem and rural customers in South Central Missouri. The MPS Northern and Eastern Systems are supplied gas by Panhandle Eastern Pipeline (PEPL).

PUT/CALL TRANSACTIONS

Q. Is the "Put/Call" item identified by Staff still in dispute?

A. No. MPS and Staff have reached a mutual resolution concerning this proposed adjustment. This resolution can be described as follows. MPS has agreed to credit back $100,859 for the 1999/2000 ACA year and $166,818 for the 2000/2001 ACA year to the MPS Southern System. MPS has agreed to credit back $5,364 for the 1999/2000 ACA year and $0 for the 2000/2001 ACA year to the MPS Northern System. MPS has agreed to credit back $23,405 for the 1999/2000 ACA year and $0 for the 2000/2001 ACA year to the MPS Eastern System.

Summary of Credits Relating to Put/Call Issue		
	1999-2000	2000-2001
MPS Southern System	$100,859	$166,818
MPS Northern System	$5,364	$0
MPS Eastern System	$23,405	$0

Q. Has MPS previously credited back any of these amounts to the MPS Southern, Northern and Eastern Systems?

A. Yes. An amount of $22,203.94 has previously been credited back to the MPS Southern System for the 1999/2000 ACA year and an amount of $9,734.51 has previously been credited back to the MPS Eastern System for the 1999/2000 ACA year.

EASTERN SYSTEM

GAS PURCHASING PRACTICES

Q. What is your understanding of Staff's recommendations regarding purchasing practices on the MPS Eastern System?

A. Staff is recommending a reduction in gas costs of $197,771 in the 2000/2001 ACA year based upon its allegation that MPS did not properly hedge the Eastern System. Staff suggests that 30% of "normal" requirements should have been hedged. In other words, Staff suggests that a hedge in an amount less than 30% would not be prudent.

Q. What is your understanding of how the Missouri Commission has previously described its prudence standard?

A. It's is my understanding that the Commission has previously stated that it "will not rely on hindsight. The Commission will assess management decisions at the time they are made and ask the question, 'given all the surrounding circumstances

existing at the time, did management use due diligence to address all relevant factors and information, known or available to it when is assessed the situation'?"

Q. Prior to the winter of '00/'01, what was your understanding of this Commission's standard for hedging?

A. Before the winter of the 2000/2001 ACA year, no Commission statement existed stating an expected or required hedging percentage. Staff's current suggestion calls for hedging of 30% of normal requirements. It appears this recommendation is based on conclusions drawn over a year after the winter of '00/'01, without any knowledge of the pricing or weather data known by Aquila at the time it made its purchasing decisions. MPS believes this recommendation is result oriented, or in other words Staff is applying the 30% hedge standard retroactively. MPS believes if the winter of 2000/2001 had been warmer than normal, there would be no such hedging recommendation in this case, since the natural gas spikes would not have occurred.

Q. Is it appropriate for Staff to recommend a 30% hedged standard for the winter of 2000/2001?

A. MPS believes that it is not appropriate to recommend a 30% hedged standard. MPS first heard of this recommendation on July 9, 2002 in Staff's recommendation memo, well after the winter of 2000/2001. This recommendation almost certainly relies on hindsight, and assumes MPS has the

ability to predict the weather consistently and accurately. This is not a reasonable assumption.

Q. Has MPS historically hedged a portion of normal requirements?

A. Yes. MPS has believed that hedging helps mitigate price volatility and helps provide price stability.

Q. Is there a set percentage that MPS believes should be hedged every year?

A. No. The percentage to be hedged must vary from year to year based upon weather predictions, market forecasts, other information and cost of hedging, such as premium costs.

Q. Did MPS have plans to hedge a portion of normal MPS Eastern System requirements?

A. Yes.

Q. Did MPS purchase fixed price gas for this purpose?

A. Yes.

Q. Did this purchase benefit the Eastern System in MPS's filing in this case?

A. No.

Q. Why not?

A. MPS intended to purchase approximately 50% of normal requirements for the MPS Eastern System at a physical fixed price or approximately 1,022 Dth/day on Panhandle Eastern Pipeline (PEPL) for November 2000 through March 2001. MPS also intended to purchase approximately 50% of normal requirements for the MPS Southern System at a physical fixed price or approximately 4,400 Dth/day on Williams Gas Pipeline Central (WGPC). Instead, a volume of 8,400 Dth/day was actually purchased for Missouri on WGPC, which was allocated completely to the MPS Southern System. No fixed price gas was purchased on PEPL for the MPS Eastern System. More physical fixed price gas was purchased (8,400) for MPS customer than what the plan (5,422) called for.

Q. Why wasn't gas purchased on PEPL?

A. In several states, (Kansas, Colorado, Iowa and Michigan) Aquila operates under a statewide PGA process, even where it has systems that are physically separated. Aquila personnel erred by acting as if Missouri also had a statewide PGA.

Q. Based on the 8,400 Dth/day purchased on WGPC, do you believe this demonstrates an intention to hedge requirements on the Eastern System?

A. Yes. Hedging 50% of planned normal requirements for Missouri required purchasing 5,422 Dth/day, 8,400 Dth/day was actually purchased for Missouri, all of which was allocated to the MPS Southern System.

Q. Do you believe that the MPS Eastern System subsidized the MPS Southern System?

A. Yes. The Southern System received all of the fixed price gas costs. Under the circumstances which existed during the winter of 2000-2001, this reduced the Southern System's price volatility, while the Eastern System received index priced gas.

Q. Does MPS have a proposal to address this subsidization?

A. Yes. MPS proposes to reduce gas costs of $330,406 on the MPS Eastern System and to increase gas costs by the same amount on the Southern System.

Q. How is this adjustment calculated?

A. This gas cost adjustment assumes that 50% of normal requirements had been purchased on PEPL for the Eastern System, rather than on WGPC. These adjustments would align the gas costs as they were intended in the planning phase. Attached to my testimony as Schedule SLG-1 are the adjustment calculations.

SOUTHERN SYSTEM

PURCHASING PRACTICES

Q. What is your understanding of Staff's recommendations regarding purchasing practices on the MPS Southern System?

A. Staff believes that MPS should have purchased more flowing gas in November and December of 2000 and less flowing supplies in January through March of

2001. This would have changed the amount of natural gas pulled from storage for each of these months. Staff is recommending a gas cost reduction of $1,010,503 for the Southern System.

Q. Do you believe Staff's recommendations are correct?

A. No. I believe MPS's actions were reasonable based upon the market and weather conditions that existed at the time the decisions were made.

Q. In order to put MPS's decisions in context, would you please provide a brief explanation of the gas purchasing process?

A. Yes. To do so, I should start with an explanation of "first of the month" requirements.

Q. How are first of month requirements established?

A. The MPS gas scheduler will determine requirements for a month based on normal weather. The requirements are determined by taking normal monthly Heating Degree Days (HDD) as defined in the National Oceanic & Atmospheric Administration (NOAA) for Sedalia, Missouri, divided by the number of days in the month. The gas scheduler takes the average of the previous two years usage and compares that to the defined NOAA normal HDD times a base and variable number that is derived from a design day study. The scheduler compares the two methods for the best accuracy to determine the requirements and also compares the result to current usage levels as a reasonableness test.

Q. Why are first of month requirements based upon normal weather?

A. First of month requirements are based on normal weather due to the unpredictability of the weather. The potential exists that if the company plans for colder than normal weather, MPS may have excess gas. If the company plans for warmer than normal weather MPS may not have enough monthly gas requiring purchasing gas in the daily market at potentially higher gas prices.

Q. Once first of month requirements are determined, what is the next step in the purchasing process?

A. It next must be decided how the requirements will be covered, or satisfied. The requirements generally will be covered by baseload purchases, gas purchased for the entire month, purchased during the bid week cycle, and storage during the winter months and flowing gas in the summer months.

Q. In your opinion, what are the primary purposes of storage?

A. Storage serves two primary purposes. First, it enhances reliability, by having a ready source of supply when gas is not readily available due to increased demand, curtailments or some other unforeseen reason. Second, it enhances price stability, by providing the opportunity to withdraw from storage during colder days versus being subjected to the volatility of daily gas prices, which typically are higher during colder periods.

