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October 10, 2003

**FILED**

**OCT 10 2003**

Missouri Public  
Service Commission

Dale H. Roberts  
Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Aquila, Inc. d/b/a Aquila Networks – MPS and Aquila Networks – L&P  
Case No. GT-2004-0051**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight copies of the Direct Testimony of Dennis L. Odell on behalf of Aquila, Inc. d/b/a Aquila Networks – MPS and Aquila Networks – L&P. Please file stamp the enclosed extra receipt copy and return to me for my records.

If you have any questions concerning this matter, 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 JAR*

Dean L. Cooper

DLC/jar

Enclosures

cc: John B. Coffman  
Dana K. Joyce  
Stu Conrad

Exhibit No:  
Issues:

Transportation  
Tariff

Witness:  
Type of Exhibit:  
Sponsoring Party:  
Case No:

Dennis L. Odell  
Direct Testimony  
Aquila, Inc.  
GT-2004-0050  
GT-2004-0051  
October 10, 2003

Date Testimony To Be Filed:

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. GT-2004-0050 & 0051**

**FILED**

**OCT 10 2003**

**DIRECT TESTIMONY**

**OF**

**Dennis L. Odell**

Missouri Public  
Service Commission

**ON BEHALF OF**

**AQUILA, INC.**

**d/b/a**

**AQUILA NETWORKS – MPS**

**and**

**AQUILA NETWORKS – L&P**

**Omaha, Nebraska**

**October, 2003**

AFFIDAVIT OF DENNIS L. ODELL

Dennis L. Odell, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony and schedules entitled "Direct Testimony of Dennis L. Odell"; 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.

*[Handwritten Signature]*

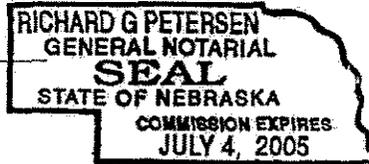
Subscribed and sworn to before me this 10<sup>th</sup> day of October, 2003.

*[Handwritten Signature: Richard A. Petersen]*

Notary Public

My Commission expires:

7/4/05





1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to support Aquila's proposed changes to the  
3 transportation tariffs of Aquila Networks - MPS ("MPS") and Aquila Networks -  
4 L&P ("L&P").

5 **Q. WHY HAS AQUILA FILED THESE PROPOSED CHANGES TO ITS**  
6 **TRANSPORTATION TARIFFS?**

7 A. One of Aquila's major pipeline suppliers, Southern Star Central Pipeline  
8 ("Southern Star") has changed its processes, forcing Aquila to do the same.

9 **Q. PLEASE EXPLAIN HOW THIS PIPELINE SUPPLIER FORMERLY OPERATED.**

10 A. Historically, Aquila has had an agreement with Southern Star called a  
11 Predetermined Allocation Agreement ("PDA"). This is sometimes referred to as  
12 burner tip balancing. This PDA effectively allowed Aquila to report the actual  
13 usage of transportation customers on its system back to Southern Star.  
14 Southern Star then allocated that amount of gas to the appropriate Aquila  
15 delivery point for the account of that customer. In this way, the customer never  
16 had an imbalance on Aquila's system, since its usage was always matched by its  
17 deliveries.

18 **Q. WHAT HAS SOUTHERN STAR DONE TO CHANGE THIS SITUATION?**

19 A. Southern Star notified Aquila that it was terminating its PDA effective July 1,  
20 2003. (Southern Star subsequently extended this agreement until November 1,  
21 2003.) Once this agreement is terminated, Aquila will be responsible, as point  
22 operator, for any imbalance that occurs at its delivery points, including those

1 caused by transporters. Therefore, Aquila seeks to amend its tariffs to enable  
2 Aquila to hold transporters accountable for their imbalances.

3 **Q. HOW DOES AQUILA PROPOSE TO HOLD TRANSPORTERS**  
4 **ACCOUNTABLE FOR THEIR IMBALANCES?**

5 A. Aquila already has provisions in its tariff that allow it to penalize transporters for  
6 imbalances outside of tolerance on a daily basis to the extent that the upstream  
7 pipeline requires daily balancing. Further, Aquila also has provisions in its tariff  
8 that allow it to cash out customers on a monthly basis so that imbalances are not  
9 carried over from month to month. However, these provisions are currently only  
10 applicable to small volume transportation customers. Aquila has filed to make  
11 these provisions applicable to large volume transportation customers as well.

12 **Q. WHAT WILL BE THE RESULT IF AQUILA IS NOT ABLE TO HOLD**  
13 **TRANSPORTERS ACCOUNTABLE FOR THEIR IMBALANCES?**

14 A. It is likely that the cost to PGA customers will be increased. Once the PDA has  
15 been terminated, Aquila will be solely responsible to the pipeline for balancing its  
16 delivery points. The cost of balancing these delivery points will pass through to  
17 the PGA customers in the form of increased storage costs and/or costs to buy or  
18 sell incremental gas supplies. There would be no mechanism to recoup any of  
19 these costs that might be caused by transporters. Daily balancing charges serve  
20 as a deterrent to negative transporter behavior, and monthly cash outs help to  
21 ensure that the incremental costs of balancing are paid for by those parties  
22 causing those costs.

1 **Q. HAS AQUILA MODIFIED ITS PROPOSAL FROM THE TARIFFS ORIGINALLY**  
2 **FILED IN THIS CASE?**

3 A. Yes. After filing its proposed tariff sheets, Aquila consulted with the Commission  
4 Staff. Based on those discussions, Aquila modified these tariff sheets.

5 **Q. WHAT TARIFF SHEETS ARE YOU PROPOSING TO CHANGE IN THIS CASE?**

6 A. The proposed tariff sheets are attached to my testimony as Schedules DLO-1 for  
7 MPS and DLO-2 for L&P.

8 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

9 A. Yes.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**P.S.C. MO. No. 5  
Canceling P.S.C. MO. No. 5

SCHEDULE DLO-1

2nd Revised SHEET NO. 32.1  
1<sup>st</sup> Revised SHEET NO. 32.1**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS**  
Kansas City, MissouriFor: All communities and rural areas  
receiving natural gas serviceTRANSPORTATION SERVICE  
GAS

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**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

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2nd Revised SHEET NO. 32.2  
1<sup>st</sup> Revised SHEET NO. 32.2

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

For: All communities and rural areas  
receiving natural gas service

TRANSPORTATION SERVICE GAS
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STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 5  
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2nd Revised SHEET NO. 32.3  
1<sup>st</sup> Revised SHEET NO. 32.3

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

For: All communities and rural areas  
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TRANSPORTATION SERVICE  
GAS

A. PURPOSE

The purpose of this program is to provide the Company's end-users additional flexibility in how they purchase and receive natural gas for their use. This program allows non-residential end-users the opportunity to purchase natural gas from a source other than the Company and make arrangements for the transportation of such natural gas on a firm and/or interruptible basis on the Company's distribution system.

1. Program Provisions. This program has the following major provisions:

- (a) *Pipeline Capacity Assignment:* The program contains provisions for the Company to assign its firm pipeline capacity to the aggregator or end user in order for the aggregator to provide firm gas service to its aggregated pool. The daily scheduling, monthly balancing and monthly cash out provisions set forth below essentially mirror the same requirements the Company is required to follow (or will be expected to follow) in taking service from the interstate pipelines, Panhandle Eastern Pipe Line Company (PEPL) and Southern Star Central Pipelines (SSCP), serving the Company's Missouri systems.
- (b) *Small and Large Volume Rate Schedules:* End users with annual usage less than 150,000 Ccf qualify for small volume transportation service, and end users with greater usage qualify for the large volume transportation schedule.
- (c) *Aggregation Permitted.* Under the terms of these tariff sheets, a non-residential end-user who desires to transport gas is permitted to combine its natural gas requirements with those other non-residential customers on the same rate schedule and pipeline in an aggregated pool for purposes of scheduling, nominations and gas purchasing.
- (d) *Daily Scheduling:* As a condition of transporting, Customers need to comply with the requirement to match, within a certain tolerance and on a daily basis, nominations and consumption. This requirement relates to the necessity for the utility to manage the gas delivered to it for consumption by end-users. The capability to closely monitor daily transportation activity is critical to ensure that the utility is able to facilitate transportation service for the benefit of aggregators and end-users while reliably maintaining service to its sales customers.
- (e) *Monthly Balancing:* In addition to matching nominations and consumption on a daily basis, Customers are required, within a specific tolerance, to be "in balance" on a monthly basis.
- (f) *Monthly Cashouts:* The program provides a method each month for resolving on a cash basis the differences between nominations and consumption.

2. Program Evaluation. During the term of the program, Company shall file annual reports, beginning with an initial report to be filed in January, 2004 showing the following information:

- (a) The number of aggregators actively forming aggregated pools on the Company's systems,
- (b) The number of end-users electing to be served as part of aggregated pools,
- (c) End-users requesting to leave aggregated pools and return to the Company's sales service, and
- (d) The amount of interstate pipeline capacity assigned from Company to specific aggregators forming aggregated pools.
- (e) Copies of all transportation contracts executed in the prior year.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
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2nd Revised SHEET NO. 32.4  
1<sup>st</sup> Revised SHEET NO. 32.4

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

For: All communities and rural areas  
receiving natural gas service

**TRANSPORTATION SERVICE  
GAS**

**B. DEFINITIONS**

**AGGREGATION** - The practice of combining the nominations and balancing of gas delivered to more than one end-user from receipt point(s) served by a common pipeline. Aggregation of end-users is allowed only on a common pipeline. To qualify for aggregation service, end-users must be served by a common pipeline in the same pipeline operating zone, and be on the same rate schedule.

**AGGREGATION POOL** - A group of one or more end-users, with each end-use meter qualifying under the applicable rate schedule for 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.

**AGGREGATOR** - An entity (such as an energy seller, marketer, supplier, or other entity) responsible for the aggregation of gas delivered to more than one end-user.

**BALANCING** - The effort to match the quantity of transport gas received by the Company for the account of an end-user or aggregator with the quantity of the gas delivered to end-user(s) for the account of that end-user.

**CRITICAL DAY (EXTREME CONDITIONS)** - Any day during which the Company and/or interstate pipeline service is limited due to capacity constraints, operational problems, or any other cause. End-user and aggregator notification shall be as determined by the pipeline; no additional communication by Company shall be required.

**CUSTOMER** - An energy seller, marketer, aggregator, supplier, or end-user of transportation service.

**DAILY NOMINATION REQUIREMENT** - The quantity of gas required to be delivered to Company at receipt point(s) for the account of an end-user or aggregator in order to meet: 1) end-user's or aggregator's daily requirement for flowing gas (gas physically delivered to end-user(s)), 2) losses, and 3) correction of end-user's or aggregator's out-of-balance condition existing at the end of the preceding gas day.

**DAILY SCHEDULING TOLERANCE** - The maximum quantity of gas at the end of any gas day, which Company will allow end-user or aggregator to be out-of-balance without additional charge. The daily scheduling tolerance is intended to reflect the scheduling tolerance established by the interstate pipeline serving each of the Company's systems.

