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RICHARD T. CIOTTONE

July 5, 2000

FILED

JUL 5 2000

Mr. Dale Hardy Roberts  
Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

Missouri Public  
Service Commission

**RE: UtiliCorp United Inc. ("UCU") d/b/a Missouri Public Service -  
Case No. ~~GA~~ GR-2000-520**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced proceeding please find an original and eight copies of UCU's Application for Variance and Authority to Implement Unscheduled Summer PGA and Motion for Expedited Treatment. Please stamp the enclosed extra copy "filed" and return same to me.

Also included is an original and two copies of a related tariff filing. This tariff filing carries its own separate cover. Please stamp the enclosed extra copy "filed" and return same to me.

Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

  
Dean L. Cooper

DLC/rhg  
Enclosures

200100007

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

**FILED**

**JUL 5 2000**

**Missouri Public  
Service Commission**

In the Matter of the Application )  
of UtiliCorp United Inc. d/b/a )  
Missouri Public Service for a Variance )  
from Provisions of its P.S.C. Mo. No. 5, )  
4<sup>th</sup> Revised Sheet No. 34 and Authority to )  
Implement an Unscheduled Summer PGA )  
in each of its three rate areas. )

Case No. GR-2000-520

**APPLICATION FOR VARIANCE AND  
AUTHORITY TO IMPLEMENT UNSCHEDULED SUMMER PGA  
AND MOTION FOR EXPEDITED TREATMENT**

Comes now UtiliCorp United Inc. ("UtiliCorp") d/b/a Missouri Public Service ("MPS"), in accordance with Commission Rule 4 CSR 240-2.060(11), and as its application for variance from provisions of MPS's P.S.C. No. 5, 4<sup>th</sup> Revised Sheet No. 34 and for authority to implement an unscheduled summer PGA and motion for expedited treatment, states to the Missouri Public Service Commission ("Commission") as follows:

**GENERAL BACKGROUND**

1. UtiliCorp is a Delaware corporation, in good standing in all respects, with its principal office and place of business at 911 Main Street, Suite 3000, Kansas City, Missouri 64105. UtiliCorp is authorized to conduct business in Missouri through its MPS operating division and as such is engaged in providing electrical and natural gas utility service in its service areas subject to the jurisdiction of the Commission. A certified copy of MPS's Certificate of Corporate Good Standing-Foreign Corporation and fictitious name registration as issued by the Secretary of State of the State of Missouri was previously filed with the Commission in Case No. EM-2000-292 and is hereby incorporated by reference in accordance with 4 CSR 240-2.060(1)(G). MPS has no pending

action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates. MPS has no annual report or assessment fees which are overdue.

2. All correspondence, communications, notices, order and decisions of the Commission with respect to this matter should be sent to:

Karen Russell  
UtiliCorp United Inc.  
1815 Capitol Avenue  
Omaha, Nebraska 68102  
(402) 492-3432

Dean L. Cooper  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 E. Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102  
(573) 635-7166  
(573) 635-0427 facsimile

**VARIANCE AND  
AUTHORITY TO IMPLEMENT UNSCHEDULED SUMMER PGA**

3. MPS's P.S.C. Mo. No. 5, 4<sup>th</sup> Revised Sheet No. 34 requires that it make two scheduled PGA filings each year and permits one unscheduled PGA filing during each winter period.

4. On April 3, 2000, MPS filed its Summer Purchased Gas Cost adjustments for the Southern and Northern Systems. These adjustments were designed to update the gas cost component of the billing rate for the April through October period. These rates were based on the April FERC index price of \$2.79. On February 22, 2000, an unscheduled Purchase Gas adjustment filing was made for the Eastern System based on the Inside FERC Index price of \$2.50 with an incremental \$.50 to mitigate the anticipated under recovery on that system. These filings were consistent with the provisions of MPS's P.S.C. Mo. No. 5, 4<sup>th</sup> Revised Tariff Sheet No. 34.

5. In June of this year, the natural gas market took an unprecedented increase in price. This is evidenced by the June FERC Index price of \$4.21 on the Panhandle Eastern Pipeline ("PEPL") and the FERC Index price of \$4.19 on the Williams Natural Gas Pipeline ("WNG"). The current NYMEX pricing screen for July shows a price of \$4.685 as of June 27, 2000.

6. Simultaneously with the filing of this Request for Variance, MPS is filing P.S.C. Mo. No. 5, 19<sup>th</sup> Revised Sheet No. 43; P.S.C. Mo. No. 5, 22<sup>nd</sup> Revised Sheet No. 44; and, P.S.C. Mo. No. 5, 12<sup>th</sup> Revised Sheet NO. 44.1 which reflect the current market conditions.

7. Good cause exists for the grant of this variance because of the current season. By approving this Application, the Commission will permit MPS to maintain rates that are in direct relationship to market conditions and minimize the potential impact of the under recovery on the upcoming Winter rates. The current under recovery will have a much greater impact on consumers if it is addressed during the winter months when natural gas usage is much higher.