Q. Does Aquila have a planned storage withdrawal schedule during the winter?

A. Yes. Aquila usually plans to withdraw approximately 12.5% of Maximum Storage Quantity (MSQ) in the months of November and March and approximately 25% of MSQ during the months of December through February. Attached to my testimony as Schedule SLG-2 is the Storage Withdrawal Schedule.

Q. In your opinion, are there reasons to deviate from this plan?

A. Yes.

Q. Why would Aquila deviate from its plan?

A. The plan is a guideline for the gas scheduler to follow, assuming normal weather is experienced. As previously mentioned, storage serves two primary purposes, to enhance reliability and to provide price stability. During periods of colder weather, natural gas is in higher demand, which increases the chance of not being able to acquire all necessary supplies. Storage enhances reliability by having a ready source of supply. When the weather is colder than normal, a question of economics comes into play. Typically, colder weather brings higher daily gas prices. By withdrawing from storage, MPS is able to stay out of the market and not be subject to those higher gas prices.

Q. Would it have been reasonable for MPS to have ordered a higher level of flowing gas for the month of November 2000, as suggested by the Staff?

A. No. MPS acted prudently, based on the information available at that time. Staff asserts that information known to the Company at the time decisions were made regarding November flowing gas should have resulted in MPS using less storage. MPS disagrees with Staff's assertion.

Q. Why?

A. If MPS had purchased gas in the market at that time, MPS would have been buying gas when the forecasts called for warmer weather. If the November 2000 weather had been warmer than normal as predicted, MPS would have had excess supplies.

Q. Please explain?

A. First, as previous stated when determining first of month requirements, the requirements are determined based on normal weather. Second, the weather forecasts for November 2000 during the bid-week cycle, the point when MPS was determining how to cover its first of the month requirements, predicted warmer than normal weather. MPS averaged approximately 1,000 Dth injections the first five days of the month. MPS had planned to withdraw 3,391 Dth/day. The actual HDD for the first five days was 49 and the normal HDD are 81. If this weather pattern had continued, and if MPS had used more flowing gas as Staff recommends, MPS would have had a net injection for the month.

Q. Did this weather continue as predicted?

A. No. For the remaining twenty-five days of the month, total actual HDD were 768 and normal HDD were 561 or approximately 37% colder than normal. There were nineteen days in which the HDD were below normal.

Q. Could MPS have known this was going to result?

A. No. Based on the weather forecasts in late October for November and the injections that occurred the first five days, it is not reasonable to suggest MPS would have known the overall weather in November 2000 would have been approximately 27% colder than normal. Attached to my testimony as Schedule SLG-3 is the HDD data.

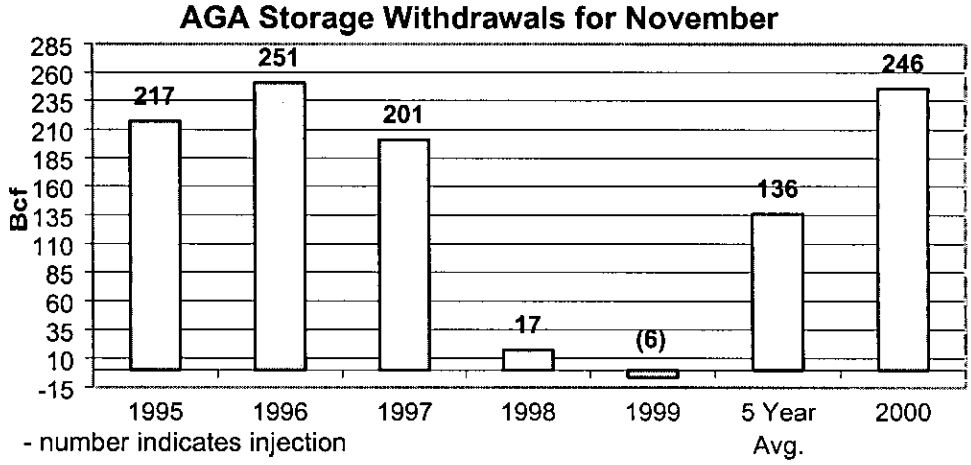
Q. What was MPS's Southern System storage balance at the end of November 30, 2000?

A. MPS's storage balance at end of November, 2000 was 559,087 Dth, which represented a withdrawal of 229,656 Dth for the month. Approximately 66.7% of MSQ remained for the remainder of the heating season, compared with 87.5% in our gas purchasing plan.

Q. In your opinion, is the MPS Southern System use of storage in November 2000 consistent with the national trend?

A. Yes. American Gas Association (AGA) data indicates the previous five year average (1995 – 1999) withdrawal for November was 136 Bcf compared to the withdrawal of 246 Bcf for November 2000, which indicates storage holders

withdrew more from storage to avoid being subject to higher prices due to the colder weather. See chart below for withdrawal data.



Q. Were daily gas prices higher in November 2000 than the first of the month index on WGPC?

A. Daily gas prices were higher than the index. Attached to my testimony is Schedule SLG-4, which provides the daily pricing information compared to the first of month index. The first of the month index reflects the market prices for the month. Daily gas prices were higher than first of month index, which shows that as we progressed through the month, gas prices were higher than expected at the beginning of the month.

Q. Did MPS intend to withdraw storage gas instead of buying all additional requirements in the daily market?

A. Yes. As previously mentioned, storage provides price stability by avoiding the need to purchase daily priced gas when gas prices are higher due to cold weather.

It becomes a question of economics. The Storage Weighted Average Cost of Gas (WACOG) of $4.5532 for November 2000, was lower than the average daily price of gas, $5.3153, which indicated the best economic decision was to withdrawal from storage versus paying the higher daily prices.

Q. How were the first of the month requirements determined for December 2000?

A. The requirements for the month of December 2000 were determined in the same manner as described for November 2000, except planned storage withdrawals were 5,652 Dth/day versus 6,763 Dth/day storage withdrawals in the plan. Storage withdrawals were backed off approximately 1,000 Dth/day due to the greater than expected withdrawals in November and to get the storage balances more in line with the storage withdrawal plan.

Q. Should MPS have ordered a higher level of flowing gas for the month of December 2000?

A. No. I do not think that would have been a reasonable decision at the time. First, as previous stated when determining first of month requirements, the requirements are determined based on normal weather. Second, MPS believed that the weather would not continue to be much colder than normal through the entire month because of the long range weather forecasts and historical weather MPS was reviewing. Therefore, MPS planned for an additional 1,000 Dth/day

flowing gas due to the storage withdrawals in November 2000 and withdrew approximately 1,000 Dth/day less from storage based upon normal weather.

Q. Did the weather continue to be much colder than normal?

A. Yes. Total unadjusted HDD were 1,404 and normal is 1,035 which represents approximately a 36% colder than normal month in December 2000. In other words, there were 27 days that were colder than normal.

Q. Should MPS have known that the actual weather in December 2000 would have been colder than normal?

A. Based on the information known at the time of establishing first of month requirements for December 2000, the forecasts reviewed by MPS indicated that the cold weather would not continue for an extended period of time.

Q. How did the weather during the months of November and December 2000 compare to past experience?

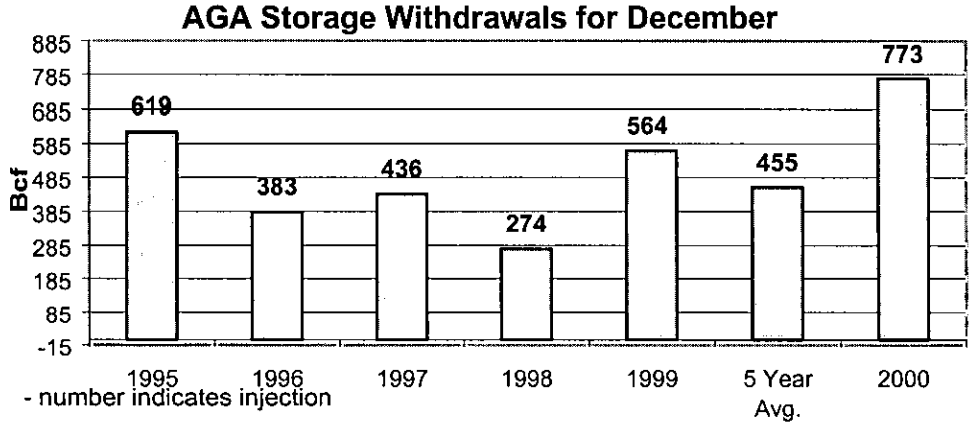
A. The months of November and December 2000 were the coldest two-month period in 108 years of weather record keeping.