**DAY** - See GAS DAY.

**DELIVERIES** - The quantity of gas delivered by Company to end-user(s) for the account of an end-user or aggregator.

**DELIVERY POINT** - The location where the Company's gas distribution facilities are interconnected with the end-user's facilities. This location is where the end-user or aggregator and the Company have agreed that all or part of the receipts for the account of end-user or aggregator will be transported and delivered by the Company.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
Canceling P.S.C. MO. No. 5

2nd Revised SHEET NO. 32.5  
1<sup>st</sup> Revised SHEET NO. 32.5

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

For: All communities and rural areas  
receiving natural gas service

**TRANSPORTATION SERVICE**  
**GAS**

**END-USER** - Any person, association, firm, public or private corporation, or any agency of the federal, state, or local government or other legal entity who physically accepts delivery from Company of gas transported hereunder.

**ENERGY SELLER** – Any person who uses, leases or controls the distribution system of a distributor or a political subdivision or any part thereof to sell energy services at retail within a political subdivision, other than a distributor or a political subdivision.

**GAS DAY** - The 24 hour period which begins at 9:00 a.m. Central Time and ends at 9:00 a.m. Central Time the following day.

**JOINT SERVICE** – A form of gas delivery or transportation service in which the customer is permitted to select and designate a portion of daily requirement as firm and/or interruptible. This capability is available only to customers with telemetry.

**LINE LOSS** - The quantity of gas used and/or lost as part of the Company's normal distribution system operation. Line loss charges will be the Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA and applied on a volumetric basis to the quantity of gas delivered to the end-user.

**MARKETER AGREEMENT** – An agreement entered into between Company and aggregator specifying the service(s) requested by aggregator, method of billing and term of agreement.

**MAXIMUM DAILY QUANTITY (MDQ)** - The amount of gas a customer is expected to consume on a peak day, calculated by dividing the volumes consumed by a particular customer during the highest historical peak month of usage for that customer in the last three years by twenty (20). Company will estimate a peak month for new customers. A Maximum Daily Quantity may also be established through direct measurement or other means (i.e., estimating the peak day requirements after installation of new processing equipment or more energy efficient heating systems) if approved by Company.

**NOMINATION** - The quantity of gas that an end-user or aggregator causes to be delivered to Company at each Receipt Point during a gas day. The quantity nominated must be equalized as far as practicable over the twenty-four hour period and for the services provided hereunder is assumed to have been delivered to Company uniformly during each hour of the gas day.

**OPERATIONAL BALANCING AGREEMENT** - An agreement between the Company and an end-user or aggregator which describes the manner in which differences between actual receipts into the Company's system and nominated quantities into Company's system will be resolved between the parties.

**OPERATIONAL FLOW ORDER** - A notice issued by the Company to Customers requiring the delivery of specified quantities of gas to Company at times deemed necessary by the Company to maintain system integrity and to assure continued service. An Operational Flow Order may be issued to the smallest affected area. For example, a single receipt point, receipt points on a pipeline, or the entire system. Notification shall be via Company's electronic bulletin board (<http://www.gastrackonline.com>). Any Operational Flow Order (OFO) declared by the interstate pipeline is also an OFO Day on Company's affected area, but end-user and aggregator notification shall come from the pipeline.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
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2nd Revised SHEET NO. 32.6  
1<sup>st</sup> Revised SHEET NO. 32.6

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

For: All communities and rural areas  
receiving natural gas service

**TRANSPORTATION SERVICE  
GAS**

**OUT-OF-BALANCE** - A condition where cumulative receipts fail to equal cumulative deliveries. A positive (excess) out-of-balance condition exists when receipts exceed deliveries. A negative (deficiency) out-of-balance condition exists when deliveries exceed receipts. When an end-user or aggregator is out-of-balance, the Company has either provided gas to the end-user or aggregator to meet an underage (deficiency), or stored gas for the end-user or aggregator to meet an overage (excess).

**OVERAGE** - An out-of-balance condition where receipts exceed deliveries. This condition reflects the cumulative extent receipts exceed deliveries since receipts and deliveries were last in balance. A positive (excess) out-of-balance condition is considered an overage.

**RECEIPTS** - The quantity of gas actually delivered to Company for the account of an end-user or aggregator at receipt point(s).

**RECEIPT POINT** - The location where Company physically receives gas delivered to Company for the account of an end-user or aggregator. This location is the interconnection between the Company and the entity responsible for the delivery of end-user or aggregator-owned gas to the Company. The receipt point is usually physically located at the town border station, upstream of the delivery point. The receipt point must be a location physically connected by Company facilities to the delivery point. If the Company can, operationally, contractually, and without adversely affecting the service to its other end-users, permit a Customer to use a receipt point not physically connected through Company facilities to the delivery point(s), Company may waive the receipt point restriction.

**RECORDING EQUIPMENT** - Equipment which is capable of obtaining, accumulating, and storing data regarding gas flow for intervals equal to or less than twenty-four (24) hours in duration.

**SHUTOFF** - Service interruption initiated by Company, terminating service hereunder, to an end-user as a result of failure of end-user to pay Company for service or as a result of unsafe conditions.

**TELEMETRY** - Equipment capable of obtaining, accumulating, and transmitting real time data regarding the gas flow to a central location.

**TRANSPORTATION SERVICE** - The physical and/or contractual movement of gas through the Company's distribution system from receipt point(s) to delivery point(s).

**UNDERAGE** - An out-of-balance condition where deliveries exceed receipts. This condition reflects the cumulative extent that deliveries exceed receipts since deliveries and receipts were last in balance. A negative (deficiency) out-of-balance condition is considered an underage.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
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2nd Revised SHEET NO. 32.7  
1<sup>st</sup> Revised SHEET NO. 32.7

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

For: All communities and rural areas  
receiving natural gas service

**TRANSPORTATION SERVICE  
GAS**

**C. PIPELINE CAPACITY RELEASE**

The Company offers its end-users additional flexibility in how they purchase and receive gas for their use. End-users may purchase their gas directly from an energy seller, marketer, aggregator, supplier, or other entity and then, under the SVTS or LVTS rate schedules, decide which services will be used to bring the gas to their end-use location.

Consistent with the above and as a condition of customer being able to transfer from firm sales service to the Company's transportation rate schedules, customer agrees to accept pro-rata release of Company's pipeline capacity based on the firm peak day requirements for end-user's end use or for aggregator's end-users. The amount of pipeline capacity the end-user will be released will be calculated by determining the peak gas usage month that occurred within the past three (3) years for each of aggregator's end-users, then adding the quantity of gas consumed by each of aggregator's end-users in such peak month, and dividing that sum by 20.

The capacity will be released to the end-user or aggregator on a temporary, recallable basis for up to twelve months for each end-user at the Company's weighted average cost. Pipeline transportation cost shall be derived from the pipeline transportation contracts that serve a customer. Only those contracts that provide service to a customer's service territory shall be considered when calculating cost. After the capacity is released, end-user and aggregators will deal directly with the interstate pipeline during the period of release on all matters concerning this capacity. In the event an end-user changes marketers before the expiration of a pipeline capacity agreement, the end-user's capacity will revert to the Company for reassignment to the new aggregator or marketer.

If an end-user wishes to return to firm sales service, Company shall accept the end-user as a firm sales customer, provided the capacity needed to serve the customer also returns with the end-user or is otherwise available. However, the Company is not required to accept capacity from transportation customers returning to sales service.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 5  
Canceling P.S.C. MO. No. 5

2nd Revised SHEET NO. 32.8  
1st Revised SHEET NO. 32.8

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

For: All communities and rural areas  
receiving natural gas service

TRANSPORTATION SERVICE  
GAS

D. RATE SCHEDULE SVTS

1. Availability: Service under this rate schedule is available to Customers who cause gas to be delivered on a firm and/or interruptible basis to individually metered, non-residential end-users whose individual annual usage is anticipated not to exceed 150,000 Ccf. This service will be available in all of the Company's Missouri service territories.
2. Service Considerations: This service shall apply to small volume transportation service, which includes a level of firm and/or interruptible gas service. The interruptible gas is subject to interruption at any time upon order of the Company. Customers electing interruptible service must sign an affidavit confirming the customer has an alternate fuel capability or is willing to discontinue gas service during periods of curtailment. Customers must execute a written contract for transportation service pursuant to this rate schedule. Gas transportation agreements and applicable documents are available at the Company's electronic website, [www.networks.aquila.com](http://www.networks.aquila.com). All small volume transportation customers must install telemetry equipment or purchase the Balancing Service provided herein. Customers must reimburse the Company for the cost incurred by the Company to install telemetry equipment and for the cost of any other improvements made by the Company in order to provide this service. Service is provided for a minimum of six (6) months.
3. Monthly Charges: End-user's monthly bill shall be determined as a sum of the following:

<u>Service Territory:</u>	<b>MPS-North</b>	<b>MPS-South</b>	<b>MPS-East</b>
<u>End-user Charge:</u>	\$15.00	\$15.00	\$15.00
	Per facility per month for all service territories		
 <u>Delivery Charge</u>			
Usage (per Ccf)			
1 <sup>st</sup> 600	\$0.23908	\$0.23908	\$0.23908
Next 800	\$0.22108	\$0.22108	\$0.22108
Next 1,000	\$0.20305	\$0.20305	\$0.20305
Excess	\$0.07546	\$0.07546	\$0.07546

L&U Charge: The Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA will be applied on a volumetric basis to the quantity of gas delivered to the end-user.

Interim Purchased Gas Adjustment Charges: End-users shall be charged the appropriate system's ACA, Refund, TOP and TC factors as listed on Company's sheet numbers 43, 44 or 44.1. New customers or customers electing transportation service shall be charged the appropriate ACA charges for a period of one year after changing service to this schedule. These charges shall terminate after a customer has been served under this schedule for one year.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 5  
Canceling P.S.C. MO. No. 5

2nd Revised SHEET NO. 32.9  
1<sup>st</sup> Revised SHEET NO. 32.9

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

For: All communities and rural areas  
receiving natural gas service

TRANSPORTATION SERVICE  
GAS

Mandatory Charges: Monthly bills to end-users or aggregators shall reflect the charges as described in Section E of this service schedule, including:

Daily Out-of-Balance Charge  
Monthly Cash-out Charge  
Line Loss Charge  
Unauthorized Delivery Charge

Optional Services: Additional services may be selected, as described in Section I, including:

Daily Balancing Service  
Aggregation Pooling Service  
Billing Service

4. Security: Aggregator shall provide Company with security for aggregator's performance hereunder in the form of a letter of credit or a performance bond in the amount of \$250,000.00 no later than ten (10) days prior to the date gas first flows to one or more of aggregator's end-users. Company reserves the right to periodically review the sufficiency of said security and, if deemed necessary as a prudent business practice, may require an increase in such amount.
5. General Rules, Regulations, Terms and Conditions: Service hereunder is subject to Company's General Rules and Regulations and applicable transportation provisions on file with the Missouri Public Service Commission.
6. Taxes: Service received under this tariff shall be conducted through energy sellers who have received certification from the Missouri Public Service Commission pursuant to 4 CSR 240-45.010 in compliance with Sections 393.297 through 393.301, RSMo.
7. Experimental School Aggregation Program: Pursuant to Sec. 393.310.1 RSMo, the fee for aggregation and balancing services for schools aggregating gas requirements under this schedule shall be \$0.004 per Therm during the twelve (12) month period following the approval date of this schedule. After the initial twelve (12) months of this program, the charges described in paragraphs H and I will apply to all small volume customers, including schools. No telemetry shall be required unless a facility is expected to consume over 100,000 Therms annually. This experimental program shall be in effect from November 1, 2002 to June 30, 2005.
  - a. Reporting. The Company shall, no later than June 1 in each year of the experimental program, provide records of the revenues and expenses incurred as a result of this experimental program. These records shall be provided to the Staff of the Missouri Public Service Commission and the Office of the Public Counsel, and shall be categorized in sufficient detail to permit the parties to determine what under- or over-recovery of expenses may exist at that time, and to determine what changes in rates, if any, may be appropriate to prevent any harm to the groups identified in RSMo Sec. 393.310. The Commission may, no later than November 1<sup>st</sup> of each year of the experimental program, implement any adjustments in rates it deems appropriate to comply with RSMo. 393.310.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
Canceling P.S.C. MO. No. 5

2nd Revised SHEET NO. 32.10  
1<sup>st</sup> Revised SHEET NO. 32.10

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

For: All communities and rural areas  
receiving natural gas service

TRANSPORTATION SERVICE GAS
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**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
 Canceling P.S.C. MO. No. 5

2nd Revised SHEET NO. 32.11  
 1<sup>st</sup> Revised SHEET NO. 32.11

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

For: All communities and rural areas  
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**TRANSPORTATION SERVICE  
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**E. RATE SCHEDULE LVTS**

1. Availability: Service under this rate schedule is available to Customers who cause gas to be delivered on a firm and/or interruptible basis to individually metered, non-residential end-users whose individual annual usage is anticipated to exceed 150,000 Ccf. This service will be available in all of the Company's Missouri service territories.
2. Service Considerations: This service shall apply to large volume transportation service, which includes a level of firm and/or interruptible gas service. The interruptible gas is subject to interruption at any time upon order of the Company. Customers electing interruptible service must sign an affidavit confirming the customer has an alternate fuel capability or is willing to discontinue gas service during periods of curtailment. Customers must execute a written contract for transportation service pursuant to this rate schedule. Gas transportation agreements and applicable documents are available at the Company's electronic website, [www.networks.aquila.com](http://www.networks.aquila.com). Service hereunder is provided subject to a requirement for recording equipment or telemetry at the delivery point. All large volume transportation customers must install telemetry and 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 service. Service is provided for a minimum of one year.
3. Monthly Charges: End-user's monthly bill shall be determined as a sum of the following:

<u>Service Territory:</u>	<b>MPS-North</b>	<b>MPS-South</b>	<b>MPS-East</b>
<u>End-user Charge:</u>	\$215.00	\$215.00	\$215.00
 <u>Delivery Charge:</u>			
Usage (per Ccf)			
1 <sup>st</sup> 200,000	\$0.02460	\$0.02460	\$0.02460
Excess	\$0.01000	\$0.01000	\$0.01000
 <u>Demand Charge:</u>	 \$0.39000	 \$0.39000	 \$0.39000
(per Ccf):			

L&U Charge: the Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA will be applied on a volumetric basis to the quantity of gas delivered to the end-user.

Interim Purchased Gas Adjustment Charges: End-users shall be charged the appropriate system's ACA, Refund, TOP and TC factors as listed on Company's sheet numbers 43, 44 or 44.1. The Company's existing large volume transportation customers shall be exempt from new ACA or PGA-related charges. New customers or customers electing transportation service shall be charged the appropriate ACA charges for a period of one year after changing to this schedule. These charges shall terminate after a customer has been served under this schedule for one year.

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2nd Revised SHEET NO. 32.12  
1<sup>st</sup> Revised SHEET NO. 32.12

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Mandatory Charges: Monthly bills shall also reflect the charges as described in Section H of this service schedule, including:

Daily Out-of-Balance Charge  
Monthly Cash-out Charge  
Line Loss Charge  
Unauthorized Delivery Charge

Optional Services: Additional services may be selected, as described in Section I, including:

Aggregation Pooling Service  
Billing Service

4. Security: All Aggregators shall provide Company with security for aggregator's performance hereunder in the form of a letter of credit or a performance bond in the amount of \$250,000.00 no later than ten (10) days prior to the date gas first flows to one or more of aggregator's end-users. Company reserves the right to periodically review the sufficiency of said security and, if deemed necessary as a prudent business practice, may require an increase in such amount.
5. General Rules, Regulations, Terms and Conditions: Service hereunder is subject to Company's General Rules and Regulations and applicable transportation provisions on file with the Missouri Public Service Commission; including Sections F-K below.
6. Taxes: Service received under this schedule shall be conducted through energy sellers who have received certification from the Missouri Public Service Commission pursuant to 4 CSR 240-45.010 in compliance with Sections 393.297 through 393.301, RSMo.

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Canceling P.S.C. MO. No. 5

2nd Revised SHEET NO. 32.13  
1<sup>st</sup> Revised SHEET NO. 32.13

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

For: All communities and rural areas  
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F. NOMINATIONS

1. Requirements. Customers are required to nominate daily. Customers requesting volumes to flow on the first day of any month must contact Company's Gas Control Department via Company's Internet-enabled electronic bulletin board, known as Gas Track Online (<http://www.gastrackonline.com>), and inform them of the volumes to be transported by receipt point(s) and delivery point(s). First of the month nominations and daily nominations via the Internet are due by 11:30 a.m. Central Time one day before the gas flows. Intra-day nomination for the 2<sup>nd</sup> through the 31<sup>st</sup> days of a month will be accepted until 5:00 p.m. Central Time one day before the gas flows. A confirmed pipeline nomination will also be accepted on a best effort basis on the day of gas flow.
2. Special Requirements. All Small Volume sales customers switching to transportation service will be assigned a Maximum Daily Quantity (MDQ) Level, as defined herein. Under certain circumstances the Company may, at its option, require customers to deliver and confirm its MDQ to the LDC receipt point up to a cumulative 10 days (in addition to interstate pipeline OFO and critical days) during the months of November through March. If MDQ delivery does not occur, then customer must curtail to the level of their confirmed nomination. Confirmation occurs when the Company receives a confirmed nomination from the interstate pipeline. Delivery at MDQ may be required if:
  1. The interstate pipeline calls a Critical Day Order.
  2. The interstate pipeline calls an Operational Flow Order,
  3. The Company calls a Critical Day Order.
  4. The Company calls an Operational Flow Order.

In (1) and (2) above, the Customer must, without notice from the Company, deliver its MDQ to the LDC receipt point. In (3) and (4) above, the Company will give the Customer 25 hours notice prior to the start of the gas day. If the Customer fails to deliver its MDQ as required in (1), (2), or (3), the Company shall assess a penalty to the Customer for each Mcf that the Customer fails to deliver in an amount equal to the highest daily penalty applicable to the Operational Flow Order or Critical Day, as defined by the interstate pipeline in its tariff. If the Company has not called a Critical Day but has issued an Operational Flow Order (4), and the customer fails to deliver its MDQ, then the Company will assess a penalty to the customer in an amount equal to that identified in Paragraph I for each Mcf that the customer failed to deliver.

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2nd Revised SHEET NO. 32.14  
1<sup>st</sup> Revised SHEET NO. 32.14

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Kansas City, Missouri

For: All communities and rural areas  
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**G. BALANCING**

To assure system integrity, the customer is responsible for: 1) providing daily scheduling of deliveries which accurately reflect the customer's expected consumption, and 2) balancing deliveries to the Company' system with volumes consumed at the delivery points and adjusted for Lost and Unaccounted gas. Failure to fulfill these responsibilities will result in the Customer incurring balancing and/or scheduling charges as described below.

1. Daily Balancing Charges. A daily charge shall apply to any aggregator or end-user served through ANR, Panhandle Eastern Pipeline Company, or any other pipeline that subsequently adopts daily scheduling charges, and whose out-of-balance condition exceeds the daily scheduling tolerance. This daily charge is applied to the daily quantities by which the customer's out-of-balance condition exceeds the daily scheduling tolerance. Actual daily delivery quantities shall be used to determine the out-of-balance condition for customers with recording equipment or telemetry. Estimated daily delivery quantities shall be used to determine the out-of-balance condition for customers without recording equipment or telemetry, or whenever such equipment malfunctions. Estimated daily delivery quantities shall be determined based on available data including nominated quantities, meter readings, customer load characteristic, actual weather conditions, and other information. This daily charge is accumulated and assessed monthly. This charge is in addition to the charges set forth in each of the company's transportation rate schedules. For each pipeline, the FERC approved charges apply. See Section K.
2. Monthly Imbalances. The difference between monthly confirmed nominated volumes and actual consumption will be charged to and/or credited to the Customer (cashed out) using the indices shown in Section K, plus pipeline fuel, pipeline capacity and commodity charges. In addition, the cash out price is tiered to encourage good performance and discourage supply price arbitrage using the LDC as a supply bank.

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2nd Revised SHEET NO. 32.15  
1<sup>st</sup> Revised SHEET NO. 32.15

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For: All communities and rural areas  
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**H. MANDATORY CHARGES**

The following charges shall apply to Customers taking service under the Company's transportation rate schedules:

1. Daily Out-of-Balance Charge: A daily charge shall apply to any Customer served through ANR, PEPL or any other pipeline that subsequently adopts daily scheduling charges, and whose out-of-balance condition exceeds the daily scheduling tolerance during a critical day or when an operational flow order is imposed. This daily charge is applied to the daily quantities by which the Customer's out-of-balance condition exceeds the Customer's daily scheduling tolerance. Actual daily delivery quantities shall be used to determine the out-of-balance condition for end-users with recording equipment or telemetry. Estimated daily delivery quantities shall be used to determine the out-of-balance condition for end-users without recording equipment or telemetry, or whenever such equipment malfunctions. Estimated daily delivery quantities shall be determined based on available data, including nominated quantities, meter readings, end-user load characteristics, actual weather conditions and other information.  
  
On critical days or when operational flow orders have been declared, daily out-of-balance charges otherwise applicable shall be waived if Customer is in an overage condition.  
  
On critical days or when operational flow orders have been declared, the daily scheduling charges will be applied according to the tables shown in Section K.
2. Monthly Cash-Out Charge: At the end of each calendar month, the Customer is required to balance its receipts and deliveries. Any variance between the Customer's receipts and deliveries will result in the "cash-out" of imbalance volumes. See Section K.
3. Line Loss Charge: Line loss charges will be the Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA, and applied on a volumetric basis to the quantity of gas delivered to the end-user.
4. Unauthorized Delivery Charge: If a customer fails to curtail its use of gas when requested to do so by the Company, the customer shall be billed at the transportation charge plus the cost of gas the Company secures for the customer, plus the greater of either the pipeline daily delivery variance charges or \$20 per Mcf, for gas used in excess of the volumes of gas to which customer is limited. Revenues related to unauthorized takes will be credited to the Company's PGA. Company may in addition disconnect the customer's supply of gas if the customer fails to curtail its use thereof when requested by the Company to do so. Curtailment of transportation volumes will take place according to the priority class, which the end-user would have been assigned if it were purchasing gas from the Company. During curtailment, the end-user is entitled to a credit equal to the difference between the volumes delivered to the Company and those received by the end-user, adjusted for lost, unaccounted-for and company used gas.

