Aquila

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Missouri Public
Service Commission

YG-2003-1564

February 19, 2003

GR-2003-0290

Mr. Dale Hardy Roberts, Secretary, Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65101

Dear Mr. Roberts:

Enclosed are an original and two copies of PSC MO. No. 5, 26th Revised Sheet No. 43 reflecting a correction to the Southern System Regular PGA. The Put/Call Settlement adjustment line on page 3 of Enclosure 1 was input incorrectly on the filing sent February 17, 2003. The correction of this input flows through to the regular PGA. Also included you will find revised Enclosures 7 and 8, which have been updated with the new PGA amount. The DCCB files for all three systems will be forthcoming.

Should you have further questions, please feel free to contact Karen Russell at (402) 926-5273 or myself at (402) 926-5272.

Sincerely,

Amy Winkler

Amy Winkler
Regulatory Analyst

Enclosures
cc: Office of the Public Counsel

PURCHASED GAS ADJUSTMENT CLAUSE
(CONTINUED)

Adjustment Statement (Southern System)

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

	Rate Schedule GNG	Rate Schedule LVF	Rate Schedule LVI
Regular PGA	$.58425	$ .58425	$ .54174
Actual Cost Adjustment	$.02458	$.02458	$(.00777)
Refunds	$ -0-	$ -0-	$ -0-
TOP Factor	$ -0-	$ -0-	$ -0-
TC Factor	$ -0-	$ -0-	$ -0-
Total PGA Per Ccf	$ .60883	$ .60883	$ .53397

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

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

FIRM	Annual Volume	Monthly Capacity Reserved	No. of Mth Reserved	Tariff Rate	Annual Cost
Williams Natural Gas					
TSS					
No-Notice Fee		39,618	12	$0.0154	$7,321
Reservation - FSS Deliverability		25,412	12	$0.5001	$152,502
Reservation - FTS-Production		13,841	12	$5.6118	$932,075
Reservation - FTS-Market		39,618	12	$2.8014	$1,331,830
GRI		39,618	12	$0.0500	$23,771
FTS					
Production - Reservation		11,845	12	$5.6118	$797,661
Production - Balancing		11,845	12	$0.1604	$22,799
Market - Reservation		10,491	12	$2.8014	$352,674
Market - Balancing		10,491	12	$0.1604	$20,193
Market - GRI		10,491	12	$0.0500	$6,295
GSR Costs					$77,692
Spot Market Purchases	3,896,019			$4.7772	$18,611,962
Total Annual Cost					$22,336,775
Sales Volume at Burnertip	3,823,123				
Cost per MCF at Burnertip					**$5.8425**

	Mar 00 - Oct 00	Mar 01 - Oct 01	Mar 02 - Oct 02	**Average WACOG**
Highest WACOG (Summer Period)	$3.6065	$4.0628	$3.2058	**$3.6250**
Highest Avg WACOG-Summer Period (Avg of winter seasons with the highest of 3 averages)				**$3.8439**
March 2003 Gas Commodity Costs				**$5.3204**

INTERRUPTIBLE	Annual Volume	Tariff Rate	Annual Cost
Williams Natural Gas			
ITS-P		@150%	
Commodity	126,771	$0.2492	$31,585
ITS-M		@150%	
Commodity	125,491	$0.1289	$16,170
Spot Market Price Per MCF	129,650	$4.7772	$619,358
Total Annual Cost			$667,113
Sales Volume at Burnertip	123,143		
Cost per MCF at Burnertip			**$5.4174**