#### **MOTION FOR EXPEDITED TREATMENT**

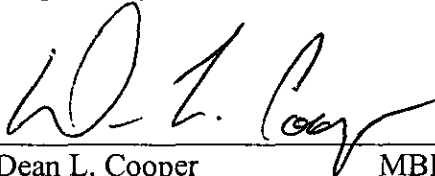
8. MPS seeks to implement the proposed unscheduled PGA change on or about July 18, 2000, so as to address the under recovery during the low usage months of summer. Therefore, MPS moves the Commission to expedite its processing such that P.S.C. Mo. No. 5, 19<sup>th</sup> Revised Sheet No. 43; P.S.C. Mo. No. 5, 22<sup>nd</sup> Revised Sheet No. 44; and, 12<sup>th</sup> Revised Sheet No. 44.1 may become effective on July 18, 2000.

WHEREFORE, MPS requests a Commission order:

- a) granting its motion for expedited treatment;
- b) granting MPS a variance from its P.S.C. Mo. No. 5, 4<sup>th</sup> Revised Sheet No. 34 and authority to implement an unscheduled summer PGA; and,

- c) granting such further relief as may be necessary which is consistent with the relief requested herein.

Respectfully submitted,



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Dean L. Cooper MBE #36592  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 E. Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102  
(573) 635-7166  
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ATTORNEYS FOR UTILICORP UNITED INC.  
D/B/A MISSOURI PUBLIC SERVICE

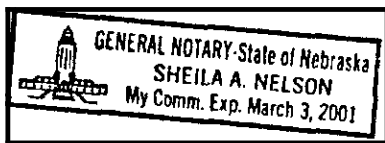
AFFIDAVIT

State of Nebraska       )  
                                  ) ss  
County of Douglas       )

I, Karen Russell, having been duly sworn upon my oath, state that I am the Director of Rate Administration for UtiliCorp United Inc. d/b/a Missouri Public Service, that I am duly authorized to make this affidavit on behalf of UtiliCorp United Inc. d/b/a Missouri Public Service, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.

Karen S Russell

Subscribed and sworn before me this 30 day of June, 2000.



Sheila A Nelson  
Notary Public

2533 North 117 Avenue  
Omaha, NE 68164-8618  
402-492-3400  
Fax: 402-492-7898

**UTILICORP UNITED**  
**ENERGYONE**

July 5, 2000

Gas Supply Services

Mr. Dale Hardy Roberts, Secretary, Chief Regulatory Law Judge  
Missouri Public Service Commission  
301 West High  
Jefferson City, MO 65101

**FILED**

JUL 5 2000

RE: GR-2000-520

Missouri Public  
Service Commission

Dear Mr. Roberts:

Enclosed are an original and two copies of PSC MO. No.5, 19<sup>th</sup> Revised Sheet No. 43, 22<sup>nd</sup> Revised Sheet No. 44 and 12<sup>th</sup> Revised Sheet No. 44.1 reflecting a change in the Purchased Gas Adjustment of the Missouri Public Service Purchased Gas Adjustment Clause. This filing is being made simultaneously with an Application for Variance and Authority to Implement Unscheduled Summer PGA and Motion for Expedited Treatment as discussed in the meeting held Monday, June 26<sup>th</sup>.

Enclosures 1, 2 and 3 reflect the Purchased Gas Adjustment calculations for the Southern System, Northern System and Eastern System. Each PGA has been developed using the June FERC Index as per Tariff provision. The NYMEX pricing weighted for the months of July 2000 through October 2000 has also been included as Enclosure 5 for reference. The pricing screen was printed on June 27, 2000.

The revenue impact between the originally filed summer rates associated with the gas cost recovery portion of the rates is an increase in the amount of \$596,603 or 44.04% for the Southern System, increase in the amount of \$236,542 or 34.08% for the Northern System and an increase in the amount of \$72,463 or 16.6% for the Eastern System as determined on Enclosure 4.

200100007

Missouri Public Service respectfully requests that these rates become effective with volumes taken on and after July 18<sup>th</sup>, 2000.

Respectfully submitted,

A handwritten signature in cursive script, reading "Karen S. Russell".

Karen S. Russell  
Director of Rate Administration  
UtiliCorp United

Enclosures

cc: Office of the Public Counsel (2)



## STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 522nd

(Original)

SHEET NO. 44

(Revised)

Cancelling P.S.C. MO. No. 521st

(Original)

SHEET NO. 44

(Revised)

**MISSOURI PUBLIC SERVICE  
KANSAS CITY, MO 64138**

FOR: Northern System

PURCHASED GAS ADJUSTMENT CLAUSE  
(CONTINUED)Adjustment Statement (Northern System)

As provided in this Purchased Gas Adjustment Clause, the following adjustment(s) will be made to the applicable rate schedules:

	Rate Schedule <u>GNG</u>	Rate Schedule <u>LVF</u>	Rate Schedule <u>LVI</u>
Regular PGA	\$ .58980	\$ .58980	\$ .48757
Actual Cost Adjustment	\$ .00944	\$ .00944	\$ -0-
Refunds	\$(-.00052)	\$(-.00052)	\$ -0-
TOP Factor	\$ -0-	\$ -0-	\$ -0-
TC Factor	\$ -0-	\$ -0-	\$ -0-
Total PGA Per Ccf	\$ .59872	\$ .59872	\$ .48757

The TOP and TC Factors, as provided in Sheets 39 through 40, shall also apply to all Ccf delivered to transportation customers on Missouri Public Service's Northern System except as provided for on Sheet No. 20.

## STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 519th~~(Original)~~SHEET NO. 43

(Revised)

Cancelling P.S.C. MO. No. 518th~~(Original)~~SHEET NO. 43

(Revised)

**MISSOURI PUBLIC SERVICE  
KANSAS CITY, MO 64138**

FOR: Southern System

PURCHASED GAS ADJUSTMENT CLAUSE  
(CONTINUED)Adjustment Statement (Southern System)

As provided in this Purchased Gas Adjustment Clause, the following adjustment(s) will be made to the applicable rate schedules:

	Rate Schedule <u>GNG</u>	Rate Schedule <u>LVF</u>	Rate Schedule <u>LVI</u>
Regular PGA	\$ .54426	\$ .54426	\$ .49153
Actual Cost Adjustment	\$(-.00566)	\$(-.00566)	\$(-.00777)
Refunds	\$(-.05634)	\$(-.05634)	\$ -0-
TOP Factor	\$ -0-	\$ -0-	\$ -0-
TC Factor	\$ -0-	\$ -0-	\$ -0-
Total PGA Per Ccf	\$ .48226	\$ .48226	\$ .53649

The TOP and TC Factors, as provided in Sheets 39 through 40, shall also apply to all Ccf delivered to transportation customers on Missouri Public Service's Southern System except as provided for on Sheet No. 20.

## STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 512th

(Original)

SHEET NO. 44.1

(Revised)

Cancelling P.S.C. MO. No. 511th

(Original)

SHEET NO. 44.1

(Revised)

MISSOURI PUBLIC SERVICE  
KANSAS CITY, MO 64138

FOR: Eastern System

PURCHASED GAS ADJUSTMENT CLAUSE  
(CONTINUED)Adjustment Statement (Eastern System)

As provided in this Purchased Gas Adjustment Clause, the following adjustment(s) will be made to the applicable rate schedules:

	Rate Schedule <u>GNG</u>	Rate Schedule <u>LVF</u>	Rate Schedule <u>LVI</u>
Regular PGA	\$ .66400	\$ .66400	\$ .69988
Actual Cost Adjustment	\$ .10626	\$ .10626	\$ -0-
Refunds	\$ -0-	\$ -0-	\$ -0-
TOP Factor	\$ -0-	\$ -0-	\$ -0-
TC Factor	\$ -0-	\$ -0-	\$ -0-
Total PGA Per Ccf	\$ .77026	\$ .77026	\$ .69988

The TOP and TC Factors, as provided in Sheets 39 through 40, shall also apply to all Ccf delivered to transportation customers on Missouri Public Service's Eastern System except as provided for on Sheet No. 20.

**MISSOURI PUBLIC SERVICE**  
**Southern System Annualized Gas Cost Calculation**  
**To Reflect Current WNG & Spot Market Rates**

**Enclosure 1**

<b>FIRM</b>	<b>Annual Volume</b>	<b>Monthly Capacity Reserved</b>	<b>No. of Mth Reserved</b>	<b>Tariff Rate</b>	<b>Annual Cost</b>
<u>Williams Natural Gas</u>					
TSS					
No-Notice Fee		39,618	12	\$0.0154	\$7,321
Reservation - FSS Deliverability		25,412	12	\$0.5083	\$155,003
Reservation - FTS-Production		13,841	12	\$5.6118	\$932,075
Reservation - FTS-Market		39,618	12	\$2.8014	\$1,331,830
GRI		39,618	12	\$0.1230	\$58,476
FTS					
Production - Reservation		11,845	12	\$5.6118	\$797,661
Production - Balancing		11,845	12	\$0.1604	\$22,799
Market - Reservation		10,491	12	\$2.8014	\$352,674
Market - Balancing		10,491	12	\$0.1604	\$20,193
Market - GRI		10,491	12	\$0.1230	\$15,485
GSR Costs					\$250,608
Spot Market Purchases	3,896,019			\$4.3284	\$16,863,529
Total Annual Cost					<u>\$20,807,654</u>
Sales Volume at Burnertip	3,823,123				
Cost per MCF at Burnertip					<u>\$5.4426</u>

Highest WACOG (Summer Period)	Apr 97 - Oct 97	Apr 98 - Oct 98	Apr 99 - Oct 99	Average WACOG
	\$2.4579	\$2.1617	\$2.4616	\$2.3604
Highest Avg WACOG-Summer Period (Avg of summer seasons with the highest of 3 averages)				\$2.4110
				July 1 2000 Gas Commodity Costs \$4.3284

**INTERRUPTIBLE**

<u>Williams Natural Gas</u>			
ITS-P			@150%
Commodity	126,784		\$0.2541 \$32,216
ITS-M			@150%
Commodity	125,491		\$0.1338 \$16,791
Spot Market Price Per MCF	128,519		\$4.3284 \$556,282
Total Annual Cost			<u>\$605,289</u>
Sales Volume at Burnertip	123,143		
Cost per MCF at Burnertip			<u>\$4.9153</u>

Missouri Public Service  
Division of UtiliCorp United Inc.  
Southern System  
**Current Gas Cost Calculation**

