

Approved: Feb. 11, 1999
Date

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairperson Sen. Pat Ranson at 1:30 p.m. on February 3, 1999 in Room 531-N of the Capitol.

All members were present except:
Sen. Hensley was excused

Committee staff present:
Lynne Holt, Legislative Research Department
Mary Torrence, Revisors of Statutes Office
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
Steve Johnson, Executive Director, Kansas Gas Service
Jim Bartling, Public Affairs, United Cities, A division of Atmos Energy Corporation

Others attending:
See attached list

Sen. Ranson introduced four pages, from Sen. Barone's district, who assisted the committee today. She announced today is the last day for the committee to introduce bills, but there were none requested.

Sen. Ranson then introduced Steve Johnson, who will present more information on natural gas issues (Attachment 1) and she asked him to also talk about their school proposal. Mr. Johnson began with a historical perspective as well as initiatives they have proposed, such as retail unbundling, hedging restructuring and weatherproofing. Mr. Johnson pointed to a map on display, which shows the Kansas counties they serve, and he stated they serve 620,000 customers in Kansas. He also called the committee's attention to a color graphic (the last page of his presentation), which shows the path natural gas takes from the gas wells to the city gate, distribution systems and customers.

Sen. Ranson asked Mr. Johnson to explain their transportation proposal, and he replied the option they offered to 800 of their largest customers, who would buy their natural gas by contract in the field, then transport it to the Town Border Station (City Gate). Kansas Gas Service will then transport it to their meter.

Sen. Jones asked where the gas is measured, and Sen. Lee questioned if customers are getting the required BTU's delivered to their meters, or if the content has gone down. Mr. Johnson answered that their gas is measured, by a gas spectrometer, as it is piped into their distribution system and that there is a minimum requirement on the number of BTU's they are delivering to customers; he believes the requirement is 980, and they try to keep it close to 1,000. Sen. Steffes asked if there is a distortion in the levels of BTU's since the gas comes from various sources and much is taken out before it is delivered to customers. Mr. Johnson went over their recent application to the KCC to lower the threshold from 6,000 Mcf to 3,000 Mcf, to qualify additional commercial customers to participate. They anticipate a KCC decision this month.

Mr. Johnson told of their pilot program offered to Wichita schools, allowing aggregation of several meters to reach the threshold and qualify under the program, thus saving money for the school districts. Kansas Gas Service has filed a proposal with the KCC, asking permission to open this offer to all school districts, and they hope to have it in place by April. He explained the weatherproof option, where customers can choose to pay a set amount each month, rather than receiving higher bills on certain months of the year. Mr. Johnson continued by explaining they would like to offer customers choice and also recover their costs. He outlined their unbundling proposal and stated the customer would pay a flat monthly fee (\$18.75 - approximate), for their gas requirements and arrange for a marketer to provide less expensive alternatives. He stated a customers' bill would include: 1) basic charge, 2) reservation charge and 3) actual cost of gas in the field. He believes the result will be the customer will be able to buy as at a more reasonable price in the field. Since Kansans are paying a lower price when compared with other states (23% below the national average), it will be difficult for marketers to come in and offer less. Mr.

CONTINUATION SHEET

MINUTES OF THE SENATE UTILITIES COMMITTEE, Room 531-N Statehouse, at 1:30 p.m. on February 3, 1999

Johnson stated they have agreed to a 3-year moratorium - until the Year 2001 - on filing a rate case. The committee discussed rates, cost of basic service options and the cost of service studies. Mr. Johnson concluded by stating that the average price of gas could be up under choice, but that the cost of service should not increase dramatically.

Sen. Ranson introduced Jim Bartling, who apologized for the format of his testimony, as he is accustomed to answering interrogatories, which are fashioned in this format. Mr. Bartling gave a brief history and stated that Greeley Gas, based out of Denver, has been in the state since 1992/93 and United Cities since 1997; they serve 105/110,000 residential customers in the state, with 2100 employees in 802 communities. He anticipates that sometime in the future United Cities and Greeley will merge. Attached to his testimony is Atmos Energy Corporation's annual report, (available from the company), including a map showing states they serve. He also has attached to his testimony two transportation rate tariffs for the companies (Attachment 2). He stated they have no tariffs ready to file, but do anticipate filing in the future.

Mr. Bartling told of their involvement in the school transportation option, and he participated in the recent meetings. Sen. Pugh asked if his companies are listed on the stock exchange, and Mr. Bartling replied they are listed on the New York Exchange, and they are posting earnings. Sen. Morris asked his forecast for gas prices, and Mr. Bartling predicted that prices will stay constant. Sen. Steffes questioned whether his companies own any gas wells, and Mr. Bartling answered they are transport/storage companies only; they have worked with partnership programs and are working out of Hugoton field with irrigators in southwest Kansas. Sen. Brownlee questioned regarding aggregation and tariffs and if there will be savings to the school districts. She also questioned Mr. Bartling regarding stranded costs and how his companies handle release capacity, or whether ratepayers will have to pick up the costs. Sen. Ranson discussed changes in metering, whether the schools will have to buy meters, under the proposed school option plan, if transportation meters are read, and who owns the meters. Mr. Johnson stated the schools would be required to purchase an electronic flow measurement meter, and that Kansas Gas Service will finance the purchase. Mr. Johnson later corrected his statement and stated that Kansas Gas Service would own the meters. Sen. Ranson asked Mr. Bartling if his companies will offer the option to more schools, and he answered that they already are offering it to additional schools in their certified service areas. Sen. Ranson commented it is hoped the gas companies will make the option available to more schools without legislation forcing companies to offer it.

Meeting adjourned at 2:30.

Next meeting will be February 4, 1999.

**Testimony Before
The Senate Committee on Utilities
by
Steve Johnson
Kansas Gas Service
February 3, 1999
Unbundling**

Madam Chair Ranson and members of the Committee:

Thank you for inviting Kansas Gas Service to appear before you today. I'll talk about the history of our Company, its service to Kansas, our progress in providing customers choice and protection regarding our gas prices, a discussion of gas transportation, and a look at unbundling as we see it for the next few years.