Q. What was MPS's storage balance for the Southern System at the end of December 31, 2000?

A. The Southern System storage balance at end of December was 383,524 Dth, which represented a withdrawal of 175,563 Dth for the month, leaving approximately 45.7% of MSQ.

Q. In your opinion, was MPS use of storage in December 2000 consistent with the national trend?

A. Yes. American Gas Association (AGA) data indicates the previous five year average (1995 – 1999) withdraw for December was 455 Bcf compared to the withdrawal of 773 Bcf for December 2000, which indicates storage holders withdrew more from storage versus being subject to higher prices due to the colder weather. See chart below for withdraw data.



Q. Were daily gas prices higher than first of the month index on WGPC in December 2000?

A. Yes. Daily gas prices were significantly higher than the first of the month index. Attached to my testimony as Schedule SLG-4 is the daily pricing information for December 2000 compared to the first of month index.

Q. Did MPS intend to withdraw more storage instead of buying all additional requirements in the daily market in December 2000?

A. Yes. As previously mentioned, storage provides price stability by avoiding purchases of daily priced gas when gas prices are high due to cold weather. It becomes a question of economics. The Storage Weighted Average Cost of Gas (WACOG) of $4.5769 was significantly lower than the average gas daily price of $8.9160 in December 2000, which indicated the best economic decision was to withdrawal from storage versus paying the higher gas daily prices. In addition, if we had purchased market priced gas instead of withdrawing from storage and the weather had become warmer, there might be some question why we didn't use storage supplies.

Q. Would MPS Southern System customers have been better off if daily gas had been purchased in November and December 2000 instead of withdrawing from storage above normal requirements?

A. No.

Q. Why not?

A. If gas had been purchased in the day market instead of withdrawing storage above normal requirements in the months of November and December 2000, MPS Southern System customers would have paid approximately $743,202 more in gas

costs. Attached to my testimony as Schedule SLG-5 is the detailed calculation of these costs.

Q. Did the Staff take into consideration these additional costs that would have been experienced during November and December 2000, if their suggested purchasing practices had been followed?

A. It appears from the recommendation that the Staff did not take this into account.

Q. Was there another reason to pull more gas from storage versus buying all additional requirements in the daily market?

A. Yes. As the month of December 2000 continued to be much colder than normal, availability of supply became more of an issue. As previously mentioned, storage enhances reliability by having a ready source of supply.

Q. What are "Critical Notices"?

A. Critical Notices are informational postings provided by the interstate pipelines indicating system integrity concerns on the pipelines. Notices can range from announcements that receipts must cover deliveries to orders of Operational Flow Orders (OFO) which establish pipeline penalties if receipts do not match deliveries.

Q. Did Williams Gas Pipeline Central (WGPC) issue any Critical Notices during the month of December 2000?

A. Yes. Attached to my testimony as Schedule SLG-6 are the Critical Notices posted by Williams during December 2000

Q. What difficulties do these notices create for your purchasing?

A. During periods of Operational Flow Orders (OFO), MPS is required to have receipts match to deliveries or be subject to penalties. OFO penalties are punitive in nature, which creates a potential disallowance issuefor MPS to recover such OFO penalties. During OFO's, demand for natural gas increases, which causes reliability concerns. In other words, the ability to find all necessary gas in the day market becomes more difficult. Also, OFO notices generally cause the demand for gas to increase, which causes the cost of natural gas to increase.

Q. During the Operational Flow Order periods, December 11th through December 13th and December 16th through December 26th, 2000, were there any issues in finding daily gas?

A. Yes.

Q. Why?

A. During the OFO periods, especially the second round, it was at times difficult to purchase gas on the Kansas Hugoton (KH) and Straight Blackwell (SB) line segments, due to the lack of supply availability in the Hugoton Basin. MPS has approximately 40% of its primary WGPC production area capacity on the KH and SB line segments. A majority of suppliers wanted to source supply from

Canadian Blackwell (CB) and South Edmond (SE) line segments, which is sourced out of the Anadarko Basin. This was of considerable concern for two reasons. First, there was the concern of being able to purchase all of the gas requirements to ensure avoiding OFO penalties. Second, increased demand for natural gas translates into higher gas prices.

Q. Did MPS have reliability and gas price concerns heading into January 2001?

A. Yes.

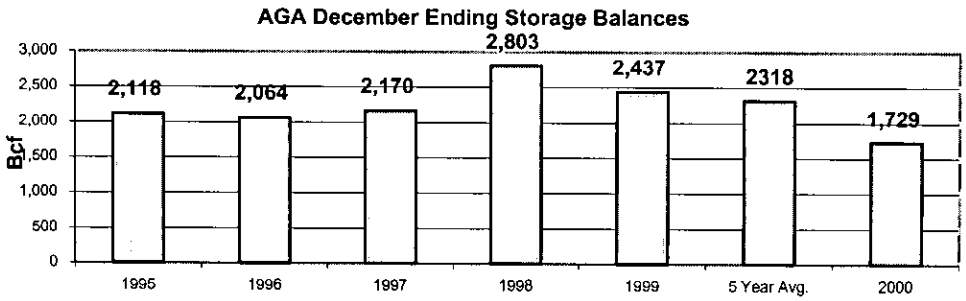
Q. Why?

A. Reliability became a considerable concern for MPS. Due to record cold weather, supply availability due to increased demand, Operational Flow Orders (OFO), and the record low AGA storage levels as of January 1st, MPS was concerned that adequate levels of storage would not be available to meet requirements for the remainder of the winter. MPS was also concerned that the colder weather would continue to drive up daily gas prices.

Q. What was the AGA storage level at the end of December 2000?

A. American Gas Association (AGA) data indicates the previous five year average (1995 – 1999) ending December storage balance was 2,318 Bcf compared to the

December 2000 ending storage balance of 1,729 Bcf.



Q. In your opinion, what does the December 2000 ending AGA storage balance tell you about the use of storage during the months of November and December 2000?

A. In my opinion, the AGA data indicates the national trend was to withdraw more from storage to enhance reliability and mitigate price volatility due to the colder weather.

Q. Is this consistent with how MPS utilized storage for the MPS Southern System?

A. Yes. MPS utilized more storage to enhance reliability and to mitigate price volatility by not purchasing gas in the gas daily market.

Q. How were the first of the month requirements determined for January 2001?

A. In the same fashion as defined for November 2000, with the exception that there were no planned storage withdrawals. The general plan calls for 6,763 Dth/day storage withdrawals. Additional flowing gas was planned to account for the lack of planned withdrawals.

Q. Why was purchasing additional flowing gas substituted for storage withdrawal in January 2001?

A. This was due to several factors. The MSQ was at 45.7%, weather forecasts called for colder than normal weather into January, and there were concerns regarding reliability due to supply availability and having adequate storage for the three remaining winter months. By purchasing more flowing gas and not withdrawing from storage, enabling MPS to get storage levels back to plan levels for the remaining two winter months. As a result, the decision was made to purchase more flowing gas.

Q. Did the weather continue to be much colder than normal for January 2001?

A. No. The actual HDD the first three days was 155 and normal HDD is 113, which represents approximately 37% colder than normal, which is what MPS was seeing as the continued weather pattern.

Q. Did this trend continue?

A. The remainder of the month was approximately 12% warmer than normal. Total unadjusted HDD for the month were 1,100 and normal is 1,184 which represents approximately a 7% warmer than normal month. There were 7 days that were colder than normal.

Q. Did the weather forecasts reviewed in December 2000, while plans were being made for January 2001, indicate that the weather during the month of January 2001, would be warmer than normal?

A. No. The weather forecasts continued showing colder than normal temperatures, as was experienced during the first three days of the month.