	<u>Jul-00</u>	<u>Aug-00</u>	<u>Sep-00</u>	<u>Oct-00</u>	<u>Totals</u>
<b>SUMMARY OF COMMODITY COSTS</b>					
Sales Requirements	59,566	65,122	105,394	179,798	409,880
WNG Market Area Loss	1.02%	1.02%	1.02%	1.02%	
WNG Production Area Loss	1.35%	1.35%	1.35%	1.35%	
Total Supply - Fuel Loss	61,003	66,693	107,937	184,137	
Storage Injection	105,159	97,276	55,096	56,260	313,791
Storage Injection Loss	4.45%	4.45%	4.45%	4.45%	
Total Storage - Fuel Loss	110,056	101,807	57,661	58,880	
(Storage injection is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)					
Purchase Requirements	61,003	66,693	107,937	184,137	419,770
Contracted Fixed Price Supply	0	0	0	0	0
Contracted Price	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	0
(Contracted Fixed Price Supply only applies in the winter months.)					
Total Supply (Purchases Less Fixed)	61,003	66,693	107,937	184,137	419,770
Forecasted Price (NYMEX-WNG Basis)*	\$ 4,525	\$ 4,475	\$ 4,410	\$ 4,460	
Total Cost	\$ 276,039	\$ 298,451	\$ 476,002	\$ 821,251	\$ 1,871,743
Storage Withdrawal	0	0	0	0	0
Storage WACOG	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Forecasted Gas Commodity Cost</u>	276,039	298,451	476,002	821,251	1,871,743
Forecasted Sales Gas Quantity	61,003	66,693	107,937	184,137	419,770
*April, May, June 2000 is 'Inside FERC' posted price					
<u>Gas Cost (Commodity) Dth</u>					\$4.4590

**SUMMARY OF UPSTREAM COSTS**

Williams Natural Gas Pipeline - Firm					
FT Commodity (Production Area)	61,003	66,693	107,937	184,137	
FT Commodity (Market Area)	60,180	65,793	106,480	181,651	
Total Units	121,183	132,486	214,417	365,788	833,874
Cost/Dth - Production Area	\$0.0218	\$0.0218	\$0.0218	\$0.0218	
Cost/Dth - Market Area	\$0.0155	\$0.0155	\$0.0155	\$0.0155	
Total WNG Commodity Costs	\$2,263	\$2,474	\$4,003	\$6,830	\$15,570
<u>Forecasted Northern Upstream Costs</u>	2,263	2,474	4,003	6,830	15,570
<u>Forecasted Firm Sales Quantity</u>	61,003	66,693	107,937	184,137	419,770
<u>Upstream Cost/Dth</u>					\$0.0371

Wellhead Cost of Gas

**\$ 4.4961**

Missouri Public Service  
Division of UtiliCorp United Inc.  
Southern System  
**Gas Commodity Cost Calculation**

INSIDE FERC JUNE 2000	\$ 4.19	
WNG Market Area Loss	1.02%	
WNG Production Area Loss	<u>1.35%</u>	
WNG Index Adjusted for Fuel	\$ 4.2911	
WNG Cost/Dth Field Zone	\$0.0218	
WNG Cost/Dth - Market Zone	<u>\$0.0155</u>	
	\$4.3284	
Total Gas Commodity Costs	<table border="1"><tr><td>\$4.3284</td></tr></table>	\$4.3284
\$4.3284		

**MISSOURI PUBLIC SERVICE**  
**Northern System Annualized Gas Cost Calculation**  
**To Reflect Current PEPL & Spot Market Rates**

**Enclosure 2**

<b>FIRM</b>	<b>Annual Volume</b>	<b>Monthly Capacity Reserved</b>	<b>No. Of Mth Reserved</b>	<b>Tariff/ Contracted Rate</b>	<b>Annual Cost</b>
<u>Panhandle Eastern Pipe Line</u>					
<b>Contract 13372 &amp; 13334</b>					
<u>EFT Reservation Rates</u>					
Field Zone Reservation		12,000	12	\$4.5210	\$651,028
Market Zone Access		12,000	12	\$3.1542	\$454,206
Market Zone Mileage		12,000	12	\$1.7205	\$247,748
Settlement Surcharges		12,000	12	\$0.0000	\$0
Canadian Resolutions Surcharge		12,000	12	\$0.0000	\$0
GSR Surcharge		12,000	12	\$0.0000	\$0
Stranded Transportation Cost Surcharge		12,000	12	\$0.0000	\$0
Miscellaneous Stranded Costs Surcharge		12,000	12	\$0.0000	\$0
<b>Contract 17004</b>					
FS Storage	800,000			\$0.8780	\$702,400
Spot Market Purchases	1,521,875			\$4.3417	\$6,607,525
Total Annual Cost					<u>\$8,662,907</u>
Sales Volume at Burnertip	1,468,777				
Cost per MCF at Burnertip					<u><u>\$5.8980</u></u>

Highest WACOG (Summer Period)	Apr 97 - Oct 97	Apr 98 - Oct 98	Apr 99 - Oct 99	<b>Average WACOG</b>
	\$2.3468	\$1.9409	\$2.3375	<b>\$2.2084</b>
<b>Highest Avg WACOG-Summer Period (Avg of summer seasons with the highest 3 averages)</b>				<b>\$2.2776</b>
			<b>June 2000 Gas Commodity Costs</b>	<b>\$4.3417</b>

<b>INTERRUPTIBLE</b>		
<u>Panhandle Eastern Pipe Line</u>		
<u>IT Interruptible Rates</u>		<u>@150%</u>
Field Zone		\$0.2625
Market Zone Access		\$0.1386
Market Zone Mileage		\$0.0999
GRI Funding Unit		\$0.0108
ACA Unit Charge		\$0.0033
TOP Volumetric Surcharge		\$0.0000
Settlement Surcharges		\$0.0000
Canadian Resolution Surcharges		\$0.0000
Stranded Transportation Cost Surcharge		\$0.0000
Miscellaneous Stranded Costs Surcharge		\$0.0189
Spot Market Price Per MCF	\$4.3417	\$4.3417
Total Annual Cost		<u>\$4.8757</u>
Sales Volume at Burnertip		
Cost per MCF at Burnertip		<u><u>\$4.8757</u></u>