Let me begin with some historical perspective.

1975 The Gas Service Company - served only gas to 980,000 customers in Kansas, Missouri, Oklahoma, and Nebraska. Additionally, Kansas Power & Light (KPL) was serving electric and gas to approximately 160,000 gas customers in Manhattan, Salina, Emporia, McPherson, Wamego, and smaller towns.

1983 KPL purchased all of the Gas Service Company stock and continued service to all gas and electric customers in all four states.

1992 KPL & KGE merged to become Western Resources

1994 Western Resources sold Missouri properties to Southern Union which became Missouri Gas Energy (MGE).

*Senate Utilities
2-3-99
Attach. 1*

1997 Western Resources and ONEOK formed an Alliance and Kansas Gas Service was born serving 620,000 gas-only customers in Kansas and 32,000 gas customers in northeast Oklahoma

The Alliance meant we could still retain synergies such as meter reading, billing, service calls, office and service center sharing, phone centers, and other smaller systems without increased cost to our ratepayers. We also agreed to a three-year moratorium on rate increases.

Innovative Progress since December 1, 1997

Hedging - Price Protection

Within a few months of operation, Kansas Gas Service filed and received approval from the Kansas Corporation Commission (KCC) to initiate a pilot program designed to moderate the cost its customers pay for natural gas in cold-weather months.

The program, which is being tested in a number of Kansas communities this winter, such as Kansas City, Overland Park, Topeka, Wichita, Pittsburg, Emporia, Leavenworth, and Atchison, uses "hedging" to limit the price the company pays for its supply of gas in the coldest months. This hedging program involves the buying and selling of natural gas futures and calls to reduce the price volatility of the gas. The company estimates that customers would have saved nearly \$30 million during the winter of 1996-1997, when the natural gas market spiked to unexpected high prices.

In addition, the program allowed Kansas Gas Service and one of its sister companies, ONEOK Gas Marketing Company, to work with storage resources in Kansas to implement the hedging program. The gas prices this winter did not reach the cap established, but because we were

able to pull less expensive gas from storage, our customers were not adversely affected by the purchase of this "insurance". Due to its success, we have filed to extend this program another year.

Retail Unbundling

In June, Kansas Gas Service proposed an unbundling initiative by asking the KCC to allow more commercial unbundling and changes to residential billing. Following public hearings in December, 1998 and a technical hearing in January, 1999, the KCC's decision is expected by February 19, 1999. The Company currently offers "transportation" service to about 800 large customers - larger commercial and industrial businesses - which purchase their own gas on the open market and pay Kansas Gas Service to pipe it to their facilities. Currently, this large-volume service is only available to institutional customers that use a minimum of 6,000 Mcf of gas annually or who exceed 1,500 Mcf in any given month.

Kansas Gas Service is proposing the threshold for transportation service be lowered to include any customer who uses 3,000 Mcf annually. This change would open the door for an additional 650 businesses, churches, and schools to attempt to reduce energy costs by purchasing their own gas supply.

Let me digress here to explain this concept of transportation. This idea first began with FERC and its order 636 in the early 80's where transportation pipelines, such as Williams, were required to divest themselves of the gas producing and gathering function and exclusively move gas from the fields to the edge of town - a town border station. (See attached graphic) With this concept in place, large industrial and commercial customers were allowed to buy their own gas in the field from producers or marketers such as Amoco, Oxy, Kansas Gas Marketing, and others, then transport this

gas across the transmission pipelines, through the town border stations, into the LDC's distribution system to the customer's meter. These customers now pay their natural gas bill in three pieces and the producer, the transmission company, and the LDC, all have separate and distinct charges for this transportation service. Savings in the cost of gas are realized by these larger customers because they do not pay for "firm" (non-interruptible) service and have agreed to be interrupted at any time in favor of the residential customer.

School District Transportation

Most recently, Kansas Gas Service has also helped the Wichita school district transport gas to their facilities under a pilot program, allowing them to add together (aggregate) several meters to reach the threshold and qualify to transport gas. It has been successful and we recently filed a new tariff with the KCC so we can offer this same type of transportation service to all not-for-profit school districts in our service territory, therefore saving them several thousand dollars through the year. We have agreed in our most recent filing with the KCC to try to get this in place by April 1, 1999.

Cost of Gas Restructuring

In another aspect of our unbundling filing, the company proposed to break out "capacity charges" separately as a monthly flat charge on all bills. Capacity charges are the fees Kansas Gas Service pays on its customers' behalf to reserve space on the interstate transmission pipeline network to bring natural gas into the service area which is not subjected to curtailment. Customers now pay these fees as a part of the cost of gas.

Kansas Gas Service asked to set those capacity costs out as a monthly line item on the bill to help educate them regarding the various pieces of the cost of gas. The purpose of the change is to come in line with federally adopted billing practices used by interstate pipelines. The flat charge would be the same for all residential customers.

Residential Rate Restructuring

Currently, residential customers pay a fixed monthly customer charge of \$6.20 plus another charge based on each unit of natural gas they consume. Under this filing, the volumetric rate would be reduced substantially and the fixed basic service charge would increase to \$11.53. This still only represents a portion of the full cost to provide service to each customer if the volumetric charge were reduced to zero. In this case, the monthly cost per customer becomes \$18.75 and is ongoing each month whether our customers use 100 units or zero units. For our average customers, the bottom-line on their bills would be about the same. Another benefit of the filing is to make bills less sensitive to fluctuations in the weather. Under the proposed structure, many bills would be lower during high-use periods in cold weather. The company does anticipate that the new billing structure could result in slightly higher off-peak bills for some customers who use less than average.

Unfortunately, the negative reaction this generates from some of our customers is usually related to their misunderstanding of this annual impact versus the monthly impact. In fact, 85% of our customers will only be affected by a \$2.80 per month increase or decrease.