Q. What was MPS's Southern System storage balance at the end of January 31, 2001?

A. The Southern System storage balance at end of January was 595,741 Dth, which represented an injection of 375,506 Dth, leaving approximately 71.0% of MSQ.

Q. Why did an injection occur during the month of January 2001?

A. Flowing gas was purchased in place of storage withdrawals, preparing for the continuation of colder than normal weather as was experienced in November and December 2000. The first two days of January 2001, approximately 50,000 Dth was withdrawn from storage due to the colder than normal weather. From January 4th through the end of January 2001, the weather ended up being warmer than normal, which resulted in a net injection.

Q. How were the first of the month requirements determined for February 2001?

A. In the same fashion as defined for November 2000 with the exception of a planned storage withdrawal of 11,303 Dth/day. The original plan would call for

7,487 Dth/day of storage withdrawals. The additional storage withdrawals were planned in order to get the storage more in line with the storage withdrawal schedule. This would require less flowing gas.

Q. What was the result of the weather for February 2001?

A. Total unadjusted HDD for the month were 908 and normal is 949 which represents approximately a 4% warmer than normal month. There were 12 days that were colder than normal.

Q. What was the MPS Southern System storage balance at the end of February 28, 2001?

A. The storage balance at the end of February 2001 was 437,189 Dth, which represented a withdrawal of 158,553 Dth, leaving approximately 52.1% of MSQ.

Q. How were the first of the month requirements determined for March 2001?

A. In the same fashion as defined for November 2000, with the exception of a planned storage withdrawal of 6,644 Dth/day. The original plan would call for 3,494 Dth/day of storage withdrawals. The additional storage withdrawals were planned to get the storage more in line with the storage withdrawal schedule, requiring less flowing gas.

Q. What was the result of the weather for March 2001?

A. Total unadjusted HDD for the month was 781 and normal is 685, which represents approximately a 14% colder than normal month. There were 24 days that were colder than normal.

Q. Where was the MPS Southern System storage balance at the end of March 31, 2001?

A. The storage balance at the end of March 2001 was 175,099 Dth, which represented a withdrawal of 262,090 Dth, leaving approximately 31.3% of MSQ.

Q. Does the Staff's recommendation recognize the facts known to MPS at the time purchasing decisions were being made?

A. No. Staff asserts that MPS should have known the weather during November and December 2000 was going to be much colder than normal, thereby purchasing more flowing gas and withdrawing less storage gas than actually occurred. Based on the information available to MPS during the monthly setups, MPS had no reason to believe the weather would be colder than normal for an extended period of time. Also, Staff asserts that MPS should have planned for more storage withdrawals during January through March 2001, due to the weather being normal to above normal. Based on the information available to MPS during the January 2001 setup, MPS had no reason to suspect that the colder than normal weather would not continue with even higher gas price expectations. That was the information MPS utilized in making the decision to reduce storage withdrawals and purchase more flowing gas. During February and March 2001, MPS planned

for storage withdrawals in excess of the original plan to get the Storage MSQ back within a reasonable level heading into the injection season.

Q. In your opinion, did the weather cause the price spikes that occurred during the winter of 2000-2001?

A. Yes. As shown in Schedule SLG-4, during the periods of colder than normal weather, November and December 2000, the gas daily were significantly above first of the month index prices. This indicates prices moved upward in reaction to the colder weather.

Q. Were there any industry indications the summer prior to the winter of 2000-2001 that gas prices would be as volatile and reach the levels that occurred?

A. No. MPS representatives view several publications, attend conference calls, talk to suppliers, monitor the NYMEX Gas Futures Contracts looking for fundamental and technical indicators and none of these sources indicated the winter of 2000-2001 would be as volatile as it was.

Q. What are some of the resources the MPS personnel reviews?

A. Cambridge Energy Resource Associates (CERA), American Gas Association (AGA), Energy Information Administration (EIA), and Platts Gas Daily publication.

Q. Does this conclude your testimony?

A. Yes.

Winter 2000/2001 Fixed Price Purchases for Missouri

Supplier	Volume Purchased	Package	Fixed Price	Total Cost	Date of Purchase
Aquila	2,500	AQU3557	$ 3.855	$ 1,455,263	08-Jun
Anadarko	2,500	ANA461	$ 4.005	$ 1,511,888	05-Jul
Aquila	2,500	AQU3642	$ 3.930	$ 1,483,575	17-Jul
Anadarko	2,500	ANA461	$ 4.145	$ 1,564,738	15-Aug
Aquila	2,500	AQU3728	$ 4.4775	$ 1,690,256	30-Aug
Oneok	2,500	ONE176	$ 5.1700	$ 1,951,675	02-Oct
WGR	5,000	WGR444	$ 5.210	$ 3,933,550	16-Oct
Total	20,000		$ 4.500	$ 13,590,944	

Total Fixed Price purchases on Williams that was intended for the MPS Southern & MPS Eastern systems.

Average winter daily fixed price requirement.

Weighted Average Cost of Gas (WACOG) for fixed price

Allocated to MPS South 8,400

MPS South 4,410 50% Normal Requirements - Fixed Price
MPS East 1,022.0 50% Normal Requirements - Fixed Price

50% normal fixed price requirements.

Difference between IFERC PEPL & Fixed Price WACOG.

Month/Year	50% Hedged Daily Volume	50% Hedged Monthly Volume	Fixed Price WACOG	IFERC PEPL Index	Index to Fixed WACOG Variance	(Cost)/ Savings
Nov-00	781	23,440	$ 4.5003	$ 4.4100	$ (0.0903)	$ (2,116.89)
Dec-00	1,186	36,758	$ 4.5003	$ 5.8800	$ 1.3797	$ 50,714.21
Jan-01	1,291	40,031	$ 4.5003	$ 9.9200	$ 5.4197	$ 216,958.19
Feb-01	1,099	30,769	$ 4.5003	$ 6.2200	$ 1.7197	$ 52,912.36
Mar-01	756	23,423	$ 4.5003	$ 5.0100	$ 0.5097	$ 11,938.28
		154,420				**$ 330,406.15**
		1,022.7			Eastern Impact	$ (0.7908)
					Southern Impact	$ 0.0792

Savings to MPS Eastern System if reallocate fixed price cost from MPS Southern System.

Month/Year	30% Hedged Daily Volume	30% Hedged Monthly Volume	Fixed Price WACOG	PEPL Index	Index to Fixed WACOG Variance	(Cost)/ Savings
Nov-00	469	14,064	$ 4.5003	$ 4.4100	$ (0.0903)	$ (1,270.13)
Dec-00	711	22,055	$ 4.5003	$ 5.8800	$ 1.3797	$ 30,428.53
Jan-01	775	24,019	$ 4.5003	$ 9.9200	$ 5.4197	$ 130,174.92
Feb-01	659	18,461	$ 4.5003	$ 6.2200	$ 1.7197	$ 31,747.41
Mar-01	453	14,054	$ 4.5003	$ 5.0100	$ 0.5097	$ 7,162.97
		92,652				**$ 198,243.69**
		614			Eastern Impact	$ (0.4745)
					Southern Impact	$ 0.0475

Calculated impact per Mcf for each system if fixed price gas costs were allocated as intended.

