

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of)
Aquila, Inc. d/b/a Aquila Networks)
-- MPS for a waiver from the) GE-2004-0528
application of certain tariff lan-)
guage regarding refunds.)

SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION
PROTEST AND OBJECTION TO AQUILA'S
OCTOBER 12, 2004 REFUND REPORT

COMES NOW Sedalia Industrial Energy Users' Association ("SIEUA") and submits its protest and objection to Aquila's October 12, 2004 Refund Report as follows:

1. Aquila correctly recites that on April 29, 2004, the Commission granted Aquila a waiver properly to implement a Kansas ad valorem tax refund to its customers.
2. SIEUA had earlier sought and been granted intervention in this proceeding to represent the interests of large commercial and industrial customers who were formerly sales but are now transportation customers. These refunds relate to unlawful overcharges on natural gas that were charged to all distribution company customers during the period 1983-1988.
3. On October 12, 2004 Aquila filed a report of this refund. This report shows that \$19,895 of refunds that were assigned to Southern System^{1/} large commercial and industrial

^{1/} Pertaining to refunds from Southern Star Natural Gas Pipeline Company, formerly Williams Natural Gas Pipeline, formerly Northwest Central Pipeline Co.

customers has not been refunded, purportedly "as a result of customers that were not on the system in the 1983-1988 time frame."^{2/}

4. The pertinent period for refund eligibility is 1983-1988. If a customer was not on the system at that time, they did not pay the overcharges that are the subject of these refunds and thus should not be entitled to any portion of the refund.

5. It appears that in calculating the amount of the refund per unit, Aquila included volumes from ineligible transportation customers, but then excluded those customers when it came time to make the actual refund, retaining the difference. The result of this asymmetrical procedure is to deprive the eligible large commercial and industrial transportation customers of roughly \$0.01/Mcf of what would have otherwise been their refund. Had only **eligible** customers been initially included in the calculation, all the refund dollars properly allocated to this class of customers would have been correctly refunded to them without leaving roughly \$20,000 to divert to other customers or to Aquila. The existence of a discrepancy confirms that Aquila incorrectly made its refund calculation.

6. The difference that Aquila reports, (\$19,895 on Southern Star) belongs to the Southern System transportation customers. It does not belong to any other customer group nor to Aquila. It represents overcharges that these current transporta-

^{2/} Refund Report, paragraph 5.

tion customers paid during 1983-1988. Aquila should be directed to refund this remaining portion to its Southern System transportation customers who have already established their eligibility, using the appropriate calculation and to file a detailed report of the full refunds made to these customers.

7. Because many of these current transportation customers are large volume transporters, the amounts being withheld from them are significant, in the case of one SIEUA member, nearly \$5,000.

8. Moreover, this \$19,895 should be joined with the transportation customers' proper percentage share of the additional \$5,838 that Aquila now reports having received from Southern Star, for the purposes of making the final and complete refund to the Southern System transportation customers.

9. SIEUA reiterates that its interest and concern is limited to the amounts that belong to the former large commercial and industrial customers who are now transportation customers. We do not seek to enlarge our refund at the expense of other customer groups and seek only refund of the overpayments that we made. Therefore we take no position and express no comment on Aquila's October 12, 2004 Refund Report as it pertains to other customer groups.

WHEREFORE SIEUA protests the Refund Report filed by Aquila on October 12, 2004 as noted above and requests that Aquila be directed to properly calculate and refund all transpor-

tation customer refunds that it now acknowledges it retains, with interest as the Commission originally ordered.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.




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ATTORNEYS FOR SEDALIA INDUSTRIAL
ENERGY USERS' ASSOCIATION

October 13, 2004

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Application to Intervene by electronic means or by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as provided by the Secretary of the Commission.



Stuart W. Conrad

Dated: October 13, 2004