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KELVIN L. SIMMONS

Missouri Public Service Commission

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.psc.state.mo.us>

August 28, 2000

BRIAN D. KINKADE  
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Director, Utility Operations

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Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

RE: Case No. GT-2001-61

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RESPONSE TO MOUNTAIN ENERGY CORPORATION'S PETITION TO INTERVENE AND OPC'S REPLY TO UTILICORP'S RESPONSE.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.  
Deputy General Counsel  
(573) 751-5239  
(573) 751-9285 (Fax)

TRS:sw  
Enclosure  
cc: Counsel of Record

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

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

AUG 28 2000

Missouri Public  
Service Commission

In the matter of Missouri Public Service, a division )  
of UtiliCorp United, Inc. to establish an experimental )  
small volume aggregation program in Missouri. )

Case No. GT-2001- 61

**STAFF RESPONSE TO MOUNTAIN ENERGY CORPORATION'S PETITION  
TO INTERVENE AND OPC'S REPLY TO UTILICORP'S RESPONSE**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), and for its Response to Mountain Energy Corporation's Petition to Intervene and OPC's Reply to UtiliCorp's Response (Staff Response) respectfully states the following:

1. On August 21, 2000 Mountain Energy Corporation (Mountain Energy) filed its Petition Of Mountain Energy Corporation To Intervene (Petition) in the instant case. On August 22, 2000 the Office of the Public Counsel (OPC) filed Public Counsel's Reply To UtiliCorp's Response To OPC Motion To Suspend (OPC Reply) which was directed at an August 11, 2000 UtiliCorp filing. To allow UtiliCorp and the Staff an opportunity to respond to Mountain Energy's Petition and the OPC Reply, on August 24th, the Commission directed both UtiliCorp and the Staff to file responses by 3:00 p.m. on August 28, 2000.

2. Given the short time available and the fact that some of the areas have already been addressed in Staff's August 11, 2000 Recommendation, the Staff will respond as follows:

**I. Petition of Mountain Energy**

3. Mountain Energy claims in its petition that they are an energy service provider in Missouri, that they have many natural gas customers in Missouri, and as such, have interests in issues in this proceeding which cannot be adequately represented by any other party. Staff has searched the Commission's records and cannot find when Mountain Energy applied for or whether it was granted certification as an energy seller in the state of Missouri. Pursuant to conditions contained in the proposed tariff, any aggregation service to be provided under this experimental program shall be conducted through energy sellers who have received certification

from the Missouri Public Service Commission pursuant to Commission rule 4CSR 240-45.010 in compliance with Sections 393.297 through 393.301 RSMo.

## **II. Reply of OPC**

4. On page three of its reply, OPC cites two basic differences between UtiliCorp's existing Kansas program and the proposed Missouri experimental program. In discussing the first difference, OPC questions the need of the proposed Missouri program to allow even the smallest non-residential customers an opportunity to participate in the aggregation program when UtiliCorp's existing Kansas program limits it to those customers whose usage exceeds 500 Mcf annually. The short answer here is that all customers in a given class need the opportunity to evaluate and participate in the program, not just a select few. By making it available to the entire non-residential class, concerns over discrimination or preferential treatment would be eliminated. Also, by excluding the smallest non-residential consumers eliminates any possibility to gauge the reaction of these customers toward aggregation and any experience they would gain.

5. On page three, OPC notes the other key difference between the Missouri program and the Kansas program as the Missouri program requiring the program participants to take daily balancing service from UtiliCorp. As stated by Staff in its initial description of the experimental aggregation program, a key element of this experiment will be to see if gas transportation for smaller users can be accomplished without the need for expensive electronic metering equipment. In order to control this phase of the experiment and be in a position to evaluate the success or failure of the program, all participating customers would be required to have UtiliCorp perform the balancing services on the system.