Missouri Public Service  
Division of UtiliCorp United Inc.  
Northern System  
**Current Gas Cost Calculation**

	<u>Jul-00</u>	<u>Aug-00</u>	<u>Sep-00</u>	<u>Oct-00</u>	<u>Totals</u>
<b>SUMMARY OF COMMODITY COSTS</b>					
Sales Requirements	24,115	22,844	28,922	56,575	132,456
PEPL Market Zone Fuel Loss	1.20%	1.20%	1.20%	1.20%	
PEPL Field Zone Fuel Loss	0.81%	0.81%	0.81%	0.81%	
Gathering Fuel Loss	0.37%	0.37%	0.37%	0.37%	
Total Supply - Fuel Loss	24,699	23,397	29,622	57,944	
Storage Injection	124,000	124,000	120,000	86,800	454,800
Storage Injection Loss	1.28%	1.28%	1.28%	1.28%	
Total Storage - Fuel Loss	125,608	125,608	121,556	87,925	
Purchase Requirements	24,699	23,397	29,622	57,944	135,662
Total Supply	24,699	23,397	29,622	57,944	135,662
Forecasted Price (NYMEX-PEPL Basis)	\$ 4.4950	\$ 4.4750	\$ 4.4400	\$ 4.4100	
Total Cost	\$ 111,022	\$ 104,702	\$ 131,522	\$ 255,533	602,779
Storage Withdrawal (13373 & 13377)	0	0	0	0	0
Storage WACOG (13373 & 13377)	\$ -	\$ -	\$ -	\$ -	
Total Cost	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Forecasted Gas Commodity Cost</u>	111,022	104,702	131,522	255,533	602,779
<u>Forecasted Sales Gas Quantity</u>	24,699	23,397	29,622	57,944	135,662
<u>Gas Cost (Commodity) Dth</u>					\$4.4432
<b>SUMMARY OF UPSTREAM COSTS</b>					
Panhandle Eastern Pipeline - Firm					
FT Commodity (Field Zone)	24,607	23,310	29,512	57,730	
FT Commodity (Market Zone)	24,408	23,121	29,273	57,262	
Total Units	49,015	46,431	58,785	114,992	269,223
Cost/Dth - Field Zone	\$0.0195	\$0.0195	\$0.0195	\$0.0195	
Cost/Dth - Market Zone	\$0.0103	\$0.0103	\$0.0103	\$0.0103	
Total Panhandle Commodity Costs	\$731	\$693	\$877	\$1,716	4,016
<u>Forecasted Northern Upstream Costs</u>	731	693	877	1,716	4,016
<u>Forecasted Firm Sales Quantity</u>	24,699	23,397	29,622	57,944	135,662
<u>Upstream Cost/Dth</u>					\$0.0296
Wellhead Cost of Gas				\$ 4.4728	



Missouri Public Service  
Division of UtiliCorp United Inc.  
Northern System  
**Gas Commodity Cost Calculation**

Inside FERC Posted Price June 00	\$	4.21	
PEPL Market Zone Fuel Loss		1.20%	
PEPL Field Zone Fuel Loss		0.81%	
Gathering Fuel Loss		<u>0.37%</u>	
PEPL Index Adjusted for Fuel	\$	4.3119	
PEPL Cost/Dth Field Zone		\$0.0195	
PEPL Cost/Dth - Market Zone		<u>\$0.0103</u>	
		\$4.3417	
Total Gas Commodity Costs		<table border="1"><tr><td>\$4.3417</td></tr></table>	\$4.3417
\$4.3417			

## MISSOURI PUBLIC SERVICE

## Enclosure 3

Eastern System Annualized Gas Cost Calculation  
To Reflect Current PEPL & Spot Market Rates