MISSOURI PUBLIC SERVICE - SOUTHERN SYSTEM
Gas Cost Inputs

MPS Line Loss	1.871%
Annual Burnertip Sales	3,946,266
WNG Rates	
Firm Rates	
TSS	
No-Notice Fee	$0.0154
Reservation - FSS Deliverability	$0.5001
Reservation - FSS Capacity	$0.0285
Reservation - FTS-P	$5.6118
Reservation - FTS-M	$2.8014
GRI	$0.0500
FTS	
Production - Reservation	$5.6118
Production - Balancing	$0.1604
Market - Reservation	$2.8014
Market - Balancing	$0.1604
Market - GRI	$0.0500
Production	
Commodity - FTS-P	$0.0124
GRI Funding Unit - Commodity - Others	$0.0040
FERC Annual Charge Adjustment	$0.0021
Production Field Zone	$0.0185
Commodity - FTS-M	$0.0061
GRI Funding Unit - Commodity - Others	$0.0040
FERC Annual Charge Adjustment	$0.0021
Market Zone	$0.0122
Injection/Withdrawal - FSS	$0.0122
Interruptible Rates	
ITS-P	
Commodity-Summer	$0.1600
ITS-M	
Commodity-Summer	$0.0798
GRI Funding Unit - Commodity - Others	$0.0040
FERC Annual Charge Adjustment	$0.0021
WNG Production Area Loss	2.22%
WNG Market Area Loss	1.01%
WNG Storage Loss	5.91%

Note: From FERC Gas Tariff: Twelfth Revised Sheet No. 6 Effective 11/1/01, Twenty Second Revised Sheet No. 6A Effective 01/1/03, and Fifth Revised Sheet No. 6B Effective 1/1/03.

Calculated Inputs	Firm	Storage	Total Firm	Interruptible	Total System
Annual Throughput at Burnertip Per GR-93-172	2,796,691	1,026,432	3,823,123	123,143	3,946,266
Annual Throughput at Citygate	2,850,016	1,046,003	3,896,019	125,491	4,021,508
Annual Throughput at Production Area	2,824,064	1,111,705	3,935,769	126,771	4,062,540
Annual Throughput at Wellhead	2,888,181	1,136,945	4,025,126	129,650	4,154,776

Missouri Public Service

Division of Aquila Networks

Southern System

Current Gas Cost Calculation

Enclosure 1

	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Totals
SUMMARY OF COMMODITY COSTS									
Sales Requirements	470,390	316,635	142,113	100,014	80,993	71,775	83,345	131,647	1,396,912
WNG Market Area Loss	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	
WNG Production Area Loss	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	
Total Supply - Fuel Loss	485,978	327,128	146,822	103,328	83,677	74,154	86,107	136,010	
Storage Injection	0	173,016	178,787	173,001	105,159	97,276	55,096	56,260	838,595
Storage Injection Loss	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	
Total Storage - Fuel Loss	0	183,884	190,017	183,867	111,764	103,386	58,556	59,794	
(Storage injection is noted on spreadsheet but not included in commodity cost calculation because MPS does not pay for storage until it is withdrawn in the winter months.)									
Purchase Requirements	485,978	327,128	146,822	103,328	83,677	74,154	86,107	136,010	1,146,933
Contracted Fixed Price Supply	176,119	0	0	0	0	0	0	0	176,119
Contracted Price	$ 3.6627	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 645,070	$ -	$ -	$ -	$ -	$ -	$ -	$ -	645,070
(Contracted Fixed Price Supply only applies in the winter months.)									
Total Supply	225,558	327,128	146,822	103,328	83,677	74,154	86,107	136,010	886,513
Forecasted Price (NYMEX-WNG Basis)*	$ 5.636	$ 5.429	$ 5.224	$ 5.129	$ 5.109	$ 5.069	$ 5.029	$ 5.044	
Total Cost	$ 1,271,246	$ 1,775,978	$ 766,998	$ 529,969	$ 427,506	$ 375,887	$ 433,032	$ 686,034	$ 4,771,697
Storage Withdrawal	84,301	0	0	0	0	0	0	0	84,301
Storage WACOG	$ 3.2371	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Cost	$ 272,891	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 272,891
Forecasted Gas Commodity Cost	2,189,207	1,775,978	766,998	529,969	427,506	375,887	433,032	686,034	5,689,658
Forecasted Sales Gas Quantity	485,978	327,128	146,822	103,328	83,677	74,154	86,107	136,010	1,146,933
Gas Cost (Commodity) Dth									$4.9608
SUMMARY OF UPSTREAM COSTS									
Williams Natural Gas Pipeline - Firm									
FT Commodity (Production Area)	485,978	327,128	146,822	103,328	83,677	74,154	86,107	136,010	
FT Commodity (Market Area)	475,189	319,866	143,563	101,034	81,819	72,507	84,195	132,990	
Total Units	961,167	646,994	290,385	204,362	165,496	146,661	170,302	269,000	2,268,404
Cost/Dth - Production Area	$0.0185	$0.0185	$0.0185	$0.0185	$0.0185	$0.0185	$0.0185	$0.0185	
Cost/Dth - Market Area	$0.0122	$0.0122	$0.0122	$0.0122	$0.0122	$0.0122	$0.0122	$0.0122	
Total WNG Commodity Costs	$14,788	$9,954	$4,468	$3,144	$2,546	$2,256	$2,620	$4,139	$34,900
Forecasted Northern Upstream Costs	14,788	9,954	4,468	3,144	2,546	2,256	2,620	4,139	34,900
Forecasted Firm Sales Quantity	485,978	327,128	146,822	103,328	83,677	74,154	86,107	136,010	1,146,933
Upstream Cost/Dth									$0.0304
Put/Call 99/00 & 00/01 Settlement Adj.									($245,473.00)
									($0.2140)
									$ 4.7772