6. In response to OPC's discussions in paragraphs 8 through 11 regarding treatment of certain natural gas supply related charges, UtiliCorp acknowledged that the Daily Balancing Charge; Daily Out-of Balance Charge; Monthly Cash-out Charge; Unauthorized Delivery Charge; and, Monthly Balancing Service charges will be credited to the respective systems' ACA accounts. To clarify this issue, on August 28, 2000 UtiliCorp submitted substitute sheets for tariff sheet number 36 to clearly reflect the crediting of the above mentioned charges in their

tariffs.

7. In paragraph 12, OPC expresses concern that a cross-subsidy between general system supply customers and aggregation customers could exist if the ACA, Refunds, TOP and TC charges were discontinued after the first year of the program. It was recognized in the very beginning that any costs/credits which aggregation customers incurred on the system while they were system supply customers should be the responsibility of those customers. For purposes of this program, it was assumed that the vast majority of the over-recovered/under-recovered pre-aggregation costs would be resolved by the end of the first year. To require a more lengthy or detailed tracking approach would add a level of complexity and cost at this point that would not be justified by the potential unrecovered amounts.

8. In paragraph 13, OPC raises the ambiguity of the use of the words "service agreement". In response to this concern and to clarify the issue, on August 28, 2000, UtiliCorp submitted a substitute tariff sheet number 32.18 to replace the words "service agreement" with the words "End-User Verification Form".

9. In paragraph 14, OPC raises the issue of the word "service agreement". In response to this concern, on August 28, 2000, UtiliCorp submitted a substitute tariff sheet number 32.18 to replace the words "service agreement" with the words "End-User Verification Form".

10. Regarding OPC's paragraph 14, where OPC asserts that the end-user would somehow have less protection under the experimental program than as a system supply customer, the Staff notes that the Company's general rules and regulations will apply to ensure fair and appropriate treatment of all consumers including aggregation end-users. This provision is reflected in Section 5, tariff sheet 32.10.

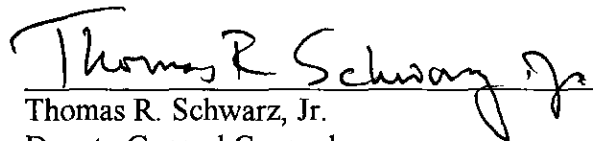
11. In response to OPC's paragraph 18 concerning reporting requirements, UtiliCorp has agreed and has incorporated specific reporting requirements into its tariffs. These are found on Sheet 32.4 under the heading "Program Evaluation". To the extent that additional information or more specific data would be needed or wanted, the party desiring the information may submit the specific data requests to the Company in the routine manner.

12. In OPC's paragraph 19, OPC pointed out conflicting language regarding daily out of balance charges during critical days. In response to this issue, on August 28, 2000, UtiliCorp submitted substitute tariff sheet number 32.11 to eliminate the confusion

WHEREFORE, the Staff reaffirms its recommendation in support of the Experimental Small Volume Aggregation Program as updated by UtiliCorp and recommends that the Commission approve the tariff sheets as filed by UtiliCorp on July 20, 2000, and as substituted on August 8, August 11, and August 28, 2000.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

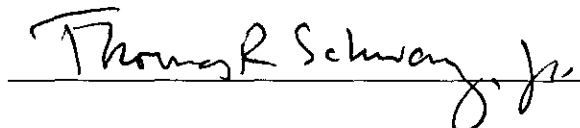


Thomas R. Schwarz, Jr.  
Deputy General Counsel  
Missouri Bar No. 29645

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

**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 28<sup>th</sup> day of August, 2000.



Service List for  
Case No. GT-2001-61  
Revised: August 28, 2000 (SW)

Douglas E. Micheel  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

Dean L. Cooper  
Brydon, Swearngen & England  
P.O. Box 456  
Jefferson City, MO 65102-0456

Robert J. Amdor  
Regulatory Services-UtiliCorp United  
1815 Capitol Avenue  
Omaha, NE 68102

Melissa Randol  
Attorney at Law  
2100 I-70 Drive Southwest  
Columbia, MO 65203

Frank A. Caro, Jr.  
Polsinelli, White, Vardeman & Shelton, PC  
6201 College Blvd., Suite 500  
Overland Park, KS 66211