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2nd Revised SHEET NO. 32.16  
1<sup>st</sup> Revised SHEET NO. 32.16

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

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**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

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2nd Revised SHEET NO. 32.17  
1<sup>st</sup> Revised SHEET NO. 32.17

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS**  
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**I. OPTIONAL SERVICES**

The following optional services are available to certain Customers, who may choose the services that best serve their needs. Aggregators shall designate on their Marketer Agreement which, if any of the following services they desire. All charges for Optional Services are in addition to the monthly charges in the Company's transportation rate schedule.

1. Balancing Service: This service is available to end-users under the SVTS rate schedule. Under this optional service, Customers are provided additional flexibility in being able to balance their receipts with deliveries on a monthly basis. Small Volume Customers may negotiate a tolerance window and various cash-out rates for overage and underage conditions. Customers who elect transportation service may purchase the service in lieu of meeting Company's Transportation Tariff requirements for the installation of telemetry and daily scheduling requirements. Customers choosing this balancing service must submit a daily nomination to Company for those days the service is used. The special requirements for nominations, found in Paragraph F, apply to this service. The cost of the service is \$0.075 per Mcf transported on Company's system. Revenues collected from the provision of this service will be credited to the overall general system gas cost through Company's PGA mechanism. This monthly charge is in addition to the monthly charges set forth in Company's service rate schedules.
2. Aggregation Pooling Service: A Customer may combine a group of end-users situated behind multiple town border stations (TBS) and served by a common pipeline with the same balancing provisions, the same transportation rate schedule (i.e. SVTS or LVTS), and the same interstate pipeline operational zone. If a Marketer purchases this aggregation service, the aggregated group will be considered as one Customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e., individual Customer nominations and consumption will be summed and treated as if they were one Customer. This does not include aggregation of fixed costs or customer charges. The cost of this aggregation service is \$0.04 per Mcf of gas delivered to the aggregated group. Revenues received from this service shall be credited to the Company's PGA mechanism. If the Customer purchases this service, the aggregated pools will be considered as one aggregated pool for the purposes of calculating daily out-of-balance charges; however, during Critical and OFO Days nominating and balancing will be required by the affected receipt and delivery points.
3. Billing Service: Company will provide an integrated billing service for aggregators for a monthly fee equal to \$1.00 multiplied by each end-user service point.

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1<sup>st</sup> Revised SHEET NO. 32.18

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Kansas City, Missouri

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2nd Revised SHEET NO. 32.19  
1<sup>st</sup> Revised SHEET NO. 32.19

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J. TERMS AND CONDITIONS

The following terms and conditions shall apply to aggregators, and end-users where applicable, taking service under Company's applicable rate schedule:

1. Balancing: Customer shall have the obligation to balance on both a daily and monthly basis, gas receipts (transportation gas delivered to Company at the receipt point), with thermally equivalent gas deliveries (transportation gas delivered by Company to end user(s) at the delivery point(s)). The difference between cumulative receipts and cumulative deliveries is considered an out-of-balance condition. Upon termination of service hereunder, either the Customer shall purchase sufficient quantities of gas to satisfy any negative out-of-balance condition or the Company shall purchase Customer's positive out-of-balance quantities. These purchases shall be completed in accordance with the provisions of Company's monthly cash-out provisions. In addition, Customer shall be responsible for any other applicable charge(s) set forth in Company's rate schedules. Delivery from systems with a single source of gas supply will use the transporting entity's statement as to volumes and heating value shall be taken as conclusive. Delivery from systems with multiple sources of gas supply shall be determined based on the heating value of the gas delivered to the end-user to determine the requirement for thermal balancing.
2. Billing: The order of gas delivery for purposes of billing calculations will initially be to utilize Customer-owned gas, including correction of any imbalance conditions and then utilize sales gas based on Company's applicable tariffs.
3. Curtailment/Interruption of Service: Transportation service provided by Company is based on Company's best efforts to deliver gas received for the account of the Customer. In the event of force majeure or system capacity limitations, it may be necessary to interrupt deliveries from time to time. If transportation service interruption or curtailment is required, Company shall endeavor to curtail deliveries on the affected parts of its system in the following order: Large Volume, General Service and Residential

If Company is required to curtail transportation service, then such interruptions or curtailments shall be governed by Company's curtailment provisions associated with sales gas service, which are contained in Section 3.07 of Company's Rules and Regulations -- Gas.

Notwithstanding any provision to the contrary herein, Company may fully or partially curtail service to transportation service end-users when, in Company's opinion, curtailment or interruption is necessary to protect the delivery of gas to general system customers with higher priority uses, or to protect the integrity of its system. Company shall allocate, as equitably as practicable, the capacity that is available, taking into consideration priority of use or other factors it deems necessary to ensure public health and safety.

4. Delinquent Payment Penalty: A late payment charge in an amount equal to one and one-half percent (1.5%) of the delinquent amount owed for current service will be added to the bill if payment is not received on or before the net due date stated on the bill. The net due date shall be the twenty-first (21<sup>st</sup>) day after the date of billing.
5. Facility: Shall include all meters serving buildings under common ownership behind the same town border station.
6. Delivery Volume Requirement: The Company is not required to deliver volumes of gas in excess of receipts.

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1<sup>st</sup> Revised SHEET NO. 32.20

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7. Failure to Comply: If aggregator or end-user fails to comply with or perform any of the obligations of its part, the Company shall have the right to give the aggregator or end-user written notice of the Company's intention to terminate the transportation service on account of such failure. The Company shall then have the right to terminate such transportation service after the expiration of five days after giving said notice, unless the aggregator or end-user shall make good such failure. Termination of such transportation service for any such cause shall be a cumulative remedy as to the Company, and shall not release the aggregator or end-user from its obligation to make payment of any amount or amounts due or to become due from the aggregator or end-user to the Company under the applicable schedule. In order to resume transportation service after termination of service hereunder, it shall be necessary for the end-user to reapply for service.
8. Force Majeure: The term "force majeure" as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts, material or equipment or labor shortages, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipes, freezing of wells or pipelines, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. If either the Company, aggregator or end-user is rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of any rate schedule, the obligations of the party affected by such force majeure, other than the obligation to make payments there under, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, in so far as possible, be remedied with all reasonable dispatch. Notwithstanding the foregoing, the service provided by Company hereunder is limited to the transportation of aggregator or end-user owned gas received by the Company for the account of aggregator or end-user. In the event of a force majeure condition that restricts or limits aggregator's or end-user's ability to cause to be delivered to Company gas for the account of the aggregator or end-user, Company is under no obligation to deliver gas to aggregator or end-user. Company is under no obligation to deliver gas to the aggregator or end-user for the account of aggregator or end-user that has not been received by the Company for the account of aggregator or end-user.
9. Gas Quality: All end-user-owned gas transported hereunder shall be of commercial quality. If the gas tendered for transportation is not of commercial quality or is gas which will adversely impact the gas stream of Company, said gas shall not be transported.
10. Gas Supply: Customer shall arrange for the purchase of gas other than Company's supply and for the delivery of such gas to a Company receipt point(s). End-user shall execute a written End-User Verification Form for transportation services pursuant to the applicable rate schedule containing such terms and conditions as may be reasonably required.
11. Joint Rate Transportation Service: Refers to the purchase of gas transportation service, which includes a level of firm and interruptible interstate pipeline capacity. Transportation service will not commence until the Customer files with the Company a completed Service Request Form and all other applicable documentation. Company shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to Company' system.
12. Laws, Regulations, and Orders: All agreements and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules, and regulations of any legislative body, or duly constituted authority now or hereafter having jurisdiction and shall be varied and amended to comply with or conform to any valid rule, regulation, order, or direction of any board, tribunal, or administrative agency with jurisdiction that affects any of the provisions of the agreement.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

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Canceling P.S.C. MO. No. 5

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Original SHEET NO. 32.21

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

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13. Liability: Gas shall be and shall remain the property of the aggregator or end-user while being transported and delivered by the Company. The Company shall not be liable to the aggregator or end-user for any loss arising from or out of gas transportation service while in the Company's system or for any other cause, except for gross or willful negligence of the Company's own employees. The Company reserves the right to commingle gas of the aggregator or end-user with other gas supplies. The aggregator or end-user shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
14. Marketer Agreement: Each prospective aggregator is required to execute a Marketer Agreement, which shall specify the service(s) requested by the aggregator, the method under which the aggregator elects to be billed, and the term of the agreement. Regardless of billing arrangements elected, the aggregator shall be responsible for payment for all service(s) provided.
15. Measurement: All transport gas shall be measured on a volumetric basis. Measurement shall be based on available information regarding volumes received and delivered, pressure and temperature conditions, and energy content of the gas stream. Company shall determine the measurement equipment required to determine the receipts and deliveries of end-user owned gas transported hereunder.
16. Minimum Term: The minimum term of service shall be 6 months for SVTS and one year for LVTS. The Company, at its sole discretion, may allow a term less than the one (1) year or six (6) month minimums.
17. Nomination: Customers are required to nominate daily. Customers requesting volumes to flow on the first day of any month must contact Company's Gas Control Department via Company's Internet-enabled electronic bulletin board, known as Gas Track Online (<http://www.gastrackonline.com>), and inform them of the volumes to be transported by receipt point(s) and delivery point(s). First of the month nominations and daily nominations via the Internet are due by 11:30 a.m. Central Time one day before the gas flows. Intra-day nomination for the 2<sup>nd</sup> through the 31<sup>st</sup> days of a month will be accepted until 5:00 p.m. Central Time one day before the gas flows. A confirmed pipeline nomination will also be accepted on a best effort basis on the day of gas flow. Any nomination that may take unfair advantage of any tariff provision may be rejected or changed by the Company.
18. Notices Required to Transport or Return to Sales Service: Customers shall notify the Company a minimum of fourteen (14) days prior to the beginning of the end-user's meter-reading cycle of their intent to begin or change service under the applicable transportation rate schedule through the filing of an End-User Verification Form or addendum thereto with Company. Any addition, deletion or change in end-user transportation service shall occur at the start of the end-user's billing cycle. Notification shall include aggregator and end-user names and addresses; receipt and delivery point(s) to be nominated; service(s) to be subscribed for; billing information; and other information as the Company or aggregator may deem appropriate. Transportation service will not commence until the 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 an end-user without the end-user's approval shall pay a penalty of \$100 per end-user occurrence. Repeated occurrences by aggregator will result in the 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.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

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Original SHEET NO. 32.22

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

For: All communities and rural areas  
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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: The Company shall notify end-users if existing equipment is not sufficient to measure service under the applicable rate schedule. If so, the Company may install such equipment as it deems necessary. The Company shall be allowed access for maintaining and operating such equipment. The 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 the 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. The 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 the 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 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.