WeatherProof Bill

In September, Kansas Gas Service received KCC approval and was recognized for their effort in bringing predictability to natural gas bills. The company, working with WeatherWise USA, introduced the WeatherProof Bill pilot program. Customers in selected areas, such as Manhattan, Salina, Abilene, Junction City, McPherson, and Hutchinson, could choose to pay a set amount each month, rather than receiving bills which vary with their monthly usage. The WeatherProof Bill is based on each customer's historical actual usage. We have introduced a sense of risk with this program. WeatherWise USA has assumed the volume risk and ONEOK has assumed the price risk, allowing our customers the flexibility to budget for their gas purchases by providing a guaranteed set price. The company has about 6,600 residential customers participating in this optional program.

Future Unbundling Initiatives

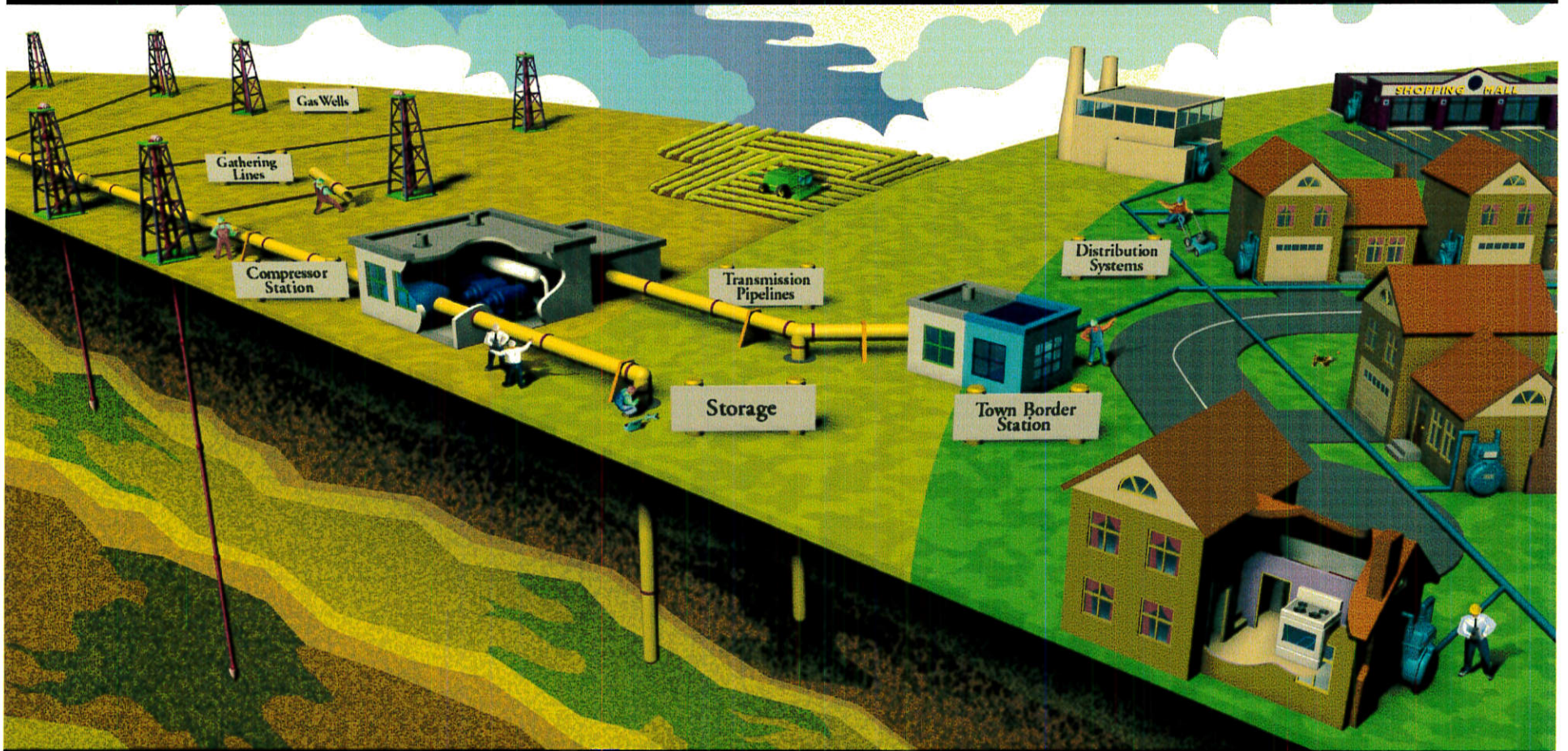
As you heard yesterday, several states have initiated unbundling proposals to allow retail, residential, and small commercial customers an opportunity to make a choice regarding their gas supplier. In other words, the customer could make arrangements with a different firm, most likely a marketer, to bring his gas to the town border station, deliver it to the LDC, and then pay their transportation charges. Our desire is for the customer to pay us a flat monthly fee (i.e. \$18.75/month) and pay us to provide him his gas requirements or they can arrange for a marketer to possibly provide a less expensive alternative which must also include the same pipeline transmission fee and reservation charges set by the FERC for each transmission pipeline. Unfortunately, the cost of providing firm service from the pipelines, won't be much (if any) less than our cost today. Kansas Gas also purchases gas on long-term contract at competitive prices which will be hard to beat in the

marketplace. As you know, these costs are passed along to our customers, dollar-for-dollar, with no profit for our Company. The marketplace however, will be able to charge whatever price the market will bear. **Our customers enjoy rates 23% below the national average today.** We're not sure unbundling (providing choice) for the residential customer will lead to much greater savings.

We are committed to provide clean, economical, efficient gas services to all that request such service and will stand ready to compete in the marketplace once such competition is allowed. However, we will need to revamp our current billing systems and try to change some of our existing gas purchase contracts and embark on a comprehensive educational program before a full-choice program can be successful.

Thank you for the opportunity to testify today. We would be pleased to answer any questions you may have.