MPS Southern Withdrawl Schedule

MSQ:	838,596			
Month	Planned % To Withdrawal	Planned Monthly Volume To Withdrawal	Planned Daily Volume To Withdrawal	Planned Ending Storage Balance
November	12.5%	104,825	3,494	733,772
December	25.0%	209,649	6,763	524,123
January	25.0%	209,649	6,763	314,474
February	25.0%	209,649	7,487	104,825
March	12.5%	104,825	3,494	0

Weather Station	Date	Actual Unadjusted Heating Degree Days	NOAA Normal Heating Degree Days	Variance	Warmer/ (Colder) Than Normal
Sedalia, MO	11/01/00	2	15	13	86.67%
Sedalia, MO	11/02/00	11	16	5	31.25%
Sedalia, MO	11/03/00	16	16	0	0.00%
Sedalia, MO	11/04/00	14	17	3	17.65%
Sedalia, MO	11/05/00	6	17	11	64.71%
Sedalia, MO	11/06/00	19	17	-2	-11.76%
Sedalia, MO	11/07/00	29	18	-11	-61.11%
Sedalia, MO	11/08/00	35	18	-17	-94.44%
Sedalia, MO	11/09/00	38	19	-19	-100.00%
Sedalia, MO	11/10/00	37	19	-18	-94.74%
Sedalia, MO	11/11/00	29	19	-10	-52.63%
Sedalia, MO	11/12/00	32	20	-12	-60.00%
Sedalia, MO	11/13/00	33	20	-13	-65.00%
Sedalia, MO	11/14/00	34	21	-13	-61.90%
Sedalia, MO	11/15/00	22	21	-1	-4.76%
Sedalia, MO	11/16/00	38	22	-16	-72.73%
Sedalia, MO	11/17/00	38	22	-16	-72.73%
Sedalia, MO	11/18/00	32	22	-10	-45.45%
Sedalia, MO	11/19/00	30	23	-7	-30.43%
Sedalia, MO	11/20/00	44	23	-21	-91.30%
Sedalia, MO	11/21/00	35	24	-11	-45.83%
Sedalia, MO	11/22/00	32	24	-8	-33.33%
Sedalia, MO	11/23/00	21	25	4	16.00%
Sedalia, MO	11/24/00	23	25	2	8.00%
Sedalia, MO	11/25/00	25	25	0	0.00%
Sedalia, MO	11/26/00	36	26	-10	-38.46%
Sedalia, MO	11/27/00	26	26	0	0.00%
Sedalia, MO	11/28/00	21	27	6	22.22%
Sedalia, MO	11/29/00	34	27	-7	-25.93%
Sedalia, MO	11/30/00	25	28	3	10.71%
Total		817	642	-175	-27.26%

Sedalia, MO	12/01/00	31	28	-3	-10.71%
Sedalia, MO	12/02/00	38	29	-9	-31.03%
Sedalia, MO	12/03/00	34	29	-5	-17.24%
Sedalia, MO	12/04/00	29	29	0	0.00%
Sedalia, MO	12/05/00	40	30	-10	-33.33%
Sedalia, MO	12/06/00	36	30	-6	-20.00%
Sedalia, MO	12/07/00	21	31	10	32.26%
Sedalia, MO	12/08/00	34	31	-3	-9.68%
Sedalia, MO	12/09/00	27	31	4	12.90%
Sedalia, MO	12/10/00	36	32	-4	-12.50%
Sedalia, MO	12/11/00	59	32	-27	-84.38%
Sedalia, MO	12/12/00	53	33	-20	-60.61%
Sedalia, MO	12/13/00	53	33	-20	-60.61%
Sedalia, MO	12/14/00	49	33	-16	-48.48%
Sedalia, MO	12/15/00	31	33	2	6.06%
Sedalia, MO	12/16/00	56	34	-22	-64.71%
Sedalia, MO	12/17/00	51	34	-17	-50.00%
Sedalia, MO	12/18/00	53	34	-19	-55.88%
Sedalia, MO	12/19/00	56	35	-21	-60.00%
Sedalia, MO	12/20/00	46	35	-11	-31.43%
Sedalia, MO	12/21/00	60	35	-25	-71.43%
Sedalia, MO	12/22/00	50	35	-15	-42.86%
Sedalia, MO	12/23/00	49	36	-13	-36.11%
Sedalia, MO	12/24/00	58	36	-22	-61.11%
Sedalia, MO	12/25/00	49	36	-13	-36.11%
Sedalia, MO	12/26/00	45	36	-9	-25.00%
Sedalia, MO	12/27/00	51	37	-14	-37.84%
Sedalia, MO	12/28/00	45	37	-8	-21.62%
Sedalia, MO	12/29/00	53	37	-16	-43.24%
Sedalia, MO	12/30/00	54	37	-17	-45.95%
Sedalia, MO	12/31/00	57	37	-20	-54.05%
Total		1,404	1,035	-369	-35.65%

Sedalia, MO	01/01/01	63	37	-26	-70.27%
Sedalia, MO	01/02/01	50	38	-12	-31.58%
Sedalia, MO	01/03/01	42	38	-4	-10.53%
Sedalia, MO	01/04/01	30	38	8	21.05%
Sedalia, MO	01/05/01	30	38	8	21.05%
Sedalia, MO	01/06/01	28	38	10	26.32%
Sedalia, MO	01/07/01	30	38	8	21.05%
Sedalia, MO	01/08/01	38	38	0	0.00%
Sedalia, MO	01/09/01	36	38	2	5.26%
Sedalia, MO	01/10/01	27	38	11	28.95%
Sedalia, MO	01/11/01	29	38	9	23.68%
Sedalia, MO	01/12/01	31	38	7	18.42%
Sedalia, MO	01/13/01	24	39	15	38.46%
Sedalia, MO	01/14/01	31	39	8	20.51%
Sedalia, MO	01/15/01	34	39	5	12.82%
Sedalia, MO	01/16/01	38	39	1	2.56%
Sedalia, MO	01/17/01	41	39	-2	-5.13%
Sedalia, MO	01/18/01	32	39	7	17.95%
Sedalia, MO	01/19/01	47	39	-8	-20.51%
Sedalia, MO	01/20/01	43	38	-5	-13.16%
Sedalia, MO	01/21/01	39	38	-1	-2.63%
Sedalia, MO	01/22/01	30	38	8	21.05%
Sedalia, MO	01/23/01	31	38	7	18.42%
Sedalia, MO	01/24/01	40	38	-2	-5.26%
Sedalia, MO	01/25/01	35	38	3	7.89%
Sedalia, MO	01/26/01	38	38	0	0.00%
Sedalia, MO	01/27/01	37	38	1	2.63%
Sedalia, MO	01/28/01	32	38	6	15.79%
Sedalia, MO	01/29/01	29	38	9	23.68%
Sedalia, MO	01/30/01	31	38	7	18.42%
Sedalia, MO	01/31/01	34	38	4	10.53%
Total		1,100	1,184	84	7.09%

Sedalia, MO	02/01/01	48	37	-11	-29.73%
Sedalia, MO	02/02/01	42	37	-5	-13.51%
Sedalia, MO	02/03/01	27	37	10	27.03%
Sedalia, MO	02/04/01	32	37	5	13.51%
Sedalia, MO	02/05/01	23	37	14	37.84%
Sedalia, MO	02/06/01	28	37	9	24.32%
Sedalia, MO	02/07/01	10	36	26	72.22%
Sedalia, MO	02/08/01	17	36	19	52.78%
Sedalia, MO	02/09/01	50	36	-14	-38.89%
Sedalia, MO	02/10/01	43	36	-7	-19.44%
Sedalia, MO	02/11/01	32	35	3	8.57%
Sedalia, MO	02/12/01	27	35	8	22.86%
Sedalia, MO	02/13/01	23	35	12	34.29%
Sedalia, MO	02/14/01	36	34	-2	-5.88%
Sedalia, MO	02/15/01	39	34	-5	-14.71%
Sedalia, MO	02/16/01	45	34	-11	-32.35%
Sedalia, MO	02/17/01	44	33	-11	-33.33%
Sedalia, MO	02/18/01	29	33	4	12.12%
Sedalia, MO	02/19/01	20	33	13	39.39%
Sedalia, MO	02/20/01	31	32	1	3.13%
Sedalia, MO	02/21/01	43	32	-11	-34.38%
Sedalia, MO	02/22/01	35	32	-3	-9.38%
Sedalia, MO	02/23/01	29	31	2	6.45%
Sedalia, MO	02/24/01	18	31	13	41.94%
Sedalia, MO	02/25/01	32	30	-2	-6.67%
Sedalia, MO	02/26/01	23	30	7	23.33%
Sedalia, MO	02/27/01	42	30	-12	-40.00%
Sedalia, MO	02/28/01	40	29	-11	-37.93%
Total		908	949	41	4.32%

