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October 21, 2002

**FILED<sup>3</sup>**

**OCT 21 2002**

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

**Missouri Public  
Service Commission**

**RE: Missouri Public Service - Case No. GT-2003-0038**

Dear Mr. Roberts:

On October 18, 2002, Aquila filed certain tariff sheets pertaining to Aquila Networks - MPS and Aquila Networks - L&P in accordance with the Commission's Order Approving Stipulation and Agreement.

It has since been brought to Aquila's attention that the tariff sheets filed on behalf of Aquila Networks - L&P were identified as P.S.C. MO. No. 5. Instead, they should have been identified as P.S.C. MO. No. 4. Accordingly, enclosed are three copies of the following Aquila Networks - L&P tariff sheets to be substituted for those Aquila Networks - L&P tariff sheets filed on October 18, 2002:

- P.S.C. MO. No. 4, Original Sheet No. 32.1
- P.S.C. MO. No. 4, Original Sheet No. 32.2
- P.S.C. MO. No. 4, Original Sheet No. 32.3
- P.S.C. MO. No. 4, Original Sheet No. 32.4
- P.S.C. MO. No. 4, Original Sheet No. 32.5
- P.S.C. MO. No. 4, Original Sheet No. 32.6
- P.S.C. MO. No. 4, Original Sheet No. 32.7
- P.S.C. MO. No. 4, Original Sheet No. 32.8
- P.S.C. MO. No. 4, Original Sheet No. 32.9
- P.S.C. MO. No. 4, Original Sheet No. 32.10
- P.S.C. MO. No. 4, Original Sheet No. 32.11
- P.S.C. MO. No. 4, Original Sheet No. 32.12
- P.S.C. MO. No. 4, Original Sheet No. 32.13
- P.S.C. MO. No. 4, Original Sheet No. 32.14
- P.S.C. MO. No. 4, Original Sheet No. 32.15

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- P.S.C. MO. No. 4, Original Sheet No. 32.16
- P.S.C. MO. No. 4, Original Sheet No. 32.17
- P.S.C. MO. No. 4, Original Sheet No. 32.18
- P.S.C. MO. No. 4, Original Sheet No. 32.19
- P.S.C. MO. No. 4, Original Sheet No. 32.20
- P.S.C. MO. No. 4, Original Sheet No. 32.21
- P.S.C. MO. No. 4, Original Sheet No. 32.22

Also, it has been brought to Aquila's attention that certain of the Aquila Networks - MPS sheets identified as canceling existing sheets were instead original tariff sheets. Accordingly, enclosed are three copies of the following Aquila Networks - MPS tariff sheets to be substituted for the corresponding Aquila Networks - MPS tariff sheets filed on October 18, 2002:

- P.S.C. MO. No. 5, Original Sheet No. 32.21
- P.S.C. MO. No. 5, Original Sheet No. 32.22
- P.S.C. MO. No. 5, Original Sheet No. 32.23
- P.S.C. MO. No. 5, Original Sheet No. 32.24
- P.S.C. MO. No. 5, Original Sheet No. 32.25

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  
Richard Brownlee

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE
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as Company or aggregator may deem appropriate. Transportation service will not commence until end-user has executed a written End-User Verification Form with the Company. Aggregators who notify Company on behalf of end-users of their intent to provide transportation service to end-user without end-user's approval shall pay a penalty of \$100 per end-user occurrence. Repeated occurrences by aggregator will result in aggregator not being permitted to continue transportation service. Any energy seller, supplier, marketer or broker that serves more than one end-user that is eligible to be pooled for the purpose of forming an aggregation pool will be deemed to be an aggregator, and will be required to execute a Marketer Agreement

19. Operational Flow Order Penalty: Aggregators who fail to deliver to Company for the account of end-user(s) specified operational flow ordered quantities of gas shall be billed appropriate "Unauthorized Delivery" charges. Aggregators who repeatedly fail to deliver to Company specified operational flow order quantities of gas will not be permitted to continue transportation service.
20. Pipeline Charges. Any specific charges that Company incurs from the pipeline on behalf of customer will be passed through to that customer. Such charges include but are not limited to those that may be imposed by an applicable pipeline as set forth in paragraphs H and I.
21. Recording and Telemetry Equipment: Company shall notify end-users if existing equipment is not sufficient to measure service under the applicable rate schedule. If so, Company may install such equipment as it deems necessary. Company shall be allowed access for maintaining and operating such equipment. End-user shall be responsible for the costs associated with the Company acquiring and installing recording and/or telemetry equipment at the delivery point. When telemetry equipment is installed, the end-user will be required to provide telephone or other interfaces agreed to by the Company along with electrical connections available at the meter location. If recording and/or telemetry equipment is deemed necessary, but the end-user is unwilling or unable to pay for the cost of such equipment, then the end-user may return to sales service, provided all other requirements of Section 18 have been met. All Small Volume transportation customers must have Company install telemetry equipment or purchase the Balancing Service provided in Section J.1 herein. Customers must reimburse the Company for the cost incurred by Company to install telemetry equipment and for the cost of any other improvements made by Company in order to provide this transportation service. Customer shall also provide telephonic access and service to this telemetry equipment. The Company will offer financing for periods up to 90 days interest free. The Company will offer financing with interest to a customer to pay for the installation of telemetry equipment for a period of more than 90 days but not more than 12 consecutive months on a non-regulated basis. The telemetry equipment and any other improvements made by the Company shall remain the property of the Company, and will be maintained by the Company.
22. Service Agreement Required: Customer shall execute a written contract for transportation service containing such terms and conditions as Company reasonably requires. Gas transportation agreements and applicable documents are available at the Company's electronic website, [www.networks.aquila.com](http://www.networks.aquila.com). The Company will provide a written copy of the agreements if requested by the customer.
23. Successors and Assigns: Any party which shall succeed by purchase, merger, or consolidation, in whole or in part, to the interests of any aggregator or end-user, shall be subject to the obligations of its predecessor in title under an agreement. No other assignment of an agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning party, which consent shall not be unreasonably withheld. Any party may assign its respective right, title, and interest in and to under an agreement to a trustee or

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trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of any such assignee becoming in any respect obligated to perform the obligation of the assignor under an agreement and, if any such trustee be a corporation, without its being required to qualify to do business in any state in which performance of an agreement may occur.