WELLHEAD TO BURNER TIP



 **KANSAS GAS SERVICE**
A DIVISION OF ONEOK

8-1

A-2

**BEFORE THE
KANSAS SENATE COMMITTEE ON UTILITIES**

**PREPARED TESTIMONY OF
JAMES W. BARTLING**

**ON BEHALF OF
ATMOS ENERGY CORPORATION**

FEBRUARY 3, 1999

*Senate Utilities
2-3-99
Attach. 2*

**BEFORE THE
KANSAS SENATE COMMITTEE ON UTILITIES
ATMOS ENERGY CORPORATION
TESTIMONY OF
JAMES W. BARTLING**

1 Q. Will you please state your name and business address?

2 A. James W. Bartling, 9401 Indian Creek Parkway, Suite 450, Overland Park,
3 Kansas, 66210.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Atmos Energy Corporation as Manager of Public Affairs for
6 the Western Region of United Cities Gas Company and the Eastern Region of
7 Greeley Gas Company, both Divisions of Atmos Energy Corporation.

8 Q. Will you give us a brief resume of your educational background and industry
9 experience?

10 A. I graduated from the University of Missouri in 1975 with a Bachelor of Science
11 in Business Administration, majoring in Accounting. I completed an MBA from
12 Quincy University in Quincy, Illinois, in 1986. My experience includes over 20
13 years of utility accounting including Division Vice-President of Accounting for
14 United Cities Gas Company from 1995 to 1998. Since then my position has been
15 in Public Affairs.

16 Q. Please provide us with a brief description of Atmos Energy Corporation and the
17 relationship between United Cities Gas Company and Greeley Gas Company.

18 A. Attached to my testimony is a copy of the Atmos Energy Corporation 1998
19 Annual Report.

1 Q. What is Atmos' position as it relates to allowing school facilities dedicated to the
2 education of students between kindergarten and grade 12, regardless of annual gas
3 usage, to transport gas?

4 A. We are not opposed and feel that it has the potential to benefit schools as well as
5 taxpayers.

6 Q. How do the current transportation arrangements work on both Greeley Gas
7 Company and United Cities Gas Company?

7 A. Attachment B are copies of our transportation tariffs for both Greeley Gas
8 Company and United Cities Gas Company which have been approved by the
9 Kansas Corporation Commission. Currently there is a threshold on the Greeley
10 system of 4,000 Mcf before a customer can transport, and a threshold of 3,000
11 Mcf (30,000 Ccf) on the United Cities system before a customer can transport.

12 Q. What impact will this change have on your billing system for transportation
13 customers?

14 A. We have been preparing for system-wide unbundling for the past year. We have
15 concerns about monthly balancing and stranded costs as well as the reliability
16 of third party marketer's gas supply and the programming changes necessary to
17 handle these customers.

18 Q. If all K - 12 school related accounts were allowed to transport do you know how
19 many meters will be affected by this change?

20 A. Yes. There are 61 school related meters on the Greeley Gas system, one of which

1 is currently transporting, and 172 meters on the United Cities system, seven of
2 which are currently transporting.

3 Q. Do you believe that school districts will benefit more as transportation customers
4 than under sales tariff rates?

5 A. That depends on several variables which will have to be tested under control
6 conditions.

7 Q. Does that conclude your testimony?

8 A. Yes. Thank you for giving Atmos Energy Corporation the opportunity
9 to comment.

No supplement or separate understanding shall modify the terms of this schedule.

RATE SCHEDULE 960

Transportation Service

A. AVAILABILITY

This rate schedule is available to Customers of the Company served through its Mainline Facilities whose annual use at a single address or location has equaled or exceeded 30,000 Ccf during the last twelve billing months. For purposes of this schedule, a single address or location is defined as the customer's contiguous premises, including streets, alleys and other rights of way, within an area completely surrounded by property owned by others. This definition of "single address or location" does not allow customers to aggregate meters in order to qualify for other sales tariffs or for a transportation rate which would be different than the applicable sales margin.

B. DEFINITIONS

For purposes hereof:

- (i) "Connecting Pipeline Company" means a pipeline supplier to the Company whose facilities in the sole judgment of the Company can be utilized to transport gas to the Company for delivery by the Company to the Customer under this rate schedule.
- (ii) "Transportation Imbalance" occurs when more or less gas is received by the Company from the Connecting Pipeline Company for customer's account, less the unaccounted for gas adjustment, than is delivered to that customer's facilities for the month.
- (iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Commission from time to time.

C. TERMS AND PROVISIONS OF SERVICE UNDER THIS RATE SCHEDULE

- (i) Unless otherwise agreed to by the Company, the minimum term of a contract to provide service to a customer under this Rate Schedule shall be one year.
- (ii) Except as expressly modified by the provisions of this rate schedule, all of the terms, provisions, and conditions of the companion rate schedule (as made effective by the Commission from time to time) applicable to Customer shall also apply to service by the Company to Customer under this rate schedule.

191990-U
Commission File Number

Issued August 15, 1995
 Effective September 1, 1995
 By *Mark B. [Signature]*
 VP-Reg. Affairs
 Signature of Officer Title

FILED AUG 20 1995
 THE STATE CORPORATION COMMISSION
 OF KANSAS
 By *[Signature]* Secretary

No supplement or amendment understanding shall modify the text as shown herein.

RATE SCHEDULE 960

Transportation Service

C. TERMS AND PROVISIONS OF SERVICE UNDER THIS RATE SCHEDULE (Continued)

- (iii) Customer shall nominate to Company in writing using Company's standard nomination form at least ten (10) working days in advance of each billing month of the volume of gas to be delivered into the Company's system for the account of the Customer during the billing month and the daily rate of delivery. The quantity of gas delivered into the Company's facilities for the account of the Customer shall be based on the transportation allocation for that month by the Connecting Pipeline Company. Adjustments will be made if the Connecting Pipeline Company's reported volumes vary from the nominated volume.
- (iv) The Customer is responsible for making all arrangements for transporting the gas from its source of supply to the Company's interconnection with the Connecting Pipeline Company unless other arrangements have been made between the Customer and the Company.
- (v) The Customer shall warrant that they have good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to the same.
- (vi) The Company shall not be obligated to provide "firm gas" sales service hereunder to Rate Schedule 950 customers in excess of the levels specified in the Rate Schedule 950 Firm Contract.
- (vii) An adjustment for unaccounted gas shall be made to the volumes of gas delivered into the Company's facilities for the Customer's account, and the volumes of gas delivered to the Customer under this rate schedule shall be reduced by such percentage. The adjustment for unaccounted for gas will be changed annually and will be the same as that reported in the August 31st Purchase Gas Adjustment as filed by the Company.
- (viii) The Company reserves the right to refuse to accept gas for the account of the Customer into Company's facilities if the same would reduce the volume of gas otherwise available to Company from the Connecting Pipeline Company.
- (ix) Customers may elect to install electronic measurement equipment. Customers not electing to install such equipment, in the event