Sedalia, MO	03/01/01	31	29	-2	-6.90%
Sedalia, MO	03/02/01	31	28	-3	-10.71%
Sedalia, MO	03/03/01	29	28	-1	-3.57%
Sedalia, MO	03/04/01	31	27	-4	-14.81%
Sedalia, MO	03/05/01	34	27	-7	-25.93%
Sedalia, MO	03/06/01	29	26	-3	-11.54%
Sedalia, MO	03/07/01	28	26	-2	-7.69%
Sedalia, MO	03/08/01	32	25	-7	-28.00%
Sedalia, MO	03/09/01	29	25	-4	-16.00%
Sedalia, MO	03/10/01	16	25	9	36.00%
Sedalia, MO	03/11/01	18	24	6	25.00%
Sedalia, MO	03/12/01	21	24	3	12.50%
Sedalia, MO	03/13/01	15	23	8	34.78%
Sedalia, MO	03/14/01	10	23	13	56.52%
Sedalia, MO	03/15/01	24	22	-2	-9.09%
Sedalia, MO	03/16/01	34	22	-12	-54.55%
Sedalia, MO	03/17/01	31	22	-9	-40.91%
Sedalia, MO	03/18/01	24	21	-3	-14.29%
Sedalia, MO	03/19/01	23	21	-2	-9.52%
Sedalia, MO	03/20/01	20	20	0	0.00%
Sedalia, MO	03/21/01	16	20	4	20.00%
Sedalia, MO	03/22/01	20	19	-1	-5.26%
Sedalia, MO	03/23/01	21	19	-2	-10.53%
Sedalia, MO	03/24/01	34	19	-15	-78.95%
Sedalia, MO	03/25/01	36	18	-18	-100.00%
Sedalia, MO	03/26/01	33	18	-15	-83.33%
Sedalia, MO	03/27/01	24	18	-6	-33.33%
Sedalia, MO	03/28/01	28	17	-11	-64.71%
Sedalia, MO	03/29/01	20	17	-3	-17.65%
Sedalia, MO	03/30/01	17	16	-1	-6.25%
Sedalia, MO	03/31/01	22	16	-6	-37.50%
Total		781	685	-96	-14.01%
Total Winter		5,010	4,495	-515	-11.46%

Pipeline	Date	Gas Daily Daily Index	IFERC Monthly Index	Variance	
Williams Gas Pipeline Central	11/01/00	$4.0700	$4.4300	($0.3600)	
Williams Gas Pipeline Central	11/02/00	$4.1150	$4.4300	($0.3150)	
Williams Gas Pipeline Central	11/03/00	$4.2550	$4.4300	($0.1750)	
Williams Gas Pipeline Central	11/04/00	$4.4400	$4.4300	$0.0100	
Williams Gas Pipeline Central	11/05/00	$4.4400	$4.4300	$0.0100	
Williams Gas Pipeline Central	11/06/00	$4.4400	$4.4300	$0.0100	
Williams Gas Pipeline Central	11/07/00	$4.4350	$4.4300	$0.0050	
Williams Gas Pipeline Central	11/08/00	$4.4850	$4.4300	$0.0550	
Williams Gas Pipeline Central	11/09/00	$4.7950	$4.4300	$0.3650	
Williams Gas Pipeline Central	11/10/00	$5.3050	$4.4300	$0.8750	
Williams Gas Pipeline Central	11/11/00	$5.1250	$4.4300	$0.6950	
Williams Gas Pipeline Central	11/12/00	$5.1250	$4.4300	$0.6950	
Williams Gas Pipeline Central	11/13/00	$5.1250	$4.4300	$0.6950	
Williams Gas Pipeline Central	11/14/00	$5.5000	$4.4300	$1.0700	
Williams Gas Pipeline Central	11/15/00	$5.6900	$4.4300	$1.2600	
Williams Gas Pipeline Central	11/16/00	$5.7750	$4.4300	$1.3450	
Williams Gas Pipeline Central	11/17/00	$5.7550	$4.4300	$1.3250	
Williams Gas Pipeline Central	11/18/00	$5.4550	$4.4300	$1.0250	
Williams Gas Pipeline Central	11/19/00	$5.4550	$4.4300	$1.0250	
Williams Gas Pipeline Central	11/20/00	$5.4550	$4.4300	$1.0250	
Williams Gas Pipeline Central	11/21/00	$6.0750	$4.4300	$1.6450	
Williams Gas Pipeline Central	11/22/00	$6.2050	$4.4300	$1.7750	
Williams Gas Pipeline Central	11/23/00	$6.0600	$4.4300	$1.6300	
Williams Gas Pipeline Central	11/24/00	$6.0600	$4.4300	$1.6300	
Williams Gas Pipeline Central	11/25/00	$6.0600	$4.4300	$1.6300	
Williams Gas Pipeline Central	11/26/00	$6.0600	$4.4300	$1.6300	
Williams Gas Pipeline Central	11/27/00	$6.0600	$4.4300	$1.6300	
Williams Gas Pipeline Central	11/28/00	$6.0550	$4.4300	$1.6250	
Williams Gas Pipeline Central	11/29/00	$5.7800	$4.4300	$1.3500	
Williams Gas Pipeline Central	11/30/00	$5.8050	$4.4300	$1.3750	$5.3153

Williams Gas Pipeline Central	12/01/00	$6.1850	$5.9000	$0.2850
Williams Gas Pipeline Central	12/02/00	$6.4250	$5.9000	$0.5250
Williams Gas Pipeline Central	12/03/00	$6.4250	$5.9000	$0.5250
Williams Gas Pipeline Central	12/04/00	$6.4250	$5.9000	$0.5250
Williams Gas Pipeline Central	12/05/00	$7.2900	$5.9000	$1.3900
Williams Gas Pipeline Central	12/06/00	$8.0650	$5.9000	$2.1650
Williams Gas Pipeline Central	12/07/00	$8.8400	$5.9000	$2.9400
Williams Gas Pipeline Central	12/08/00	$8.5850	$5.9000	$2.6850
Williams Gas Pipeline Central	12/09/00	$7.9500	$5.9000	$2.0500
Williams Gas Pipeline Central	12/10/00	$7.9500	$5.9000	$2.0500
Williams Gas Pipeline Central	12/11/00	$7.9500	$5.9000	$2.0500
Williams Gas Pipeline Central	12/12/00	$10.8950	$5.9000	$4.9950
Williams Gas Pipeline Central	12/13/00	$9.2150	$5.9000	$3.3150
Williams Gas Pipeline Central	12/14/00	$7.8950	$5.9000	$1.9950
Williams Gas Pipeline Central	12/15/00	$7.5650	$5.9000	$1.6650
Williams Gas Pipeline Central	12/16/00	$7.9800	$5.9000	$2.0800
Williams Gas Pipeline Central	12/17/00	$7.9800	$5.9000	$2.0800
Williams Gas Pipeline Central	12/18/00	$7.9800	$5.9000	$2.0800
Williams Gas Pipeline Central	12/19/00	$9.5650	$5.9000	$3.6650
Williams Gas Pipeline Central	12/20/00	$9.2900	$5.9000	$3.3900
Williams Gas Pipeline Central	12/21/00	$10.3450	$5.9000	$4.4450
Williams Gas Pipeline Central	12/22/00	$11.5250	$5.9000	$5.6250
Williams Gas Pipeline Central	12/23/00	$11.3950	$5.9000	$5.4950
Williams Gas Pipeline Central	12/24/00	$11.3950	$5.9000	$5.4950
Williams Gas Pipeline Central	12/25/00	$11.3950	$5.9000	$5.4950
Williams Gas Pipeline Central	12/26/00	$11.3950	$5.9000	$5.4950
Williams Gas Pipeline Central	12/27/00	$10.4300	$5.9000	$4.5300
Williams Gas Pipeline Central	12/28/00	$9.7100	$5.9000	$3.8100
Williams Gas Pipeline Central	12/29/00	$9.3700	$5.9000	$3.4700
Williams Gas Pipeline Central	12/30/00	$9.4900	$5.9000	$3.5900
Williams Gas Pipeline Central	12/31/00	$9.4900	$5.9000	$3.5900