Missouri Public Service
Division of Aquila Networks
Southern System
Gas Commodity Cost Calculation

INSIDE FERC FEB 2003	$	5.12
WNG Market Area Loss		1.01%
WNG Production Area Loss		2.22%
WNG Index Adjusted for Fuel	$	5.2897
WNG Cost/Dth Field Zone		$0.0185
WNG Cost/Dth - Market Zone		$0.0122
		$5.3204
Total Gas Commodity Costs		$5.3204

Missouri Public Service
Southern System
2002-2003 ACA Year PGA Estimate
(Based on Monthly Actuals and Estimates)

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Commodity	$2.3893	$3.7763	$4.0545	$3.7935	$3.9411	$3.6655	$5.3150	$5.2100	$4.9700	$4.8500	$4.8000	$4.7700	
Fixed Costs	$1.7535	$1.3872	$0.9194	$0.6697	$0.5128	$0.6074	$0.6624	$0.9841	$2.1927	$3.1157	$3.8474	$4.3414	
Estimated Sales Volume	72,232	94,944	278,603	470,638	631,494	530,036	485,978	327,128	146,822	103,328	83,677	74,154	3,299,034
ACA Factor in Effect	$1.6038	$1.6001	$1.1952	$0.3116	$0.2474	$0.2458	$0.2458	$0.2458	$0.2458	$0.2458	$0.2458	$0.2458	
PGA Factor in Effect	$4.5857	$4.5994	$4.6555	$4.7779	$4.7865	$4.7867	$5.8425	$5.8425	$5.8425	$5.8425	$5.8425	$5.8425	
PGA/ACA Factor - Required	$4.1428	$5.1635	$4.9739	$4.4632	$4.4538	$4.2729	$5.9774	$6.1941	$7.1627	$7.9657	$8.6474	$9.1114	
Over/Under Recovery	$2.0467	$1.0360	$0.8767	$0.6264	$0.5801	$0.7596	$0.1109	-$0.1058	-$1.0744	-$1.8774	-$2.5591	-$3.0231	