191990-U
Commission File Number

Issued August 15, 1995
 Effective September 1, 1995
 By *Mark B. Weston* VP-Reg. Affairs
 Signature of Officer Title

FILED AUG 25 1995
 THE STATE CORPORATION COMMISSION
 OF KANSAS
 By *Julia McConnell* Secretary

UNITED CITIES GAS COMPANY
(Name of Issuing Utility)

SCHEDULE 960

Kansas Certificated Area
(Territory to which schedule is applicable)

Replacing Schedule 960

which was filed July 12, 1994

No supplement or separate understanding shall modify the terms as shown herein.

Sheet 10 of 17 Pages

RATE SCHEDULE 960

Transportation Service

C. TERMS AND PROVISIONS OF SERVICE UNDER THIS RATE SCHEDULE (Continued)

the Company incurs balancing and/or scheduling penalties, will be assessed a pro-rata portion of such penalty charges based on their monthly usage.

- (x) In the event that customers electing transportation service cause the incurrence of demand charges, standby charges, reservation charges, penalties or like charges from the Company's gas suppliers or transporters, which charges are in addition to charges for gas actually received by the Company, such charges shall be billed to the customer in addition to amounts for service rendered hereunder. Any disputes regarding customer responsibility for such charges shall be referred to the agency having jurisdiction herein for resolution.

D. RATE

Customer Charge

Customers served under this schedule at the companion 950 Rate Schedule will be subject to a \$200.00 per month customer charge.

Customers served under this schedule at the companion 910 Rate Schedule will be subject to a \$10.00 per month customer charge.

Demand Charge

The monthly demand charge if any shall be calculated in the manner set forth in Rate Schedule 950.

Commodity Charge

The Customer shall be billed at the companion rate schedule plus any take-or-pay costs set forth on Sheet 1 of 1 (Take-or-Pay Adjustment).

Minimum Bill

The minimum monthly bill shall be the customer charge and the demand charge, if any.

191990-U
Commission File Number

Issued August 15, 1995
Month Day Year

Effective September 1, 1995
Month Day Year

By Mark B. Thresone
Signature of Officer VP-Reg. Affairs Title

FILED AUG 23 1995

THE STATE CORPORATION COMMISSION
OF KANSAS

By Judith A. Connell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area
(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 15 Sheets

1. Availability

Available in entire service area of the company within the state of Kansas. This service is available to any customer with an expected demand of at least 4,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and requires transportation by the Company to the customer's facilities.

2. Applicability

Applicable to any customer who has acquired their own supply of natural gas and requires transportation by the Company to the customer's facilities. Service is subject to suitable availability to existing facilities and shall be in accordance with a Transportation Service Agreement of not less than one (1) year. Service is provided in accordance with the requirements of the rate schedule, terms and conditions, volume determination methodology and rules and regulations as set forth herein and as required by the Commission. Not applicable to resale service.

3. Monthly Rates

The monthly rate for transportation service consists of the sum of the following three (3) charges plus any take-or-pay adjustment charges, as defined in the Take-Or-Pay Schedule, applicable tax surcharge, or any other surcharge otherwise permitted by the Commission.

1) The transportation charge for all gas transported will be the same as the margin for the applicable sales service, as shown below:

<u>Service Area</u>	<u>Firm Service</u>	<u>Interr. Service</u>	<u>Irrigation Service</u>	
Kaw Valley Division	\$2.6441	\$2.1473	N/A	per Mcf @ 14.65 psia
Central Kansas Division	\$1.6027	\$1.1815	N/A	per Mcf @ 14.65 psia
Cane Division	\$1.8163	\$1.3478	N/A	per Mcf @ 14.65 psia
Eastern Kansas Division	\$2.7897	\$2.7897	N/A	per Mcf @ 14.65 psia
Southwestern Kansas Division	\$1.2325	\$1.2325	\$1.0955	per Mcf @ 14.65 psia

96GRLG154TAR

Commission File Number

Issued September 28, 1995
Month Day Year

NOTED & FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Lee Allen Everett
Signature of Officer

By Judith McConnell Secretary

GREELEY GAS COMPANY
(Name of Issuing Utility)

SCHEDULE: TRANSPORTATION

Entire Service Area
(Territory to which schedule is applicable)

Replacing Schedule _____ Sheet _____

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 15 Sheets

3. Monthly Rates - continued

2) Service Charge

Service Area

All Kansas Divisions

Not applicable during inactive months.

Charge

The applicable sales service facilities charge plus \$50.00; per delivery point

3) Facility Charge, per individual meter

Service Area

All Kansas Divisions

Charge

\$14.00 per meter

The Company may, subject to Commission approval, at its sole discretion, reduce any of the above charges for transportation service.

4. Determination of Volumes Transported

DEFINITIONS:

"Nominated Volume" or "Nomination" - The daily volume of gas delivered to the Company in MMBTU (to be converted to Mcf for billing purposes) as requested by the customer to be transported and delivered by the Company from a receipt point located on the Company's facilities and delivered at a delivery point also located on the Company's facilities. Such volume nominated by the Customer shall include an allowance for the Company's Lost and Unaccounted gas quantities. The volumes delivered by the customer to the Company for redelivery to the customer's facilities will be reduced to cover the related Lost and Unaccounted gas quantities.