<b>FIRM</b>	<b>Annual/ Seasonal Volume</b>	<b>Monthly Capacity Reserved</b>	<b>No. of Mths Reserved</b>	<b>Tariff Rate</b>	<b>Annual Cost</b>
<b>Panhandle Eastern Pipe Line</b>					
Winter (Nov-Mar)					
FT Reservation (Field Zone)		4,700	5	\$4.7300	\$111,155
FT Reservation (Market Zone)		4,700	5	\$5.9000	\$138,650
					\$249,805
Winter Sales Volume at Burnertip	462,120				
<b>Winter Cost per MCF at Burnertip</b>					<b>\$0.5406</b>
Summer (Apr-Oct) Volumetric Rate					
100% LF of Max Rate (Fld-4 Blks)					\$0.3495
<b>Summer Cost per MCF at Burnertip</b>					<b>\$0.3495</b>
<b>Missouri Pipeline Company</b>					
Rolla					
FT Reservation		2,695	12	\$4.7517	\$153,670
Salem					
FT Reservation		2,500	12	\$0.7500	\$22,500
Owensville					
FT Reservation		1,900	12	\$0.5000	\$11,400
<b>Missouri Gas Company</b>					
Rolla					
FT Reservation		2,695	12	\$5.7500	\$185,955
Salem					
FT Reservation		2,500	12	\$13.1700	\$395,100
Owensville					
FT Reservation		1,900	12	\$8.0000	\$182,400
Total Eastern System MoPipe & MoGas Costs					\$951,025
Spot Market Purchases	626,579			\$4.7517	\$2,977,314
Total Eastern System Costs					\$3,928,339
Sales Volume at Burnertip	624,486				
<b>Cost per MCF at Burnertip</b>					<b>\$6.2905</b>
<b>Summer PGA</b>					
<b>Total Cost per MCF at Burnertip</b>					<b>\$6.6400</b>
Highest WACOG (Summer Period)		Apr 97 - Oct 97	Apr 98 - Oct 98	Apr 99 - Oct 99	Average WACOG
		\$2.2315	\$2.1612	\$2.3737	\$2.2555
Highest Avg WACOG-Summer Period (Avg of summer seasons with the highest of 3 averages)					\$2.3146
				June 2000 Gas Commodity Costs	\$4.7517
<b>INTERRUPTIBLE</b>					
<b>Panhandle Eastern Pipe Line</b>					
IT (Field Zone)	\$0.1750		@ 150%		\$0.2625
IT (Market Zone)	\$0.2032		@ 150%		\$0.3048
<b>Missouri Pipeline Company</b>					
Commodity	\$0.3036				\$0.3036
<b>Missouri Gas Company</b>					
Commodity	\$1.3762				\$1.3762
Spot Market Price Per MCF	\$4.7517				\$4.7517
<b>Cost per MCF at Burnertip</b>					<b>\$6.9988</b>

Missouri Public Service  
Division of UtiliCorp United Inc.  
Eastern System  
**Current Gas Cost Calculation**

	<u>Jul-00</u>	<u>Aug-00</u>	<u>Sep-00</u>	<u>Oct-00</u>	<u>Totals</u>
<b>SUMMARY OF COMMODITY COSTS</b>					
Sales Requirements	6,202	4,068	7,738	16,287	34,295
MoGas/MoPipe Fuel Loss	0.43%	0.43%	0.43%	0.43%	
PEPL Market Zone Fuel Loss	1.60%	1.60%	1.60%	1.60%	
PEPL Field Zone Fuel Loss	0.81%	0.81%	0.81%	0.81%	
Gathering Fuel Loss	<u>0.37%</u>	<u>0.37%</u>	<u>0.37%</u>	<u>0.37%</u>	
Total Supply - Fuel Loss	6,405	4,201	7,992	16,821	35,419
Total Supply	6,405	4,201	7,992	16,821	35,419
Forecasted Price (NYMEX-PEPL Basis)*	\$ 4.4950	\$ 4.4750	\$ 4.4400	\$ 4.4100	
Total Cost	\$ 28,790	\$ 18,799	\$ 35,484	\$ 74,181	\$ 157,254
<u>Forecasted Gas Commodity Cost</u>	\$ 28,790	\$ 18,799	\$ 35,484	\$ 74,181	\$ 157,254
<u>Forecasted Sales Gas Quantity</u>	6,405	4,201	7,992	16,821	35,419
*April 2000 is 'Inside FERC' posted price					
<u>Gas Cost (Commodity) Dth</u>					\$4.4398
<b>SUMMARY OF UPSTREAM COSTS</b>					
Panhandle Eastern Pipeline - Firm					
FT Commodity (Field Zone)	6,382	4,186	7,962	16,759	
FT Commodity (Market Zone)	<u>6,330</u>	<u>4,152</u>	<u>7,898</u>	<u>16,623</u>	
Total Units	12,712	8,338	15,860	33,382	
Cost/Dth Field Zone	\$0.0195	\$0.0195	\$0.0195	\$0.0195	
Cost/Dth - Market Zone	<u>\$0.0200</u>	<u>\$0.0200</u>	<u>\$0.0200</u>	<u>\$0.0200</u>	
Total Panhandle Commodity Costs	\$251	\$165	\$313	\$659	\$1,388
Missouri Pipeline Company - Firm					
Rolla					
FT Commodity	4,357	2,858	5,436	11,442	
Salem					
FT Commodity	1,392	913	1,736	3,654	
Owensville					
FT Commodity	<u>480</u>	<u>315</u>	<u>599</u>	<u>1,261</u>	
Total Units	6,229	4,086	7,771	16,357	34,443
Cost/Dth - Rolla	\$0.1699	\$0.1699	\$0.1699	\$0.1699	
Cost/Dth - Salem	\$0.0500	\$0.0500	\$0.0500	\$0.0500	
Cost/Dth - Owensville	<u>\$0.0500</u>	<u>\$0.0500</u>	<u>\$0.0500</u>	<u>\$0.0500</u>	
Total MoPipe Commodity Costs	\$834	\$547	\$1,040	\$2,190	\$4,611
Missouri Gas Company - Firm					
Rolla					
FT Commodity	4,338	2,845	5,413	11,393	
Salem					
FT Commodity	1,386	909	1,729	3,638	
Owensville					
FT Commodity	<u>478</u>	<u>314</u>	<u>596</u>	<u>1,256</u>	
Total Units	6,202	4,068	7,738	16,287	34,296
Cost/Dth - Rolla	\$0.2500	\$0.2500	\$0.2500	\$0.2500	
Cost/Dth - Salem	\$0.2200	\$0.2200	\$0.2200	\$0.2200	
Cost/Dth - Owensville	<u>\$0.0800</u>	<u>\$0.0800</u>	<u>\$0.0800</u>	<u>\$0.0800</u>	
Total MoGas Commodity Costs	\$1,428	\$936	\$1,781	\$3,749	\$7,894
Total MoPipe & MoGas Costs	\$2,262	\$1,483	\$2,821	\$5,939	\$12,505
<u>Forecasted Eastern Upstream Costs</u>	\$2,513	\$1,648	\$3,134	\$6,598	\$13,893
<u>Forecasted Firm Sales Quantity</u>	6,405	4,201	7,992	16,821	35,419
<u>Upstream Cost/Dth</u>					\$0.3923