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TRANSPORTATION SERVICE GAS
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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.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
 Canceling P.S.C. MO. No. 5

1st Revised SHEET NO. 32.24  
 Original SHEET NO. 32.24

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

For: All communities and rural areas  
 receiving natural gas service

**TRANSPORTATION SERVICE  
 GAS**

**K. INTERSTATE PIPELINE SCHEDULING AND BALANCING CHARGES**

1. Panhandle Eastern Pipeline Company

a. PEPL Daily Balancing Penalties

- i. Daily Imbalance Tolerance – 10%
- ii. Penalties - \$0.2049 per Mcf plus 2.15% 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%	\$0.00
>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 Customer</u>	<u>Deliveries &gt; Receipts</u> <u>Due Company</u>
0% - 5%	Spot x 100%	Spot x 100%
>5% - 10%	Spot x 90%	Spot x 110%
>10% - 15%	Spot x 80%	Spot x 120%
>15% - 20%	Spot x 70%	Spot x 130%
>20% - 25%	Spot x 60%	Spot x 140%
25% and higher	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 115 Mcf, there is an imbalance of 15 Mcf due Company. The transportation customer would owe Company the following amount using the above hypothetical Spot market price of \$2.22: (\*)

5 Mcf at \$2.22 x 100%	11.10
5 Mcf at \$2.22 x 110%	12.21
5 Mcf at \$2.22 x 120%	<u>13.35</u>
	<b>\$36.63</b>

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

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5  
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1st Revised SHEET NO. 32.25  
 Original SHEET NO. 32.25

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

For: All communities and rural areas  
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**TRANSPORTATION SERVICE  
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- 2. Southern Star Central Pipelines (SSCP)
  - a. SSCP Balancing Penalties
    - i. Daily Imbalance Tolerance – Not applicable
    - ii. Period of Daily Balancing Charges
      - 1. The greater of \$10 or 5 times the average Gas Daily Index for SSCP 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 SSCP 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).
    - iii. Operational OFO Charges – The greater of \$5 or 2.5 times the average Gas Daily Index for SSCP for the days of noncompliance.
    - iv. Emergency OFO Charges - The greater of \$10 or 5 times the average Gas Daily Index for SSCP for the days of noncompliance.
    - v. Monthly Imbalance Cashouts

<u>Imbalance Level</u>	<u>Receipts &gt; Deliveries Due Customer</u>	<u>Deliveries &gt; Receipts Due Company</u>
Up to 10%	Spot x 100%	Spot x 100%
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 SSCP.

Example:

If the nominated volume was 100 Mcf and the actual consumption was 115 Mcf, there is an imbalance of 15 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 x100%	\$22.20
5 Mcf at \$2.22 x 130%	<u>14.43</u>
	\$36.63

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

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 5 4th (Original) SHEET NO. 16

Cancelling P.S.C. MO. No. 5 3rd (Original) SHEET NO. 16  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS**  
**KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

GAS

RESERVED FOR FUTURE USE

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 5 2nd (Original) SHEET NO. 17

Cancelling P.S.C. MO. No. 5 1st (Revised) SHEET NO. 17  
(Original)  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS**  
**KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No. 5 3rd (~~Original~~) SHEET NO. 18

Cancelling P.S.C. MO. No. 5 2nd (~~Original~~) SHEET NO. 18  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No. 5 2nd (~~Original~~) SHEET NO. 19

Cancelling P.S.C. MO. No. 5 1st (~~Original~~) SHEET NO. 19  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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**.STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5 2nd (Original) SHEET NO. 20

Cancelling P.S.C. MO. No. 5 1st (Revised) SHEET NO. 20  
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(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 5 2nd (Original) SHEET NO. 21

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(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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(Original)  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No. 5 2nd (Original) SHEET NO. 23

Cancelling P.S.C. MO. No. 5 1st (Revised) SHEET NO. 23  
(Original)  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No. 5 3rd (Original) SHEET NO. 24  
(Revised)

Cancelling P.S.C. MO. No. 5 2nd (Original) SHEET NO. 24  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No.	5	3rd	(Original)	SHEET NO.	25
			(Revised)		
Cancelling P.S.C. MO. No.	5	2nd	(Original)	SHEET NO.	25
			(Revised)		

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No. 5 3rd (Original) SHEET NO. 26

Cancelling P.S.C. MO. No. 5 2nd (Revised) SHEET NO. 26  
(Original)  
(Revised)

**AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138**

FOR: All Communities and Rural Areas Receiving Natural Gas Service

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P.S.C. MO. No.	5	3rd	(Original)	SHEET NO.	27
			(Revised)		
Cancelling P.S.C. MO. No.	5	2nd	(Original)	SHEET NO.	27
			(Revised)		

AQUILA, INC. d/b/a AQUILA NETWORKS-MPS  
KANSAS CITY, MO 64138

FOR: All Communities and Rural Areas Receiving Natural Gas Service

GAS
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**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

SCHEDULE DLO-2

7th Revised SHEET NO. 7.1  
6<sup>th</sup> Revised SHEET NO. 7.1

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

RESERVED FOR FUTURE USE

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

5th Revised SHEET NO. 7.2  
4<sup>th</sup> Revised SHEET NO. 7.2

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

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P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

4th Revised SHEET NO. 7.3  
3<sup>rd</sup> Revised SHEET NO. 7.3

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
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**GAS TRANSPORTATION SERVICE**

RESERVED FOR FUTURE USE

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P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

4th Revised SHEET NO. 7.4  
3<sup>rd</sup> Revised SHEET NO. 7.4

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
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GAS TRANSPORTATION SERVICE

RESERVED FOR FUTURE USE

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.1  
Original SHEET NO. 32.1

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

**GAS TRANSPORTATION SERVICE**

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P.S.C. MO. No. 4  
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1<sup>st</sup> Revised SHEET NO. 32.2  
Original SHEET NO. 32.2

AQUILA, INC. d/b/a AQUILA NETWORKS-L&P  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

A. PURPOSE

The purpose of this program is to provide the Company's end-users additional flexibility in how they purchase and receive natural gas for their use. This program allows non-residential end-users the opportunity to purchase natural gas from a source other than the Company and make arrangements for the transportation of such natural gas on a firm and/or interruptible basis on the Company's distribution system.

1. Program Provisions. This program has the following major provisions:

- (a) *Pipeline Capacity Assignment:* The program contains provisions for the Company to assign its firm pipeline capacity to the aggregator or end user in order for the aggregator to provide firm gas service to its aggregated pool. The daily scheduling, monthly balancing and monthly cash out provisions set forth below essentially mirror the same requirements the Company is required to follow (or will be expected to follow) in taking service from the interstate pipeline ANR Pipeline Company (ANR) serving the Company's Missouri system.
- (b) *Small and Large Volume Rate Schedules:* End users with annual usage less than 150,000 Ccf qualify for small volume transportation service, and end users with greater usage qualify for the large volume transportation schedule.
- (c) *Aggregation Permitted.* Under the terms of these tariff sheets, a non-residential end-user who desires to transport gas is permitted to combine its natural gas requirements with those other non-residential end-users on the same rate schedule and pipeline in an aggregated pool for purposes of scheduling, nominations and gas purchasing.
- (d) *Daily Scheduling:* As a condition of transporting, end-users and aggregators need to comply with the requirement to match, within a certain tolerance and on a daily basis, nominations and consumption. This requirement relates to the necessity for the utility to manage the gas delivered to it for consumption by end-users. The capability to closely monitor daily transportation activity is critical to ensure that the utility is able to facilitate transportation service for the benefit of aggregators and end-users while reliably maintaining service to its sales customers.
- (e) *Monthly Balancing:* In addition to matching nominations and consumption on a daily basis, end-users and aggregators are required, within a specific tolerance, to be "in balance" on a monthly basis.
- (f) *Monthly Cashouts:* The program provides a method each month for resolving on a cash basis the differences between nominations and consumption.

2. Program Evaluation. During the term of the program, Company shall file annual reports, beginning with an initial report to be filed in January, 2004 showing the following information:

- (a) The number of aggregators actively forming aggregated pools on the Company's systems,
- (b) The number of end-users electing to be served as part of aggregated pools,
- (c) End-users requesting to leave aggregated pools and return to the Company's sales service, and
- (d) The amount of interstate pipeline capacity assigned from Company to specific aggregators forming aggregated pools.
- (e) Copies of all transportation contracts executed in the prior year.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 4  
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1<sup>st</sup> Revised SHEET NO. 32.3  
Original SHEET NO. 32.3

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
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**GAS TRANSPORTATION SERVICE**

**B. DEFINITIONS**

**AGGREGATION** - The practice of combining the nominations and balancing of gas delivered to more than one end-user from receipt point(s) served by a common pipeline. Aggregation of end-users is allowed only on a common pipeline. To qualify for aggregation service, end-users must be served by a common pipeline in the same pipeline operating zone, and be on the same rate schedule.

**AGGREGATION POOL** - A group of one or more end-users, with each end-use meter qualifying under the applicable rate schedule for 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.

**AGGREGATOR** - An entity (such as an energy seller, marketer, supplier, or other entity) responsible for the aggregation of gas delivered to more than one end-user.

**BALANCING** - The effort to match the quantity of transport gas received by the Company for the account of an end-user or aggregator with the quantity of the gas delivered to end-user(s) for the account of that end-user.

**CRITICAL DAY (EXTREME CONDITIONS)** - Any day during which the Company and/or interstate pipeline service is limited due to capacity constraints, operational problems, or any other cause. End-user and aggregator notification shall be as determined by the pipeline; no additional communication by Company shall be required.

**CUSTOMER** - An energy seller, marketer, aggregator, supplier, or end-user of transportation service.

**DAILY NOMINATION REQUIREMENT** - The quantity of gas required to be delivered to Company at receipt point(s) for the account of an end-user or aggregator in order to meet: 1) end-user's or aggregator's daily requirement for flowing gas (gas physically delivered to end-user(s)), 2) losses, and 3) correction of end-user's or aggregator's out-of-balance condition existing at the end of the preceding gas day.

**DAILY SCHEDULING TOLERANCE** - The maximum quantity of gas at the end of any gas day, which Company will allow end-user or aggregator to be out-of-balance without additional charge. The daily scheduling tolerance is intended to reflect the scheduling tolerance established by the interstate pipeline serving each of the Company's systems.

**DAY** - See GAS DAY.

**DELIVERIES** - The quantity of gas delivered by Company to end-user(s) for the account of an end-user or aggregator.

**DELIVERY POINT** - The location where the Company's gas distribution facilities are interconnected with the end-user's facilities. This location is where the end-user or aggregator and the Company have agreed that all or part of the receipts for the account of end-user or aggregator will be transported and delivered by the Company.

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Original SHEET NO. 32.4

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
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**END-USER** - Any person, association, firm, public or private corporation, or any agency of the federal, state, or local government or other legal entity who physically accepts delivery from Company of gas transported hereunder.

**ENERGY SELLER** – Any person who uses, leases or controls the distribution system of a distributor or a political subdivision or any part thereof to sell energy services at retail within a political subdivision, other than a distributor or a political subdivision.