Lost and Unaccounted (L & U) - A volume of gas, stated in terms of a percentage of the customer volumes delivered to the Company's facilities. The Lost and Unaccounted percentage shall be computed by the Company once a year based upon twelve months ended June 30.

96GRLG154TAR
Commission File Number

Issued September 28, 1995
Month Day Year

Effective OCT 16 1995
Month Day Year

By Lee Allen Everett
Signature of Officer

NOTED & FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

GREELEY GAS COMPANY
(Name of Issuing Utility)

SCHEDULE: TRANSPORTATION

Entire Service Area
(Territory to which schedule is applicable)

Replacing Schedule _____ Sheet _____

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 15 Sheets

4. Determination of Volumes Transported - continued

"Delivery Point(s)" - A meter point(s) where the Company delivers gas to the customer facilities.

"Receipt Point(s)" - a point(s) where the Company receives gas, from the point of interconnection between an interconnecting pipeline or other supplier, for the account of the customer for transportation on the Company's distribution system.

Total volumes available for the customer's consumption will be the customer's prior month Imbalance (see Section 7.E) plus current month nominations less the L & U volumes. Plant usage, as metered at the customer's Delivery Point(s), will be subtracted from the total volumes available for consumption to determine if the customer has an volume Imbalance at the end of the month. The transportation customer will be invoiced by the Company based upon the results of the above mentioned formula.

For the transportation customer paying less than the maximum rate, Lost and Unaccounted may be negotiated in the Transportation Contract. This negotiated L & U factor will be used to calculate the total volumes available for consumption.

5. Service Requirements

Service hereunder is available to transportation customers for transportation service for individual meters. Each transportation customer shall have executed a Gas Transportation Service Agreement with the Company.

96GRLG154TAR
Commission File Number

Issued September 28, 1995
Month Day Year

~~NOTED~~ & FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Joe Allen Everett
Signature of Officer

By Judith A. McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area
(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 4 of 15 Sheets

6. Terms and Conditions

Natural gas transportation service is subject to the Company's tariff rules and regulations on file with the Commission in addition to all applicable orders or rules promulgated by the Commission. For purposes of this schedule, a single location is defined as the customer's contiguous premises, including streets, alleys and other rights of way, within an area completely surrounded by property owned by others. In instances where more than one meter exists at a single location, only one service charge will be charged.

7. Rules and Regulations

The following rules, regulations, operational considerations and constraints enumerated in this section will apply to transportation services under this Rate Schedule.

A. Character of Service

- 1) Gas subject to this Rate Schedule are volumes of gas owned or controlled by a customer which are received by the Company at a receipt point located on the Company's facilities to be transported and delivered, net of lost and unaccounted gas quantities to a customer at a delivery point also located on the Company's facilities.
- 2) The gas subject to this Rate Schedule is also subject to the Company's sales tariffs and Curtailment Plan on file with the Commission.

B. Nominated Volumes

A nomination request (nomination form plus required offers of credit and/or waivers or any other data required) shall be made by the customer or its agent to the Company on a monthly basis a minimum of one working day prior to the nomination deadline of the respective intrastate or interstate transporter. (See Section 4 Definitions for an explanation of Nominated Volume or Nomination.) Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

96GRLG154TAR
Commission File Number

Issued September 28, 1995
Month Day Year

NOTED & FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Lee Allen Everett
Signature of Officer

By Judith M. Cornell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY

(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area

(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 5 of 15 Sheets

7. Rules and Regulations - continued

C. Pressure at Receipt Points

The customer shall cause any gas delivered to the Company to be at pressure sufficient to effect receipt of the gas by the Company against the system pressure prevailing from time to time.

D. Billing and Payment

- 1) Each month the Company shall render a statement to the customer that includes the monthly rate for transportation service, the volume of gas received by the Company, the volumes of gas delivered to customer and the related charges. Customer shall make payment in immediately available funds for all amounts owed the Company as set forth on such statement within fifteen (15) days after the date of billing.
- 2) Payment for services rendered shall be deemed delinquent if payment is not received by the Company within fifteen (15) days after date of billing. A late payment charge in the amount equal to two percent (2%) of the statement total will be added to any delinquent bill.
- 3) The Company may refuse to continue providing transportation services while any monthly statement remains delinquent.

E. Balancing

- 1) Monthly balancing of transportation receipts and deliveries shall be maintained by the customer to the extent practicable. Any Imbalance which does occur, however, shall be subject to the provisions herein.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

Effective OCT 16 1995
Month Day Year

By Lee Allen Everett
Signature of Officer

NOTED & FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY

(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area

(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 6 of 15 Sheets

7. Rules and Regulations - continued

E. Balancing - continued

2) The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\text{Mcf}_{\text{Customer}} \times (1 - L \& U \%) - \text{Mcf}_{\text{Company}}]$$

Where:

- a. "Mcf_{Customer}" are the total volumes that the customer had delivered to the Company's facilities.
- b. "Mcf_{Company}" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
- c. "L & U %" is the applicable service area's Lost and Unaccounted gas percentage which will not exceed 4%.

3) The Company shall not be required to deliver to any transportation customer any volumes in excess of "Mcf_{Customer}", reduced by the L & U %. The L & U % will be changed annually and will be the same as that reported in the Purchased Gas Adjustment Sheet 1 containing the Annual Cost Adjustment filing as filed by the Company for the sales tariff rates, but not less than zero.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995

Month Day Year

Effective OCT 16 1995

Month Day Year

By Lee Allan Everett
Signature of Officer

NOTED FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area
(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 7 of 15 Sheets