Wellhead Cost of Gas \$4.8321

Missouri Public Service  
Division of U.S. Corp United Inc.  
Eastern System  
**Gas Commodity Cost Calculation**

Inside FERC Posted Price June 00	\$ 4.21
MoGas/MoPipe Fuel Loss	0.43%
PEPL Market Zone Fuel Loss	1.60%
PEPL Field Zone Fuel Loss	0.81%
Gathering Fuel Loss	<u>0.37%</u>

PEPL Index Adjusted for Fuel	\$ 4.3481
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PEPL Cost/Dth Field Zone	\$0.0195
PEPL Cost/Dth - Market Zone	<u>\$0.0200</u>
Total PEPL Commodity Cost	\$4.3876

PEPL Cost	\$4.3876
MoPipe Cost/Dth - Rolla	\$0.1699
MoGas Cost/Dth - Rolla	<u>\$0.2500</u>
Rolla	<u>\$4.8075</u>

PEPL Cost	\$4.3876
MoPipe Cost/Dth - Salem	\$0.0500
MoGas Cost/Dth - Salem	<u>\$0.2200</u>
Total Salem	<u>\$4.6576</u>

PEPL Cost	\$4.3876
MoPipe Cost/Dth - Owensville	\$0.0500
MoGas Cost/Dth - Owensville	<u>\$0.0800</u>
Total Owensville	<u>\$4.5176</u>

		Percent Split		
Rolla	\$4.8075	69.95%	\$	3.3628
Salem	\$4.6576	22.34%	\$	1.0405
Owensville	\$4.5176	7.71%	\$	0.3483

\$ 4.7517

Total Gas Commodity Costs

\$ 4.7517

**Missouri Public Service  
Southern System  
2000 Summer Season Revenue Impact from Summer PGA Filing**

Month	PGA Factor	Month	PGA Factor	PGA Change (4/00)&(7/00)	Revenue Impact (Summer Season)
Apr-99	2.1539	Apr-00	3.3481	1.1942	365,246
May-99	2.1539	May-00	3.3481	1.1942	201,646
Jun-99	2.1539	Jun-00	3.3481	1.1942	136,967
Jul-99	2.1539	Jul-00	4.8226	2.6687	238,065
Aug-99	2.1539	Aug-00	4.8226	2.6687	229,562
Sep-99	2.1539	Sep-00	4.8226	2.6687	255,069
Oct-99	2.1539	Oct-00	4.8226	2.6687	357,097

**Estimated Summer Season Change in Revenue 1,783,652**

**Percent Change Between PGA Factors 55.44%**

Unscheduled Filing Revised Calculation for July through October 2000

	<u>Summer Filing</u>	<u>Unschedule PGA</u>		
Jul-00	3.3481	4.8226	1.4745	<b>131,535</b>
Aug-00	3.3481	4.8226	1.4745	<b>126,837</b>
Sep-00	3.3481	4.8226	1.4745	<b>140,930</b>
Oct-00	3.3481	4.8226	1.4745	<b>197,302</b>
Additional Estimated Summer Season Change in Revenue				<b>596,603</b>

**Percent Change Between Original & Revised Summer Filing 44.04%**

Firm Sales Volume @ Burnertip 3,823,123

Month	Estimated Customer Usage Mcf/Mnth	Estimated % Mcf/Yr	Estimated Company Sales Mcf/Mnth
Jan	23.6	19.67%	751,881
Feb	21.7	18.08%	691,348
Mar	15.9	13.25%	506,564
Apr	9.6	8.00%	305,850
May	5.3	4.42%	168,855
Jun	3.6	3.00%	114,694
Jul	2.8	2.33%	89,206
Aug	2.7	2.25%	86,020
Sep	3	2.50%	95,578
Oct	4.2	3.50%	133,809
Nov	9.7	8.08%	309,036
Dec	17.9	14.92%	570,283
TOTAL	120	100%	3,823,123

Note: Estimated Customer Usage Obtained from Missouri Public Service Commission.

**Missouri Public Service  
Northern System  
2000 Summer Season Revenue Impact from Summer PGA Filing**

Month	PGA Factor	Month	PGA Factor	PGA Change (4/00)&(7/00)	Revenue Impact (Summer Season)
Apr-99	2.5882	Apr-00	4.4655	1.8773	220,587
May-99	2.5882	May-00	4.4655	1.8773	121,782
Jun-99	2.5882	Jun-00	4.4655	1.8773	82,720
Jul-99	2.5882	Jul-00	5.9872	3.3990	116,489
Aug-99	2.5882	Aug-00	5.9872	3.3990	112,328
Sep-99	2.5882	Sep-00	5.9872	3.3990	124,809
Jan-00	2.5882	Jan-00	5.9872	3.3990	174,733