**GAS DAY** - The 24 hour period which begins at 9:00 a.m. Central Time and ends at 9:00 a.m. Central Time the following day.

**JOINT SERVICE** – A form of gas delivery or transportation service in which the customer is permitted to select and designate a portion of daily requirement as firm and/or interruptible. This capability is available only to customers with telemetry.

**LINE LOSS** - The quantity of gas used and/or lost as part of the Company's normal distribution system operation. Line loss charges will be the Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA and applied on a volumetric basis to the quantity of gas delivered to the end-user.

**MARKETER AGREEMENT** – An agreement entered into between Company and aggregator specifying the service(s) requested by aggregator, method of billing and term of agreement.

**MAXIMUM DAILY QUANTITY (MDQ)** - The amount of gas a customer is expected to consume on a peak day, calculated by dividing the volumes consumed by a particular customer during the highest historical peak month of usage for that customer in the last three years by twenty (20). Company will estimate a peak month for new customers. A Maximum Daily Quantity may also be established through direct measurement or other means (i.e., estimating the peak day requirements after installation of new processing equipment or more energy efficient heating systems) if approved by Company.

**NOMINATION** - The quantity of gas that an end-user or aggregator causes to be delivered to Company at each Receipt Point during a gas day. The quantity nominated must be equalized as far as practicable over the twenty-four hour period and for the services provided hereunder is assumed to have been delivered to Company uniformly during each hour of the gas day.

**OPERATIONAL BALANCING AGREEMENT** - An agreement between the Company and an end-user or aggregator which describes the manner in which differences between actual receipts into the Company's system and nominated quantities into Company's system will be resolved between the parties.

**OPERATIONAL FLOW ORDER** - A notice issued by the Company to Customers requiring the delivery of specified quantities of gas to Company at times deemed necessary by the Company to maintain system integrity and to assure continued service. An Operational Flow Order may be issued to the smallest affected area. For example, a single receipt point, receipt points on a pipeline, or the entire system. Notification shall be via Company's electronic bulletin board (<http://www.gastrackonline.com>). Any Operational Flow Order (OFO) declared by the interstate pipeline is also an OFO Day on Company's affected area, but end-user and aggregator notification shall come from the pipeline.

**OUT-OF-BALANCE** - A condition where cumulative receipts fail to equal cumulative deliveries. A positive (excess) out-of-balance condition exists when receipts exceed deliveries. A negative (deficiency) out-of-balance condition exists when deliveries exceed receipts. When an end-user or aggregator is out-of-balance, the Company has either provided gas to the end-user or aggregator to

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1<sup>st</sup> Revised SHEET NO. 32.5  
Original SHEET NO. 32.5

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

**GAS TRANSPORTATION SERVICE**

meet an underage (deficiency), or stored gas for the end-user or aggregator to meet an overage (excess).

**OVERAGE** - An out-of-balance condition where receipts exceed deliveries. This condition reflects the cumulative extent receipts exceed deliveries since receipts and deliveries were last in balance. A positive (excess) out-of-balance condition is considered an overage.

**RECEIPTS** - The quantity of gas actually delivered to Company for the account of an end-user or aggregator at receipt point(s).

**RECEIPT POINT** - The location where Company physically receives gas delivered to Company for the account of an end-user or aggregator. This location is the interconnection between the Company and the entity responsible for the delivery of end-user or aggregator-owned gas to the Company. The receipt point is usually physically located at the town border station, upstream of the delivery point. The receipt point must be a location physically connected by Company facilities to the delivery point. If the Company can, operationally, contractually, and without adversely affecting the service to its other end-users, permit a Customer to use a receipt point not physically connected through Company facilities to the delivery point(s), Company may waive the receipt point restriction.

**RECORDING EQUIPMENT** - Equipment which is capable of obtaining, accumulating, and storing data regarding gas flow for intervals equal to or less than twenty-four (24) hours in duration.

**SHUTOFF** - Service interruption initiated by Company, terminating service hereunder, to an end-user as a result of failure of end-user to pay Company for service or as a result of unsafe conditions.

**TELEMETRY** - Equipment capable of obtaining, accumulating, and transmitting real time data regarding the gas flow to a central location.

**TRANSPORTATION SERVICE** - The physical and/or contractual movement of gas through the Company's distribution system from receipt point(s) to delivery point(s).

**UNDERAGE** - An out-of-balance condition where deliveries exceed receipts. This condition reflects the cumulative extent that deliveries exceed receipts since deliveries and receipts were last in balance. A negative (deficiency) out-of-balance condition is considered an underage.

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1<sup>st</sup> Revised SHEET NO. 32.6  
Original SHEET NO. 32.6

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

**GAS TRANSPORTATION SERVICE**

**C. PIPELINE CAPACITY RELEASE**

The Company offers its end-users additional flexibility in how they purchase and receive gas for their use. End-users may purchase their gas directly from an energy seller, marketer, aggregator, supplier, or other entity and then, under the SVTS or LVTS rate schedules, decide which services will be used to bring the gas to their end-use location.

Consistent with the above and as a condition of customer being able to transfer from firm sales service to the Company's transportation rate schedules, customer agrees to accept pro-rata release of Company's pipeline capacity based on the firm peak day requirements for end-user's end use or for aggregator's end-users. The amount of pipeline capacity the end-user will be released will be calculated by determining the peak gas usage month that occurred within the past three (3) years for each of aggregator's end-users, then adding the quantity of gas consumed by each of aggregator's end-users in such peak month, and dividing that sum by 20.

The capacity will be released to the end-user or aggregator on a temporary, recallable basis for up to twelve months for each end-user at the Company's weighted average cost. Pipeline transportation cost shall be derived from the pipeline transportation contracts that serve a customer. Only those contracts that provide service to a customer's service territory shall be considered when calculating cost. After the capacity is released, end-user and aggregators will deal directly with the interstate pipeline during the period of release on all matters concerning this capacity. In the event an end-user changes marketers before the expiration of a pipeline capacity agreement, the end-user's capacity will revert to the Company for reassignment to the new aggregator or marketer.

If an end-user wishes to return to firm sales service, Company shall accept the end-user as a firm sales customer, provided the capacity needed to serve the customer also returns with the end-user or is otherwise available. However, the Company is not required to accept capacity from transportation customers returning to sales service.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.7  
Original SHEET NO. 32.7

AQUILA, INC. d/b/a AQUILA NETWORKS-L&P  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

**GAS TRANSPORTATION SERVICE**

D. RATE SCHEDULE SVTS

1. Availability: Service under this rate schedule is available to Customers who cause gas to be delivered on a firm and/or interruptible basis to individually metered, non-residential end-users whose individual annual usage is anticipated not to exceed 150,000 Ccf. This service will be available in all of the Company's Missouri service territories.
2. Service Considerations: This service shall apply to small volume transportation service, which includes a level of firm and/or interruptible gas service. The interruptible gas is subject to interruption at any time upon order of the Company. Customers electing interruptible service must sign an affidavit confirming the customer has an alternate fuel capability or is willing to discontinue gas service during periods of curtailment. Customers must execute a written contract for transportation service pursuant to this rate schedule. Gas transportation agreements and applicable documents are available at the Company's electronic website, [www.networks.aquila.com](http://www.networks.aquila.com). All small volume transportation customers must install telemetry equipment or purchase the Balancing Service provided herein. Customers must reimburse the Company for the cost incurred by the Company to install telemetry equipment and for the cost of any other improvements made by the Company in order to provide this service. Service is provided for a minimum of six (6) months.
3. Monthly Charges: End-user's monthly bill shall be determined as a sum of the following:

<u>Service Territory:</u>	<b>SJLP-920</b>	<b>SJLP-921</b>
<u>End-user Charge:</u>	\$12.31	\$9.39
 <u>Delivery Charge</u>		
Usage (per Ccf)		
1 <sup>st</sup> 600	\$0.1404	\$0.1401
Next 800	For all usage	For all usage
Next 1,000		
Excess		

Charges for the St. Joseph territory refer to Rate 920 (applicable to all areas except Fairfax, Rock Port and Tarkio) and Rate 921 (applicable to Fairfax, Rock Port and Tarkio).

Interim Purchased Gas Adjustment Charges: End-users shall be charged the appropriate system's ACA, Refund, TOP and TC factors as listed on Company's sheet numbers 9.4. New customers or customers electing transportation service shall be charged the appropriate ACA charges for a period of one year after changing service to this schedule. These charges shall terminate after a customer has been served under this schedule for one year.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.8  
Original SHEET NO. 32.8

AQUILA, INC. d/b/a AQUILA NETWORKS-L&P  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

Mandatory Charges: Monthly bills to end-users or aggregators shall reflect the charges as described in Section E of this service schedule, including:

Daily Out-of-Balance Charge  
Monthly Cash-out Charge  
Line Loss Charge  
Unauthorized Delivery Charge

Optional Services: Additional services may be selected, as described in Section I, including:

Daily Balancing Service  
Aggregation Pooling Service  
Billing Service

4. Security: Aggregator shall provide Company with security for aggregator's performance hereunder in the form of a letter of credit or a performance bond in the amount of \$250,000.00 no later than ten (10) days prior to the date gas first flows to one or more of aggregator's end-users. Company reserves the right to periodically review the sufficiency of said security and, if deemed necessary as a prudent business practice, may require an increase in such amount.
5. General Rules, Regulations, Terms and Conditions: Service hereunder is subject to Company's General Rules and Regulations and applicable transportation provisions on file with the Missouri Public Service Commission.
6. Taxes: Service received under this tariff shall be conducted through energy sellers who have received certification from the Missouri Public Service Commission pursuant to 4 CSR 240-45.010 in compliance with Sections 393.297 through 393.301, RSMo.
7. Experimental School Aggregation Program: Pursuant to Sec. 393.310.1 RSMo, the fee for aggregation and balancing services for schools aggregating gas requirements under this schedule shall be \$0.004 per Therm during the twelve (12) month period following the approval date of this schedule. After the initial twelve (12) months of this program, the charges described in paragraphs H and I will apply to all small volume customers, including schools. No telemetry shall be required unless a facility is expected to consume over 100,000 Therms annually. This experimental program shall be in effect from November 1, 2002 to June 30, 2005.
  - a. Reporting. The Company shall, no later than August 1<sup>st</sup> in each year of the experimental program, provide records of the revenues and expenses incurred as a result of this experimental program. These records shall be provided to the Staff of the Missouri Public Service Commission and the Office of the Public Counsel, and shall be categorized in sufficient detail to permit the parties to determine what under- or over-recovery of expenses may exist at that time, and to determine what changes in rates, if any, may be appropriate to prevent any harm to the groups identified in RSMo Sec. 393.310. The Commission may, no later than November 1<sup>st</sup> of each year of the experimental program, implement any adjustments in rates it deems appropriate to comply with RSMo. 393.310.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.9  
Original SHEET NO. 32.9

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Kansas City, Missouri

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- b. Annual Cost True-Up. Company shall file annually on or about November 1 to receive Commission approval to recover costs incurred to implement this experimental program. This
- c. cost recovery application may include first year costs that exceed the \$0.04 per Therm limit contained in RSMo. 393.310, PGA-related costs and administrative costs incurred by the Company.
- d. Collection of Gross Receipts Taxes. The marketer or aggregator will collect gross receipts taxes applicable to the cost of gas purchased by marketers for end users. The marketer or aggregator may alternatively subscribe to Company's billing service, described in Sec. I.