7. Rules and Regulations - continued

E. Balancing - continued

- 4) Where any "Imbalance" at the end of any billing period occurs because "Mcf ^{Company}" is greater than "Mcf ^{Customer}" minus L & U %, the Company shall charge the customer at the appropriate sales rate for volumes up to and including 10% of the total "Imbalance" volume. The remaining "Imbalance" volume will be charged 110% of the appropriate sales rate. This "Imbalance" shall be considered authorized unless conditions described in Section 7.E.6 are in effect.
- 5) a. Where any "Imbalance" at the end of any billing period occurs because "Mcf ^{Company}" is less than "Mcf ^{Customer}" minus L & U %, the Company shall have the right to itself take, or require the customer to take, such actions of whatever nature as the Company deems required to correct any monthly imbalance which has not been corrected within sixty (60) days following notification by the Company to customer that such imbalance must be corrected. If a customer has persistent abusive Imbalances, as determined by the Company in its reasonable discretion, exercised in a nondiscriminatory manner, the Company reserves the right to take such action that may include but is not limited to requiring installation of EFM equipment at the customers expense and / or discontinuance of transportation service until the imbalance is corrected.
- b. Provided however if any imbalance has not been corrected at the end of the 60 day period and if the Company has not suspended transport service then the Company will purchase the Imbalance volumes from the customer at the rates described in the following "Cash Out" method to resolve the imbalance.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

~~FILED~~ FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Lee Allen Everett
Signature of Officer

By Judith McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)
Entire Service Area
(Territory to which schedule is applicable)

Replacing Schedule _____ Sheet _____
which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 8 of 15 Sheets

7. Rules and Regulations - continued

E. Balancing - continued

5) "Cash Out" Method

Imbalance Volumes

Cash-out Price

First ¹ 5% of "Mcf" _{Customer}

100% of Index Price ²

Next ¹ 5% of "Mcf" _{Customer}

90% of Index Price ²

Over ¹ 10% of "Mcf" _{Customer}

80% of Index Price ²

¹ Not to exceed the Imbalance volumes.

² The index price will equal the effective "Cash Out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c. Customer will be reimbursed for all pipeline transportation commodity charges applying to "Cash Out" volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d. In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s), assessed by the pipeline(s) resulting from the customer's failure to match the customer's Receipt Point(s) volumes with the customer Delivery Point(s) volumes.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

Effective OCT 16 1995
Month Day Year

By Lee Allen Everett
Signature of Officer

NOTED: FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith A. McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area
(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 9 of 15 Sheets

7. Rules and Regulations - continued

E. Balancing - continued

6) Where, during periods of curtailment or allocations of authorized delivery, any daily imbalance is the result of customer delivering or causing delivery to the Company of a quantity of gas during any day which, after appropriate reductions for L & U %, is less than the quantity of gas taken from the Company during the same day by an amount larger than five (5%) percent of the quantity delivered to the Company or 20 Mcf, whichever is greater, the Company may charge customer, in addition to any penalties assessed to the Company resulting from customer delivering, or causing delivery of these volumes, a daily Overrun Penalty for each Mcf of unauthorized overrun deliveries as follows:

\$5 for each Mcf which exceeds authorized delivery levels by more than 5% through 10%;

\$10 for each Mcf which exceeds authorized delivery levels by more than 10% through 15%;

\$15 for each Mcf which exceeds authorized delivery levels by more than 15%.

7) The Company shall have the right to itself take, or require the customer to take, such actions of whatever nature as may be required to correct imbalances which threaten the integrity of the Company's system, including maintenance of service to other customers.

8) Any imbalance remaining at the termination of a Transportation Service Agreement or the cessation of deliveries to the Company by customer under the appropriate transportation rate schedules shall be corrected within forty-five (45) days of such termination by an appropriate charge for under deliveries as set forth above.

96GRI G154 TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

NOTED FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Lee Allen Everett
Signature of Officer

By Julia M. Connell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area
(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 10 of 15 Sheets

7. Rules and Regulations - continued

E. Balancing - continued

- 9) Notwithstanding any other provision of these rules and regulations or any of the Company's transportation rate schedules, any receipt of gas by the Company to be transported and delivered and any gas so received is subject to the service provisions of other rate schedules which require the Company's facilities to be used to make deliveries to higher priority customers.

F. Transportation Service Agreements

- 1) A Transportation Service Agreement with a minimum term of one year is required for service under this tariff.
- 2) In the event any provision of a Transportation Service Agreement between the Company and a customer conflicts with or is inconsistent with any provision of these rules and regulations, the provisions of such Transportation Service Agreement shall control; but not until and unless such Transportation Service Agreement is approved by the Commission.

G. Warranty

A customer taking service under this tariff hereby warrants to the Company that the title to all gas delivered by customer, or caused to be delivered by customer, for transportation hereunder is free from all liens and adverse claims, including liens to secure payment of production taxes, severance taxes, and other taxes. Customer at all times shall have the obligation to make settlements for all royalties due and payments to mineral and royalty owners and to make settlements with all other persons having any interest in the gas sold hereunder, and customer shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expense arising out of or from adverse claims of any and all persons to said gas or to royalties, taxes, license fees, or charges thereon, which are applicable thereto or which may be levied and assessed thereon.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

NOTED & FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Lee Allen Everett
Signature of Officer

By [Signature] Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area
(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 11 of 15 Sheets

7. Rules and Regulations - continued

H. Force Majeure

- 1) In the event either the Company or the customer is rendered unable, wholly or in part, by reason of an event of force majeure to carry out its obligations to deliver or redeliver under this tariff, such party shall give notice and full particulars of such force majeure event to the other party in writing as soon as possible after the occurrence of the causes relied on. Then the obligations, other than to make payments of amounts due hereunder, so far as they are affected by such force majeure, shall be suspended during the continuation of any liability so caused, but for no longer period, and such cause shall, as far as possible, be remedied with all reasonable dispatch.
- 2) The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disputes, acts of the public enemy, wars, riots, blockades, insurrections, epidemics, landslides, lightening, earthquakes, fire, tornadoes, storms, floods, washouts, arrest and restraint of rules and ordinance or regulations promulgated by a government authority having jurisdiction, civil disturbance, explosions, breakage or accident to machinery or lines of pipe, sudden partial or sudden entire failure of wells, gas supply, and third party transportation, failure to obtain materials and supplies due to government regulations, and causes of like or similar kind, whether herein enumerated or not, and not within the control of the party claiming suspension, and which by the exercise of due diligence shall not require settlement of strikes or labor disputes against the better judgment of the party having the dispute.
- 3) In the event of a system supply emergency in which the supply of natural gas available to the Company in any area is less than the amount required to meet the demands of its higher priority customers in that area which are classified by the Company's priority of Service Rules, the Company may defer delivery of the customer's gas received (deferred gas) until the Company is able to obtain replacement gas for delivery to the customer.