24. Termination of Participation: End-Users shall notify Company whenever an end-user ceases to be a part of the aggregator's pool. Termination of participation in an aggregator's pool by an end-user, whether by choice of aggregator or end-user, may necessitate a determination by Company of the amount of capacity needed to serve the end-user. Capacity initially assigned and necessary to service end-user shall remain with the end-user. End-users that choose service from another aggregator must notify Company with a signed End-User Verification Form. Forms are available from aggregators or the Company via GasTrack Online. Notification is required at least fourteen (14) days prior to the nomination deadline for the first day of the end-user's billing cycle. If such notification is not provided within said time frame, then service from the original aggregator shall not terminate until the first day of the Company billing cycle for such end-user which begins at least thirty (30) days after receipt of the End-User Verification Form by the Company.

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GAS TRANSPORTATION SERVICE

K. INTERSTATE PIPELINE SCHEDULING AND BALANCING CHARGES

1. Panhandle Eastern Pipeline Company

a. PEPL Daily Balancing Penalties

- i. Daily Imbalance Tolerance – 4%
- ii. Monthly Imbalance Tolerance – 2%
- iii. Penalties - \$0.2860 per Mcf plus 3.38% fuel for each Mcf outside tolerance

b. PEPL OFO Penalties – The greater of 2 times the highest gas price published in Gas Daily for Citygate, Pooling Point Prices – “Chicago LDCs” or for Citygate, Pooling Point Prices – “Mich.-Mich Con,” whichever is greater for the day Overrun Penalties are incurred, or the following:

<u>Overrun</u>	<u>Rates per Dth</u>
0%-5%	\$15.00
>5%-10%	\$25.00
>10%-15%	\$50.00
>15%-50%	\$100.00
>50%	\$200.00

c. PEPL Monthly Imbalance Cash Out Tolerance Bands and Example

<u>Imbalance Level</u>	<u>Receipts &gt; Deliveries</u> <u>Due Company</u>	<u>Deliveries &gt; Receipts</u> <u>Due Customer</u>
0% - 5%	Spot x 90%	Spot x 110%
>5% - 10%	Spot x 80%	Spot x 120%
>10% - 15%	Spot x 70%	Spot x 130%
>15% - 20%	Spot x 60%	Spot x 140%
>20%	Spot x 50%	Spot x 150%

The “spot” market price shall equal the average of the Kansas/Oklahoma Field Zone Spot Price for gas delivered to PEPL contained in the first issue of Natural Gas Week.

Example:

If the nominated volume was 100 Mcf and the actual consumption was 130 Mcf, there is an imbalance of 30 Mcf due Company. The transportation customer would owe Company the following amount using the above hypothetical Spot market price of \$2.22: (\*)

10 Mcf at \$2.22 x 110%	24.42
10 Mcf at \$2.22 x 120%	26.64
10 Mcf at \$2.22 x 130%	<u>28.86</u>
	\$79.92

(\*) These hypothetical prices are used for illustration purposes only.

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2. Williams Gas Pipelines – Central, Inc.

a. WGPC Balancing Penalties

- i. Daily Imbalance Tolerance – Not applicable
- ii. Monthly Imbalance Tolerance – 10%
- iii. Penalties

- 1. The greater of \$10 or 5 times the average Gas Daily Index for Williams for each day for which daily balancing is in effect for each Dth of over-deliveries in excess of 3% through 10% of authorized delivery levels or under-receipts in excess of 5% through 10% of confirmed nominations
- 2. The greater of \$20 or 10 times the average Gas Daily Index for Williams for each day for which daily balancing is in effect for each Dth of over-deliveries or under-receipts in excess of 10% of authorized delivery levels (for over-deliveries) or confirmed nominations (for under-receipts).

- iv. Operational Flow Order Days – The greater of \$10 or 5 times the average Gas Daily Index for Williams for the days of noncompliance.

<u>Imbalance Level</u>	<u>Receipts &gt; Deliveries Due Company</u>	<u>Deliveries &gt; Receipts Due Customer</u>
Up to 10% or 1,000 Dth	N/A	N/A
10% but less than 15%	Spot x 70%	Spot x 130%
15% but less than 20%	Spot x 60%	Spot x 140%
20% or higher	Spot x 50%	Spot x 150%

The "spot" market price shall equal the Inside FERC Report for Williams.

Example:

If the nominated volume was 100 Mcf and the actual consumption was 130 Mcf, there is an imbalance of 30 Mcf due Company. The transportation customer would owe Company the following amount using the above hypothetical Spot market price of \$2.22: (\*)

10 Mcf at \$2.22 x 0%	0.00
5 Mcf at \$2.22 x 130%	14.43
5 Mcf at \$2.22 x 140%	15.54
10 Mcf at \$2.22 x 150%	<u>33.30</u>
	<b>\$63.27</b>

(\*) These hypothetical prices are used for illustration purposes only.