**Estimated Summer Season Change in Revenue 953,449**

**Percent Change Between PGA Factors 72.53%**

Unscheduled Filing Revised Calculation for July through October 2000

	<u>Summer Filing</u>	<u>Unschedule PGA</u>		
Jul-00	4.4655	5.9872	1.5217	<b>52,151</b>
Aug-00	4.4655	5.9872	1.5217	<b>50,288</b>
Sep-00	4.4655	5.9872	1.5217	<b>55,876</b>
Oct-00	4.4655	5.9872	1.5217	<b>78,226</b>

**Additional Estimated Summer Season Change in Revenue 236,542**

**Percent Change Between Original & Revised Summer Filing 34.08%**

Month	Estimated Customer Usage Mcf/Mnth	Estimated % Mcf/Yr	Estimated Company Sales Mcf/Mnth
Jan	23.6	19.67%	288,859
Feb	21.7	18.08%	265,604
Mar	15.9	13.25%	194,613
Apr	9.6	8.00%	117,502
May	5.3	4.42%	64,871
Jun	3.6	3.00%	44,063
Jul	2.8	2.33%	34,271
Aug	2.7	2.25%	33,047
Sep	3	2.50%	36,719
Oct	4.2	3.50%	51,407
Nov	9.7	8.08%	118,726
Dec	17.9	14.92%	219,093
<b>TOTAL</b>	<b>120</b>	<b>100%</b>	<b>1,468,777</b>

Note: Estimated Customer Usage Obtained from Missouri Public Service Commission.

**Missouri Public Service  
Eastern System  
2000 Summer Season Revenue Impact from Summer PGA Filing**

Month	PGA Factor	Month	PGA Factor	PGA Change (3/00)&(7/00)	Revenue Impact (Summer Season)
Apr-99	5.4236	Apr-00	6.6062	1.1826	59,081
May-99	5.4236	May-00	6.6062	1.1826	32,618
Jun-99	5.4236	Jun-00	6.6062	1.1826	22,156
Jul-99	5.4236	Jul-00	7.7026	2.2790	33,208
Aug-99	5.4236	Aug-00	7.7026	2.2790	32,022
Sep-99	5.4236	Sep-00	7.7026	2.2790	35,580
Jan-00	5.4236	Jan-00	7.7026	2.2790	49,812

**Estimated Summer Season Change in Revenue                      264,477**

**Percent Change Between PGA Factors                                      21.80%**

Unscheduled Filing Revised Calculation for July through October 2000

<u>Unscheduled Winter Filing</u>		<u>Unschedule PGA</u>	
Jul-00	6.6062	7.7026	1.0964
Aug-00	6.6062	7.7026	1.0964
Sep-00	6.6062	7.7026	1.0964
Oct-00	6.6062	7.7026	1.0964

**Additional Estimated Summer Season Change in Revenue                      72,463**

**Percent Change Between Original & Revised Summer Filing                      16.60%**

Month	Estimated Customer Usage Mcf/Mnth	Estimated % Mcf/Yr	Estimated Company Sales Mcf/Mnth
Jan	23.6	19.67%	122,816
Feb	21.7	18.08%	112,928
Mar	15.9	13.25%	82,744
Apr	9.6	8.00%	49,959
May	5.3	4.42%	27,581
Jun	3.6	3.00%	18,735
Jul	2.8	2.33%	14,571
Aug	2.7	2.25%	14,051
Sep	3	2.50%	15,612
Oct	4.2	3.50%	21,857
Nov	9.7	8.08%	50,479
Dec	17.9	14.92%	93,152
TOTAL	120	100%	624,486

Note: Estimated Customer Usage Obtained from Missouri Public Service Commission.

Ticker	Descri	Last	Change	High P	Low P
1 NGN0	Jul 00	4.685	0.125	4.715	4.625
2 NGQ0	Aug 00	4.635	0.115	4.667	4.575
3 NGU0	Sep 00	4.600	0.110	4.620	4.550
4 NGV0	Oct 00	4.570	0.100	4.590	4.520
5 NGX0	Nov 00	4.620	0.095	4.630	4.580
6 NGZ0	Dec 00	4.690	0.095	4.700	4.630
7 NGF1	Jan 01	4.660	0.085	4.680	4.620
8 NGG1	Feb 01	4.370	0.073	4.390	4.340
9 NGH1	Mar 01	4.100	0.081	4.110	4.070
1 NGJ1	Apr 01	3.680	-0.061	3.780	3.770
1 NGK1	May 01	3.600	0.012	3.600	3.600
1 NGM1	Jun 01	3.590	0.057	3.595	3.560
1 NGN1	Jul 01	3.590	0.077	3.590	3.540
1 NGQ1	Aug 01	3.540	0.047	3.540	3.540
1 NGU1	Sep 01	3.540	0.068	3.540	3.510
1 NGV1	Oct 01	3.520	0.039	3.530	3.510
1 NGX1	Nov 01	3.590	0.034	3.600	3.580
1 NGZ1	Dec 01	3.655	0.014	3.655	3.655
1 NGF2	Jan 02	3.680	0.044	3.680	3.660
2 NGG2	Feb 02	3.490	0.020	3.530	3.490
2 NGH2	Mar 02	3.320	0.022	3.320	3.320
2 NGJ2	Apr 02	3.133S	0.009	3.133	3.133
2 NGK2	May 02	3.090	0.035	---	---
2 NGM2	Jun 02	3.019S	0.009	3.019	3.019
2 NGN2	Jul 02	---	---	---	---