Williams Gas Pipeline Central	01/01/01	$10.6250	$9.9800	$0.6450
Williams Gas Pipeline Central	01/02/01	$10.6250	$9.9800	$0.6450
Williams Gas Pipeline Central	01/03/01	$9.1200	$9.9800	($0.8600)
Williams Gas Pipeline Central	01/04/01	$9.1950	$9.9800	($0.7850)
Williams Gas Pipeline Central	01/05/01	$9.0900	$9.9800	($0.8900)
Williams Gas Pipeline Central	01/06/01	$9.2900	$9.9800	($0.6900)
Williams Gas Pipeline Central	01/07/01	$9.2900	$9.9800	($0.6900)
Williams Gas Pipeline Central	01/08/01	$9.2900	$9.9800	($0.6900)
Williams Gas Pipeline Central	01/09/01	$9.9300	$9.9800	($0.0500)
Williams Gas Pipeline Central	01/10/01	$9.6800	$9.9800	($0.3000)
Williams Gas Pipeline Central	01/11/01	$9.8000	$9.9800	($0.1800)
Williams Gas Pipeline Central	01/12/01	$8.8900	$9.9800	($1.0900)
Williams Gas Pipeline Central	01/13/01	$8.7350	$9.9800	($1.2450)
Williams Gas Pipeline Central	01/14/01	$8.7350	$9.9800	($1.2450)
Williams Gas Pipeline Central	01/15/01	$8.7350	$9.9800	($1.2450)
Williams Gas Pipeline Central	01/16/01	$8.7350	$9.9800	($1.2450)
Williams Gas Pipeline Central	01/17/01	$8.2650	$9.9800	($1.7150)
Williams Gas Pipeline Central	01/18/01	$8.0750	$9.9800	($1.9050)
Williams Gas Pipeline Central	01/19/01	$7.3300	$9.9800	($2.6500)
Williams Gas Pipeline Central	01/20/01	$7.7850	$9.9800	($2.1950)
Williams Gas Pipeline Central	01/21/01	$7.7850	$9.9800	($2.1950)
Williams Gas Pipeline Central	01/22/01	$7.7850	$9.9800	($2.1950)
Williams Gas Pipeline Central	01/23/01	$7.8600	$9.9800	($2.1200)
Williams Gas Pipeline Central	01/24/01	$7.2600	$9.9800	($2.7200)
Williams Gas Pipeline Central	01/25/01	$7.0500	$9.9800	($2.9300)
Williams Gas Pipeline Central	01/26/01	$7.4250	$9.9800	($2.5550)
Williams Gas Pipeline Central	01/27/01	$7.2500	$9.9800	($2.7300)
Williams Gas Pipeline Central	01/28/01	$7.2500	$9.9800	($2.7300)
Williams Gas Pipeline Central	01/29/01	$7.2500	$9.9800	($2.7300)
Williams Gas Pipeline Central	01/30/01	$6.7800	$9.9800	($3.2000)
Williams Gas Pipeline Central	01/31/01	$5.9800	$9.9800	($4.0000)

Williams Gas Pipeline Central	02/01/01	$5.9850	$6.2900	($0.3050)
Williams Gas Pipeline Central	02/02/01	$5.9650	$6.2900	($0.3250)
Williams Gas Pipeline Central	02/03/01	$6.6050	$6.2900	$0.3150
Williams Gas Pipeline Central	02/04/01	$6.6050	$6.2900	$0.3150
Williams Gas Pipeline Central	02/05/01	$6.6050	$6.2900	$0.3150
Williams Gas Pipeline Central	02/06/01	$5.7800	$6.2900	($0.5100)
Williams Gas Pipeline Central	02/07/01	$5.5750	$6.2900	($0.7150)
Williams Gas Pipeline Central	02/08/01	$5.7600	$6.2900	($0.5300)
Williams Gas Pipeline Central	02/09/01	$6.3600	$6.2900	$0.0700
Williams Gas Pipeline Central	02/10/01	$6.2250	$6.2900	($0.0650)
Williams Gas Pipeline Central	02/11/01	$6.2250	$6.2900	($0.0650)
Williams Gas Pipeline Central	02/12/01	$6.2250	$6.2900	($0.0650)
Williams Gas Pipeline Central	02/13/01	$5.6400	$6.2900	($0.6500)
Williams Gas Pipeline Central	02/14/01	$5.6100	$6.2900	($0.6800)
Williams Gas Pipeline Central	02/15/01	$5.9500	$6.2900	($0.3400)
Williams Gas Pipeline Central	02/16/01	$5.5000	$6.2900	($0.7900)
Williams Gas Pipeline Central	02/17/01	$5.5700	$6.2900	($0.7200)
Williams Gas Pipeline Central	02/18/01	$5.5700	$6.2900	($0.7200)
Williams Gas Pipeline Central	02/19/01	$5.5700	$6.2900	($0.7200)
Williams Gas Pipeline Central	02/20/01	$5.5700	$6.2900	($0.7200)
Williams Gas Pipeline Central	02/21/01	$5.3450	$6.2900	($0.9450)
Williams Gas Pipeline Central	02/22/01	$5.3250	$6.2900	($0.9650)
Williams Gas Pipeline Central	02/23/01	$5.1700	$6.2900	($1.1200)
Williams Gas Pipeline Central	02/24/01	$5.0550	$6.2900	($1.2350)
Williams Gas Pipeline Central	02/25/01	$5.0550	$6.2900	($1.2350)
Williams Gas Pipeline Central	02/26/01	$5.0550	$6.2900	($1.2350)
Williams Gas Pipeline Central	02/27/01	$5.1450	$6.2900	($1.1450)
Williams Gas Pipeline Central	02/28/01	$5.1800	$6.2900	($1.1100)

Williams Gas Pipeline Central	03/01/01	$5.2350	$5.0300	$0.2050
Williams Gas Pipeline Central	03/02/01	$5.1250	$5.0300	$0.0950
Williams Gas Pipeline Central	03/03/01	$5.0750	$5.0300	$0.0450
Williams Gas Pipeline Central	03/04/01	$5.0750	$5.0300	$0.0450
Williams Gas Pipeline Central	03/05/01	$5.0750	$5.0300	$0.0450
Williams Gas Pipeline Central	03/06/01	$5.3100	$5.0300	$0.2800
Williams Gas Pipeline Central	03/07/01	$5.2550	$5.0300	$0.2250
Williams Gas Pipeline Central	03/08/01	$5.1800	$5.0300	$0.1500
Williams Gas Pipeline Central	03/09/01	$5.2100	$5.0300	$0.1800
Williams Gas Pipeline Central	03/10/01	$5.0900	$5.0300	$0.0600
Williams Gas Pipeline Central	03/11/01	$5.0900	$5.0300	$0.0600
Williams Gas Pipeline Central	03/12/01	$5.0900	$5.0300	$0.0600
Williams Gas Pipeline Central	03/13/01	$4.9450	$5.0300	($0.0850)
Williams Gas Pipeline Central	03/14/01	$5.0500	$5.0300	$0.0200
Williams Gas Pipeline Central	03/15/01	$4.9650	$5.0300	($0.0650)
Williams Gas Pipeline Central	03/16/01	$4.9250	$5.0300	($0.1050)
Williams Gas Pipeline Central	03/17/01	$4.9750	$5.0300	($0.0550)
Williams Gas Pipeline Central	03/18/01	$4.9750	$5.0300	($0.0550)
Williams Gas Pipeline Central	03/19/01	$4.9750	$5.0300	($0.0550)
Williams Gas Pipeline Central	03/20/01	$5.0400	$5.0300	$0.0100
Williams Gas Pipeline Central	03/21/01	$4.9850	$5.0300	($0.0450)
Williams Gas Pipeline Central	03/22/01	$5.0700	$5.0300	$0.0400
Williams Gas Pipeline Central	03/23/01	$4.9350	$5.0300	($0.0950)
Williams Gas Pipeline Central	03/24/01	$5.1450	$5.0300	$0.1150
Williams Gas Pipeline Central	03/25/01	$5.1450	$5.0300	$0.1150
Williams Gas Pipeline Central	03/26/01	$5.1450	$5.0300	$0.1150
Williams Gas Pipeline Central	03/27/01	$5.1500	$5.0300	$0.1200
Williams Gas Pipeline Central	03/28/01	$5.3500	$5.0300	$0.3200
Williams Gas Pipeline Central	03/29/01	$5.5000	$5.0300	$0.4700
Williams Gas Pipeline Central	03/30/01	$5.2550	$5.0300	$0.2250
Williams Gas Pipeline Central	03/31/01	$5.2000	$5.0300	$0.1700