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P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.10  
Original SHEET NO. 32.10

AQUILA, INC. d/b/a AQUILA NETWORKS-L&P  
Kansas City, Missouri

For: All communities and rural areas  
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GAS TRANSPORTATION SERVICE

E. RATE SCHEDULE LVTS

- 2. Availability: Service under this rate schedule is available to Customers who cause gas to be delivered on a firm and/or interruptible basis to individually metered, non-residential end-users whose individual annual usage is anticipated to exceed 150,000 Ccf. This service will be available in all of the Company's Missouri service territories.
- 2. Service Considerations: This service shall apply to small volume transportation service, which includes a level of firm and/or interruptible gas service. The interruptible gas is subject to interruption at any time upon order of the Company. Customers electing interruptible service must sign an affidavit confirming the customer has an alternate fuel capability or is willing to discontinue gas service during periods of curtailment. Customers must execute a written contract for transportation service pursuant to this rate schedule. Gas transportation agreements and applicable documents are available at the Company's electronic website, [www.networks.aquila.com](http://www.networks.aquila.com). If small volume transportation customers must install telemetry equipment or purchase the Balancing Service provided herein. Customers must reimburse the Company for the cost incurred by the Company to install telemetry equipment and for the cost of any other improvements made by the Company in order to provide this service. Service is provided for a minimum of six (6) months.
- 3. Monthly Charges: End-user's monthly bill shall be determined as a sum of the following:

Service Territory: **SJLP-971**

End-user Charge: 47.25  
Plus applicable sales  
schedule charges

Delivery Charge  
Usage (per Ccf)  
For all usage \$0.0729

Interim Purchased Gas Adjustment Charges: End-users shall be charged the appropriate system's ACA, Refund, TOP and TC factors as listed on Company's sheet numbers 9.4. New customers or customers electing transportation service shall be charged the appropriate ACA charges for a period of one year after changing service to this schedule. These charges shall terminate after a customer has been served under this schedule for one year.

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P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.11  
Original SHEET NO. 32.11

AQUILA, INC. d/b/a AQUILA NETWORKS-L&P  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

Mandatory Charges: Monthly bills to end-users or aggregators shall reflect the charges as described in Section E of this service schedule, including:

Daily Out-of-Balance Charge  
Monthly Cash-out Charge  
Line Loss Charge  
Unauthorized Delivery Charge

Optional Services: Additional services may be selected, as described in Section I, including:

Daily Balancing Service  
Aggregation Pooling Service  
Billing Service

4. Security: Aggregator shall provide Company with security for aggregator's performance hereunder in the form of a letter of credit or a performance bond in the amount of \$250,000.00 no later than ten (10) days prior to the date gas first flows to one or more of aggregator's end-users. Company reserves the right to periodically review the sufficiency of said security and, if deemed necessary as a prudent business practice, may require an increase in such amount.
8. General Rules, Regulations, Terms and Conditions: Service hereunder is subject to Company's General Rules and Regulations and applicable transportation provisions on file with the Missouri Public Service Commission.
9. Taxes: Service received under this tariff shall be conducted through energy sellers who have received certification from the Missouri Public Service Commission pursuant to 4 CSR 240-45.010 in compliance with Sections 393.297 through 393.301, RSMo.

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GAS TRANSPORTATION SERVICE

F. NOMINATIONS

1. Requirements. Customers are required to nominate daily. Customers requesting volumes to flow on the first day of any month must contact Company's Gas Control Department via Company's Internet-enabled electronic bulletin board, known as Gas Track Online (<http://www.gastrackonline.com>), and inform them of the volumes to be transported by receipt point(s) and delivery point(s). First of the month nominations and daily nominations via the Internet are due by 11:30 a.m. Central Time one day before the gas flows. Intra-day nomination for the 2<sup>nd</sup> through the 31<sup>st</sup> days of a month will be accepted until 5:00 p.m. Central Time one day before gas flows. A confirmed pipeline nomination will also be accepted on a best effort basis on the day of gas flow.
  
2. Special Requirements. All Small Volume sales customers switching to transportation service will be assigned a Maximum Daily Quantity (MDQ) Level, as defined herein. Under certain circumstances the Company may, at its option, require customers to deliver and confirm its MDQ to the LDC receipt point up to a cumulative 10 days (in addition to interstate pipeline OFO and critical days) during the months of November through March. If MDQ delivery does not occur, then customer must curtail to the level of their confirmed nomination. Confirmation occurs when the Company receives a confirmed nomination from the interstate pipeline. Delivery at MDQ may be required if:
  1. The interstate pipeline calls a Critical Day Order.
  2. The interstate pipeline calls an Operational Flow Order,
  3. The Company calls a Critical Day Order.
  4. The Company calls an Operational Flow Order.

In (1) and (2) above, the Customer must, without notice from the Company, deliver its MDQ to the LDC receipt point. In (3) and (4) above, the Company will give the Customer 25 hours notice prior to the start of the gas day. If the Customer fails to deliver its MDQ as required in (1), (2), or (3), the Company shall assess a penalty to the Customer for each Mcf that the Customer fails to deliver in an amount equal to the highest daily penalty applicable to the Operational Flow Order or Critical Day, as defined by the interstate pipeline in its tariff. If the Company has not called a Critical Day but has issued an Operational Flow Order (4), and the customer fails to deliver its MDQ, then the Company will assess a penalty to the customer in an amount equal to that identified in Paragraph I for each Mcf that the customer failed to deliver.

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G. BALANCING

To assure system integrity, the customer is responsible for: 1) providing daily scheduling of deliveries which accurately reflect the customer's expected consumption, and 2) balancing deliveries to the Company' system with volumes consumed at the delivery points and adjusted for Lost and Unaccounted gas. Failure to fulfill these responsibilities will result in the Customer incurring balancing and/or scheduling charges as described below.

1. Daily Balancing Charges. A daily charge shall apply to any aggregator or end user served through ANR Pipeline Company, or any other pipeline that subsequently adopts daily scheduling charges, and whose out-of-balance condition exceeds the daily scheduling tolerance. This daily charge is applied to the daily quantities by which the customer's out-of-balance condition exceeds the daily scheduling tolerance. Actual daily delivery quantities shall be used to determine the out-of-balance condition for customers with recording equipment or telemetry. Estimated daily delivery quantities shall be used to determine the out-of-balance condition for customers without recording equipment or telemetry, or whenever such equipment malfunctions. Estimated daily delivery quantities shall be determined based on available data including nominated quantities, meter readings, customer load characteristic, actual weather conditions, and other information. This daily charge is accumulated and assessed monthly. This charge is in addition to the charges set forth in each of the company's transportation rate schedules. For each pipeline, the FERC approved charges apply. See Section K.
2. Monthly Imbalances. The difference between monthly confirmed nominated volumes and actual consumption will be charged to and/or credited to the Customer (cashed out) using the indices shown in Section K, plus pipeline fuel, pipeline capacity and commodity charges. In addition, the cash out price is tiered to encourage good performance and discourage supply price arbitrage using the LDC as a supply bank.

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**GAS TRANSPORTATION SERVICE**

**H. MANDATORY CHARGES**

The following charges shall apply to Customers taking service under the Company's transportation rate schedules:

1. Daily Out-of-Balance Charge: A daily charge shall apply to any Customer served through PEPL or any other pipeline that subsequently adopts daily scheduling charges, and whose out-of-balance condition exceeds the daily scheduling tolerance during a critical day or when an operational flow order is imposed. This daily charge is applied to the daily quantities by which the Customer's out-of-balance condition exceeds the Customer's daily scheduling tolerance. Actual daily delivery quantities shall be used to determine the out-of-balance condition for end-users with recording equipment or telemetry. Estimated daily delivery quantities shall be used to determine the out-of-balance condition for end-users without recording equipment or telemetry, or whenever such equipment malfunctions. Estimated daily delivery quantities shall be determined based on available data, including nominated quantities, meter readings, end-user load characteristics, actual weather conditions and other information.

On critical days or when operational flow orders have been declared, daily out-of-balance charges otherwise applicable shall be waived if Customer is in an overage condition.

On critical days or when operational flow orders have been declared, the daily scheduling charges will be applied according to the tables shown in Section K.

2. Monthly Cash-Out Charge: At the end of each calendar month, the Customer is required to balance its receipts and deliveries. Any variance between the Customer's receipts and deliveries will result in the "cash-out" of imbalance volumes. See Section K.
3. Line Loss Charge: Line loss charges will be the Company's system-wide Lost and Unaccounted (L&U) Account as computed in the Company's annual PGA, and applied on a volumetric basis to the quantity of gas delivered to the end-user.
4. Unauthorized Delivery Charges: If a customer fails to curtail its use of gas when requested to do so by the Company, the customer shall be billed at the transportation charge plus the cost of gas the Company secures for the customer, plus the greater of either the pipeline daily delivery variance charges or \$20 per Mcf, for gas used in excess of the volumes of gas to which customer is limited. Revenues related to unauthorized takes will be credited to the Company's PGA. The Company may in addition disconnect the customer's supply of gas if the customer fails to curtail its use thereof when requested by the Company to do so. Curtailment of transportation volumes will take place according to the priority class, which the end-user would have been assigned if it were purchasing gas from the Company. During curtailment, the end-user is entitled to a credit equal to the difference between the volumes delivered to the Company and those received by the end-user, adjusted for lost, unaccounted-for and company used gas.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.15  
Original SHEET NO. 32.15

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
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GAS TRANSPORTATION SERVICE

I. OPTIONAL SERVICES

The following optional services are available to certain Customers, who may choose the services that best serve their needs. Aggregators shall designate on their Marketer Agreement which, if any of the following services they desire. All charges for Optional Services are in addition to the monthly charges in the Company's transportation rate schedule.

1. Balancing Service: This service is available to end-users under the SVTS rate schedule. Under this optional service, Customers are provided additional flexibility in being able to balance their receipts with deliveries on a monthly basis. Small Volume Customers may negotiate a tolerance window and various cash-out rates for overage and underage conditions. Customers who elect transportation service may purchase the service in lieu of meeting Company's Transportation Tariff requirements for the installation of telemetry and daily scheduling requirements. Customers choosing this balancing service must submit a daily nomination to Company for those days the service is used. The special requirements for nominations, found in Paragraph F, apply to this service. The cost of the service is \$0.075 per Mcf transported on Company's system. Revenues collected from the provision of this service will be credited to the overall general system gas cost through Company' PGA mechanism. This monthly charge is in addition to the monthly charges set forth in Company's service rate schedules.
2. Aggregation Pooling Service: A Customer may combine a group of end-users situated behind multiple town border stations (TBS) and served by a common pipeline with the same balancing provisions, the same transportation rate schedule (i.e. SVTS or LVTS), and the same interstate pipeline operational zone. If a Marketer purchases this aggregation service, the aggregated group will be considered as one Customer for purposes of calculating the daily scheduling penalties and monthly imbalances, i.e., individual Customer nominations and consumption will be summed and treated as if they were one Customer. This does not include aggregation of fixed costs or customer charges. The cost of this aggregation service is \$0.04 per Mcf of gas delivered to the aggregated group. Revenues received from this service shall be credited to the Company's PGA mechanism. If the Customer purchases this service, the aggregated pools will be considered as one aggregated pool for the purposes of calculating daily out-of-balance charges; however, during Critical and OFO Days nominating and balancing will be required by the affected receipt and delivery points.
3. Billing Service: Company will provide an integrated billing service for aggregators for a monthly fee equal to \$1.00 multiplied by each end-user service point.