96GRLG154TAR
Commission File Number

Issued September 28, 1995
Month Day Year

NOTED & FILED OCT 16 1995

Effective OCT 16 1995
Month Day Year

The State Corporation Commission
Of Kansas

By Lee Allen Everett
Signature of Officer

By Judith McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY
(Name of Issuing Utility)

Entire Service Area
(Territory to which schedule is applicable)

Replacing Schedule _____ Sheet _____

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 12 of 15 Sheets

7. Rules and Regulations - continued

I. Shipper Agency Agreements

Upon written authorization from the customer, the Company may recognize third parties as agents for the customer for the purpose of making nominations to the Company. The Company may require a written agency agreement in a form acceptable to the Company.

All customer specific information will be treated as confidential. The Company will not disclose customer information without consent of the customer or requirement by the Commission or other authorized regulatory authority.

J. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and / or equipment which may be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to a daily meter record for the billing period).

K. Quality

- 1) Unless otherwise specified all gas tendered to the Company at any receipt point for transportation hereunder shall conform to the following specifications:
 - a. Liquids: The gas shall be free from hydrocarbons and water in their liquid state at the temperature and pressure delivered.
 - b. Hydrogen Sulfide: The gas shall contain not more than one - quarter (1/4) grain of hydrogen sulfide per one hundred (100) cubic feet.
 - c. Sulfur: The gas shall contain not more than twenty (20) grains to total sulfur per one hundred (100) cubic feet.

96GRLG154TAR
Commission File Number _____

Issued September 28, 1995
Month Day Year

Effective OCT 16 1995
Month Day Year

By Lee Allen Everett
Signature of Officer

NOTED & FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith Ann Connell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY

(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area

(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 13 of 15 Sheets

7. Rules and Regulations - continued

K. Quality - continued

- d. Carbon Dioxide: The gas shall contain not more than one (1%) percent by volume of carbon dioxide.
- e. Temperature: The temperature of the gas at the point of deliver or receipt by Buyer shall not exceed one hundred twenty degrees Fahrenheit (120).
- f. Oxygen: The gas shall not contain in excess of two - tenths of one percent (0.2%) by volume of oxygen.
- g. Water Vapor: The gas shall not contain in excess of seven (7) pounds of water in vapor phase per million cubic feet.
- h. Dust, Gums, etc: The gas shall be commercially free of dust, gums, dirt, impurities and other solid matter.
- i. Heating Value: The gas shall have a gross heating value of not less than nine hundred fifty (950) nor more than one thousand fifty (1050) Btu per cubic foot if saturated with water vapor.
- j. Notwithstanding the provisions of paragraph (a) through (i) above, gas quality varies throughout segments of the Company's pipeline system based on the function of each segment. The quality of the gas delivered by the customer to the Company must, in the Company's reasonable discretion, be compatible with the gas typically existing in the segment of the Company's pipeline into which customer makes delivery.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

Effective OCT 16 1995
Month Day Year

By Dee Allen Everett
Signature of Officer

NOTED & FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith G. McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY

(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area

(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 14 of 15 Sheets

7. Rules and Regulations - continued

K. Quality - continued

- 2) If, at any time, gas tendered to the Company for transportation shall fail to substantially conform to any of the applicable quality specifications and the Company notifies the customer of such deficiency, and such deficiency is not corrected within a reasonable period of time, the Company may, at its option, refuse to accept delivery pending correction of the deficiency by the customer or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event, prior to making such changes, the Company shall provide customer with an estimate of the costs that are expected to be incurred by the Company in effecting such changes and customer shall agree to reimburse the Company for all such costs incurred by the Company in effecting such changes; provided, however, that the Company may at any time refuse to accept delivery of gas which it considers to be unsafe or hazardous or to impair the operation or use of its facilities.
- 3) The Company shall have the right to collect from all customers delivering gas to the Company at a common Receipt Point their volumetric pro rata share of the cost of any additional gas analysis and quality control equipment which the Company, at its sole discretion, determines is required to be installed at such receipt point to monitor the quality of gas delivered.

96GRLG154TAR

Commission File Number _____

Issued September 28, 1995
Month Day Year

Effective OCT 16 1995
Month Day Year

By Lee Allen Everett
Signature of Officer

NOTED & FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By Judith A. McConnell Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE: TRANSPORTATION

GREELEY GAS COMPANY

(Name of Issuing Utility)

Replacing Schedule _____ Sheet _____

Entire Service Area

(Territory to which schedule is applicable)

which was filed _____

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 15 of 15 Sheets

7. Rules and Regulations - continued

L. Measurement

- 1) The unit of measurement for gas delivered shall be at the applicable local pressure base.
- 2) All gas delivered shall be measured at the Receipt Point by meters or other acceptable methods to be installed, operated and maintained or caused to be installed, operated, and maintained by the Company. It will be the responsibility of the customer to pay all costs for additional facilities/equipment which may be required as a result of receiving transportation service under this tariff.
- 3) All gas delivered shall be measured at the delivery point by meters which are installed, operated and maintained by the Company.

M. Curtailment

- 1) The Company shall have the right at any time, without liability to the customer, to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of higher priority customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; for any causes due to Force Majeure and for any other necessary or expedient reason at the discretion of the Company
- 2) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Plan" as contained in its Rules and Regulations as filed with and approved by the Public Service Commission.

96GRLG154 TAR

Commission File Number _____

Issued September 28, 1995

Month Day Year

Effective OCT 16 1995

Month Day Year

By [Signature]

Signature of Officer

NOTED & FILED OCT 16 1995

The State Corporation Commission
Of Kansas

By [Signature] Secretary