Pipeline	Date	Gas Daily Daily Index	Williams Storage WACOG	Variance	Average Variance	Actual Storage Withdrawn Above Planned Withdrawal	Additional Cost/ (Savings) if Purchased Daily Gas
Williams Gas Pipeline Central	11/01/00	$4.0700	$4.5532	($0.4832)			
Williams Gas Pipeline Central	11/02/00	$4.1150	$4.5532	($0.4382)			
Williams Gas Pipeline Central	11/03/00	$4.2550	$4.5532	($0.2982)			
Williams Gas Pipeline Central	11/04/00	$4.4400	$4.5532	($0.1132)			
Williams Gas Pipeline Central	11/05/00	$4.4400	$4.5532	($0.1132)			
Williams Gas Pipeline Central	11/06/00	$4.4400	$4.5532	($0.1132)			
Williams Gas Pipeline Central	11/07/00	$4.4350	$4.5532	($0.1182)			
Williams Gas Pipeline Central	11/08/00	$4.4850	$4.5532	($0.0682)			
Williams Gas Pipeline Central	11/09/00	$4.7950	$4.5532	$0.2418			
Williams Gas Pipeline Central	11/10/00	$5.3050	$4.5532	$0.7518			
Williams Gas Pipeline Central	11/11/00	$5.1250	$4.5532	$0.5718			
Williams Gas Pipeline Central	11/12/00	$5.1250	$4.5532	$0.5718			
Williams Gas Pipeline Central	11/13/00	$5.1250	$4.5532	$0.5718			
Williams Gas Pipeline Central	11/14/00	$5.5000	$4.5532	$0.9468			
Williams Gas Pipeline Central	11/15/00	$5.6900	$4.5532	$1.1368			
Williams Gas Pipeline Central	11/16/00	$5.7750	$4.5532	$1.2218			
Williams Gas Pipeline Central	11/17/00	$5.7550	$4.5532	$1.2018			
Williams Gas Pipeline Central	11/18/00	$5.4550	$4.5532	$0.9018			
Williams Gas Pipeline Central	11/19/00	$5.4550	$4.5532	$0.9018			
Williams Gas Pipeline Central	11/20/00	$5.4550	$4.5532	$0.9018			
Williams Gas Pipeline Central	11/21/00	$6.0750	$4.5532	$1.5218			
Williams Gas Pipeline Central	11/22/00	$6.2050	$4.5532	$1.6518			
Williams Gas Pipeline Central	11/23/00	$6.0600	$4.5532	$1.5068			
Williams Gas Pipeline Central	11/24/00	$6.0600	$4.5532	$1.5068			
Williams Gas Pipeline Central	11/25/00	$6.0600	$4.5532	$1.5068			
Williams Gas Pipeline Central	11/26/00	$6.0600	$4.5532	$1.5068			
Williams Gas Pipeline Central	11/27/00	$6.0600	$4.5532	$1.5068			
Williams Gas Pipeline Central	11/28/00	$6.0550	$4.5532	$1.5018			
Williams Gas Pipeline Central	11/29/00	$5.7800	$4.5532	$1.2268			
Williams Gas Pipeline Central	11/30/00	$5.8050	$4.5532	$1.2518	$0.7621	174,685	$133,133.26
Williams Gas Pipeline Central	12/01/00	$6.1850	$4.5769	$1.6081			
Williams Gas Pipeline Central	12/02/00	$6.4250	$4.5769	$1.8481			
Williams Gas Pipeline Central	12/03/00	$6.4250	$4.5769	$1.8481			
Williams Gas Pipeline Central	12/04/00	$6.4250	$4.5769	$1.8481			
Williams Gas Pipeline Central	12/05/00	$7.2900	$4.5769	$2.7131			
Williams Gas Pipeline Central	12/06/00	$8.0650	$4.5769	$3.4881			
Williams Gas Pipeline Central	12/07/00	$8.8400	$4.5769	$4.2631			
Williams Gas Pipeline Central	12/08/00	$8.5850	$4.5769	$4.0081			
Williams Gas Pipeline Central	12/09/00	$7.9500	$4.5769	$3.3731			
Williams Gas Pipeline Central	12/10/00	$7.9500	$4.5769	$3.3731			
Williams Gas Pipeline Central	12/11/00	$7.9500	$4.5769	$3.3731			
Williams Gas Pipeline Central	12/12/00	$10.8950	$4.5769	$6.3181			
Williams Gas Pipeline Central	12/13/00	$9.2150	$4.5769	$4.6381			
Williams Gas Pipeline Central	12/14/00	$7.8950	$4.5769	$3.3181			
Williams Gas Pipeline Central	12/15/00	$7.5650	$4.5769	$2.9881			
Williams Gas Pipeline Central	12/16/00	$7.9800	$4.5769	$3.4031			
Williams Gas Pipeline Central	12/17/00	$7.9800	$4.5769	$3.4031			
Williams Gas Pipeline Central	12/18/00	$7.9800	$4.5769	$3.4031			
Williams Gas Pipeline Central	12/19/00	$9.5650	$4.5769	$4.9881			
Williams Gas Pipeline Central	12/20/00	$9.2900	$4.5769	$4.7131			
Williams Gas Pipeline Central	12/21/00	$10.3450	$4.5769	$5.7681			
Williams Gas Pipeline Central	12/22/00	$11.5250	$4.5769	$6.9481			
Williams Gas Pipeline Central	12/23/00	$11.3950	$4.5769	$6.8181			
Williams Gas Pipeline Central	12/24/00	$11.3950	$4.5769	$6.8181			
Williams Gas Pipeline Central	12/25/00	$11.3950	$4.5769	$6.8181			
Williams Gas Pipeline Central	12/26/00	$11.3950	$4.5769	$6.8181			
Williams Gas Pipeline Central	12/27/00	$10.4300	$4.5769	$5.8531			
Williams Gas Pipeline Central	12/28/00	$9.7100	$4.5769	$5.1331			
Williams Gas Pipeline Central	12/29/00	$9.3700	$4.5769	$4.7931			
Williams Gas Pipeline Central	12/30/00	$9.4900	$4.5769	$4.9131			
Williams Gas Pipeline Central	12/31/00	$9.4900	$4.5769	$4.9131	$4.3391	140,599	$610,068.59
							$743,201.85

Critical Notices Posted by Williams Gas Pipeline Central for the Month of December 2000

Date	Notice	Notice Description
12/07/00	System Capacity Not	Requesting Shippers have sufficient supplies to meet estimated demands, due to cooler than normal temperatures on WGPC system.
12/08/00	System Capacity Not	Indicating that colder than normal weather was expected for the majority of next week.
12/10/00	Operational Flow Order (OFO)	Requiring all Shippers to have sufficient supplies to cover estimated demands.
12/12/00	Operational Flow Order (OFO) Update	Lifting the OFO effective December 14th based upon the colder weather ebbing.
12/13/00	Rescind of Operational Flow Order	Rescinding Operational Flow Order effective December 14th.
12/15/00	Operational Flow Order (OFO)	WGPC again issued an Operational Flow Order effective December 16th, due to colder than normal weather forecasts.
12/18/00	Operational Flow Order (OFO) Update	Advising Shippers that the OFO will continue due to the forecasted colder than normal weather.
12/21/00	Operational Flow Order (OFO) Update	Advising Shippers that the OFO will continue due to the forecasted colder than normal weather.
12/22/00	Operational Flow Order (OFO) Status	Indicating the OFO would be lifted effective December 26th. Since the OFO start date of December 16th, weather in Kansas City area [illegible]
12/24/00	Operational Flow Order Status	Rescinding Operational Flow Order would extend through December 26th.
12/26/00	Rescind of Operational Flow Order	Rescinding Operational Flow Order effective December 27th.
12/28/00	Storage Inventory Advisory	Advising all Shippers and Point Operators that our current storage inventory is significantly below our normal plan due to colder than normal weather patterns during November and December. As a result, customers are encouraged to evaluate their current and anticipated storage requirements for the remainder of the winter season.