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Gas Supply Purchased (in Dth)	65,142	229,494	414,831	571,307	746,193	629,933	577,571	388,783	174,494	122,802	99,448	88,130	4,108,128
Sales Volumes (in Mcf)	72,232	94,944	278,603	470,638	631,494	530,036	485,978	327,128	146,822	103,328	83,677	74,154	3,299,034
Cost of Gas Purchased and Produced	269,869	1,184,989	2,063,343	2,549,838	2,940,812	2,691,628	3,452,403	2,408,168	1,249,846	978,203	859,960	802,991	21,452,050
ACA Factor in Effect	115,843	151,920	332,979	146,672	156,212	130,283	119,453	80,408	36,089	25,398	20,568	18,227	1,334,052
PGA Factor in Effect	331,235	436,681	1,297,034	2,248,666	3,022,677	2,537,123	2,839,326	1,911,245	857,808	603,694	488,883	433,245	17,007,617
PGA Factor - Required	269,869	1,184,989	2,063,343	2,549,838	3,323,423	2,691,628	3,452,403	2,408,168	1,249,846	978,203	859,960	802,991	21,834,661
Over/(Under) Recovery	177,209	(596,389)	(433,330)	(154,500)	(144,534)	(24,222)	(493,623)	(416,515)	(355,949)	(349,111)	(350,510)	(351,519)	(3,492,992)
Prior ACA Yr Over/(Under) Recovery Balance-Firm	(939,834)												
Monthly ACA Over/(Under) Recovery	115,843	151,920	332,979	146,672	156,212	130,283	119,453	80,408	36,089	25,398	20,568	18,227	1,334,052
Monthly PGA Over/(Under) Recovery	61,366	(748,308)	(766,309)	(301,172)	(300,746)	(154,505)	(613,077)	(496,923)	(392,038)	(374,509)	(371,078)	(369,746)	(4,827,044)
Total Monthly PGA/ACA Over/(Under) Recovery	177,209	(596,389)	(433,330)	(154,500)	(144,534)	(24,222)	(493,623)	(416,515)	(355,949)	(349,111)	(350,510)	(351,519)	(3,492,992)
2002-2003 PGA/ACA Yr to Date Over/(Under) Recovery	177,209	(419,179)	(852,509)	(1,007,009)	(1,151,543)	(1,175,765)	(1,669,388)	(2,085,903)	(2,441,852)	(2,790,964)	(3,141,473)	(3,492,992)	
Inception to Date PGA/ACA Over/(Under) Recovery	(762,625)	(1,359,013)	(1,792,343)	(1,946,843)	(2,091,377)	(2,115,599)	(2,609,222)	(3,025,737)	(3,381,686)	(3,730,797)	(4,081,307)	(4,432,826)	

Firm Mcfs 3,823,123

Note: Shaded areas indicate estimates.
Note: Prior months may change from previous spreadsheets due to prior period adjustments entered in appropriate month on this schedule.

Forecasted ACA 11/02 $\boxed{1.1595}$

Enclosure 7

Enclosure 8

Aquila Networks
Southern System
2002-2003 Summer Season Revenue Impact

Original Calculation Filed

Month	PGA Factor	Month	PGA Factor	PGA Change (03/03)	Revenue Impact (Summer Season)
Mar-02	6.5449	Mar-03	6.0883	(0.4566)	(231,297)
Apr-02	6.2609	Apr-03	6.0883	(0.1726)	(52,790)
May-02	6.2609	May-03	6.0883	(0.1726)	(29,144)
Jun-02	6.2609	Jun-03	6.0883	(0.1726)	(19,796)
Jul-02	6.2609	Jul-03	6.0883	(0.1726)	(15,397)
Aug-02	6.2609	Aug-03	6.0883	(0.1726)	(14,847)
Sep-02	6.2609	Sep-03	6.0883	(0.1726)	(16,497)
Oct-02	6.2609	Oct-03	6.0883	(0.1726)	(23,095)

Estimated Summer Season Change in Revenue **(402,863)**

Percent Change Between PGA Factors **-2.76%**

Firm Sales Volume @ Burnertip 3,823,123

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

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