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P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.16  
Original SHEET NO. 32.16

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
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GAS TRANSPORTATION SERVICE

J. TERMS AND CONDITIONS

The following terms and conditions shall apply to aggregators, and end-users where applicable, taking service under Company's applicable rate schedule:

1. Balancing: Customer shall have the obligation to balance on both a daily and monthly basis, gas receipts (transportation gas delivered to Company at the receipt point), with thermally equivalent gas deliveries (transportation gas delivered by Company to end user(s) at the delivery point(s)). The difference between cumulative receipts and cumulative deliveries is considered an out-of-balance condition. Upon termination of service hereunder, either the Customer shall purchase sufficient quantities of gas to satisfy any negative out-of-balance condition or the Company shall purchase Customer's positive out-of-balance quantities. These purchases shall be completed in accordance with the provisions of Company's monthly cash-out provisions. In addition, Customer shall be responsible for any other applicable charge(s) set forth in Company's rate schedules. Delivery from systems with a single source of gas supply will use the transporting entity's statement as to volumes and heating value shall be taken as conclusive. Delivery from systems with multiple sources of gas supply shall be determined based on the heating value of the gas delivered to the end-user to determine the requirement for thermal balancing.
2. Billing: The order of gas delivery for purposes of billing calculations will initially be to utilize Customer-owned gas, including correction of any imbalance conditions and then utilize sales gas based on Company's applicable tariffs.
3. Curtailment/Interruption of Service: Transportation service provided by Company is based on Company's best efforts to deliver gas received for the account of the Customer. In the event of force majeure or system capacity limitations, it may be necessary to interrupt deliveries from time to time. If transportation service interruption or curtailment is required, Company shall endeavor to curtail deliveries on the affected parts of its system in the following order: Large Volume, General Service and Residential

If Company is required to curtail transportation service, then such interruptions or curtailments shall be governed by Company's curtailment provisions associated with sales gas service, which are contained in Section 3.07 of Company's Rules and Regulations -- Gas.

Notwithstanding any provision to the contrary herein, Company may fully or partially curtail service to transportation service end-users when, in Company's opinion, curtailment or interruption is necessary to protect the delivery of gas to general system customers with higher priority uses, or to protect the integrity of its system. Company shall allocate, as equitably as practicable, the capacity that is available, taking into consideration priority of use or other factors it deems necessary to ensure public health and safety.

4. Delinquent Payment Penalty: A late payment charge in an amount equal to one and one-half percent (1.5%) of the delinquent amount owed for current service will be added to the bill if payment is not received on or before the net due date stated on the bill. The net due date shall be the twenty-first (21<sup>st</sup>) day after the date of billing.
5. Facility: Shall include all meters serving buildings under common ownership behind the same town border station.
6. Delivery Volume Requirement: The Company is not required to deliver volumes of gas in excess of receipts.

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1<sup>st</sup> Revised  
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SHEET NO. 32.17

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7. Failure to Comply: If aggregator or end-user fails to comply with or perform any of the obligations of its part, the Company shall have the right to give the aggregator or end-user written notice of the Company's intention to terminate the transportation service on account of such failure. The Company shall then have the right to terminate such transportation service after the expiration of five days after giving said notice, unless the aggregator or end-user shall make good such failure. Termination of such transportation service for any such cause shall be a cumulative remedy as to the Company, and shall not release the aggregator or end-user from its obligation to make payment of any amount or amounts due or to become due from the aggregator or end-user to the Company under the applicable schedule. In order to resume transportation service after termination of service hereunder, it shall be necessary for the end-user to reapply for service.
8. Force Majeure: The term "force majeure" as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts, material or equipment or labor shortages, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipes, freezing of wells or pipelines, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome. If either the Company, aggregator or end-user is rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of any rate schedule, the obligations of the party affected by such force majeure, other than the obligation to make payments there under, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, in so far as possible, be remedied with all reasonable dispatch. Notwithstanding the foregoing, the service provided by Company hereunder is limited to the transportation of aggregator or end-user owned gas received by the Company for the account of aggregator or end-user. In the event of a force majeure condition that restricts or limits aggregator's or end-user's ability to cause to be delivered to Company gas for the account of the aggregator or end-user, Company is under no obligation to deliver gas to aggregator or end-user. Company is under no obligation to deliver gas to the aggregator or end-user for the account of aggregator or end-user that has not been received by the Company for the account of aggregator or end-user.
9. Gas Quality: All end-user-owned gas transported hereunder shall be of commercial quality. If the gas tendered for transportation is not of commercial quality or is gas which will adversely impact the gas stream of Company, said gas shall not be transported.
10. Gas Supply: Customer shall arrange for the purchase of gas other than Company's supply and for the delivery of such gas to a Company receipt point(s). End-user shall execute a written End-User Verification Form for transportation services pursuant to the applicable rate schedule containing such terms and conditions as may be reasonably required.
11. Joint Rate Transportation Service: Refers to the purchase of gas transportation service, which includes a level of firm and interruptible interstate pipeline capacity. Transportation service will not commence until the Customer files with the Company a completed Service Request Form and all other applicable documentation. Company shall be deemed to have title to transportation gas, as necessary, to arrange interstate pipeline transportation to Company' system.
12. Laws, Regulations, and Orders: All agreements and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules, and regulations of any legislative body, or duly constituted authority now or hereafter having jurisdiction and shall be varied and amended to comply with or conform to any valid rule, regulation, order, or direction of any

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board, tribunal, or administrative agency with jurisdiction that affects any of the provisions of the agreement.

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P.S.C. MO. No. 5  
Canceling P.S.C. MO. No. 5

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

For: All communities and rural areas  
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TRANSPORTATION SERVICE  
GAS

13. Liability: Gas shall be and shall remain the property of the aggregator or end-user while being transported and delivered by the Company. The Company shall not be liable to the aggregator or end-user for any loss arising from or out of gas transportation service while in the Company's system or for any other cause, except for gross or willful negligence of the Company's own employees. The Company reserves the right to commingle gas of the aggregator or end-user with other gas supplies. The aggregator or end-user shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
14. Marketer Agreement: Each prospective aggregator is required to execute a Marketer Agreement, which shall specify the service(s) requested by the aggregator, the method under which the aggregator elects to be billed, and the term of the agreement. Regardless of billing arrangements elected, the aggregator shall be responsible for payment for all service(s) provided.
15. Measurement: All transport gas shall be measured on a volumetric basis. Measurement shall be based on available information regarding volumes received and delivered, pressure and temperature conditions, and energy content of the gas stream. Company shall determine the measurement equipment required to determine the receipts and deliveries of end-user owned gas transported hereunder.
16. Minimum Term: The minimum term of service shall be 6 months for SVTS and one year for LVTS. The Company, at its sole discretion, may allow a term less than the one (1) year or six (6) month minimums.
17. Nomination: Customers are required to nominate daily. Customers requesting volumes to flow on the first day of any month must contact Company's Gas Control Department via Company's Internet-enabled electronic bulletin board, known as Gas Track Online (<http://www.gastrackonline.com>), and inform them of the volumes to be transported by receipt point(s) and delivery point(s). First of the month nominations and daily nominations via the Internet are due by 11:30 a.m. Central Time one day before the gas flows. Intra-day nomination for the 2<sup>nd</sup> through the 31<sup>st</sup> days of a month will be accepted until 5:00 p.m. Central Time one day before the gas flows. A confirmed pipeline nomination will also be accepted on a best effort basis on the day of gas flow. Any nomination that may take unfair advantage of any tariff provision may be rejected or changed by the Company.
18. Notices Required to Transport or Return to Sales Service: Customers shall notify the Company a minimum of fourteen (14) days prior to the beginning of the end-user's meter-reading cycle of their intent to begin or change service under the applicable transportation rate schedule through the filing of an End-User Verification Form or addendum thereto with Company. Any addition, deletion or change in end-user transportation service shall occur at the start of the end-user's billing cycle. Notification shall include aggregator and end-user names and addresses; receipt and delivery point(s) to be nominated; service(s) to be subscribed for; billing information; and other information as the Company or aggregator may deem appropriate. Transportation service will not commence until the 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 an end-user without the end-user's approval shall pay a penalty of \$100 per end-user occurrence. Repeated occurrences by aggregator will result in the 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.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.19  
Original SHEET NO. 32.19

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

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: The Company shall notify end-users if existing equipment is not sufficient to measure service under the applicable rate schedule. If so, the Company may install such equipment as it deems necessary. The Company shall be allowed access for maintaining and operating such equipment. The 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 the 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. The 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 the 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 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.

**STATE OF MISSOURI, PUBLIC SERVICE COMMISSION**

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised SHEET NO. 32.20  
Original SHEET NO. 32.20

**AQUILA, INC. d/b/a AQUILA NETWORKS-L&P**  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

**GAS TRANSPORTATION SERVICE**

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.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 4  
Canceling P.S.C. MO. No. 4

1<sup>st</sup> Revised  
Original

SHEET NO. 32.21  
SHEET NO. 32.21

AQUILA, INC. d/b/a AQUILA NETWORKS-L&P  
Kansas City, Missouri

For: All communities and rural areas  
receiving natural gas service

GAS TRANSPORTATION SERVICE

K. INTERSTATE PIPELINE SCHEDULING AND BALANCING CHARGES

- 1. ANR Pipeline Company
  - a. ANR Daily Balancing Penalties
    - i. Daily Imbalance Tolerance – not to exceed MDQ
      - 1. If exceed MDQ, Customer may be subject to:
        - a. Authorized Overrun rate - \$0.3232 per Dth
        - b. Unauthorized” Overrun rate – greater of \$10.00 or two times the Spot Price Index for the service month
      - ii. Monthly Imbalance Tolerance – not to exceed MDQ
    - b. ANR Daily OFO Penalties – \$25.00 per Dth
    - c. ANR Monthly Imbalance Cash Out Tiers

<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 100%	Spot x 100%
>5% - 10%	Spot x 85%	Spot x 115%
>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 be the ANR Oklahoma Spot Price Index.

Example:

If the nominated volume was 100 Mcf and the actual consumption was 115 Mcf, there is an imbalance of 15 Mcf due Company. The transportation customer would owe Company the following amount using the above hypothetical Spot market price of \$2.22: (\*)

5 Mcf at \$2.22 x 100%	11.10
5 Mcf at \$2.22 x 115%	12.77
5 Mcf at \$2.22 x 130%	<u>14.43</u>
	<u>\$38.30</u>

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