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January 24, 2003

ELECTRONIC FILING

Mr. Dale H. Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, Missouri 65101

Re: **In Re Application of Southern Union to Acquire Panhandle Eastern Equity**
MoPSC Case No. GM-2003-0238

Dear Mr. Roberts:

Following this letter is the electronic copy of the Application to Intervene of Midwest Gas Users' Association, which please file in the above matter and call to the attention of the Commission. Copies have gone forward this date per the service certificate.

Thank you for your attention to this important matter. If you have any questions, please call.

Sincerely yours,

FINNEGAN, CONRAD & PETERSON, L.C.

By: 
Stuart W. Conrad

SWC:s
Enclosures
cc: All Parties

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of)	
Southern Union Company d/b/a Mis-)	
souri Gas Energy For Authority to)	
Acquire Directly or Indirectly Up)	
to and Including One Hundred Per-)	GM-2003-0238
cent (100%) of the Equity Interests)	
of Panhandle Eastern Pipeline Com-)	
pany, Including Its Subsidiaries,)	
and to Take All Other Actions Rea-)	
sonably Necessary to Facilitate)	
Said Transaction)	

**APPLICATION TO INTERVENE
OF
MIDWEST GAS USERS' ASSOCIATION**

COMES NOW MIDWEST GAS USERS ASSOCIATION ("Midwest") and pursuant to 4 C.S.R. 240-2.075 applies to intervene herein and become a party hereto in respect to the above matter. In support thereof, Midwest respectfully states:

1. Midwest is an unincorporated non-profit association consisting of and representing its membership of business concerns and corporations which are substantial users of natural gas at their plants situated in such states as Kansas, Missouri and Oklahoma of which numerous members have plants and facilities which are located in and consume natural gas within the State of Missouri. A listing of Midwest members and participants is attached as Appendix A.^{1/}

^{1/}Pursuant to 4 CSR 240-2.075(3), the attached listing includes Midwest members and companies that have at various times and in various matters participated through Midwest in
(continued...)

2. Midwest's interest in proceedings affecting the rates, terms and conditions of large customer natural gas service has been repeatedly recognized by the Missouri Public Service Commission in permitting Midwest's intervention in proceedings affecting The Gas Service Company, its successors, KPL Gas Service Company and Western Resources and now Missouri Gas Energy, Missouri Public Service Company (now Aquila), Ameren Union Electric and in various generic dockets involving the terms and conditions of natural gas transportation and purchased gas adjustment clauses for natural gas companies in the State of Missouri. Furthermore, Midwest's interest in proceedings affecting natural gas rates, and the terms and conditions of natural gas service has been recognized by the Federal Power Commission and the Federal Energy Regulatory Commission in granting Midwest's intervention in numerous dockets concerning the rates of Williams Natural Gas Pipeline Company (and its predecessors and successors), Panhandle Eastern Pipeline Co., Riverside Pipeline Company and other generic dockets concerning the terms and conditions of natural gas service, including Orders 436, 500, 451, 528, and Orders 636 and 637.

^{1/}(...continued)
proceedings in Missouri, Kansas and at the Federal Energy Regulatory Commission. Direct participation in a particular case varies depending on the nature of the case, the location and the service area of the utility involved. Present participants in this case are Archer Daniels Midland Company, Leggett & Platt, Inc. and Ag Processing Inc. Other participants' involvement is pending and is expected to be drawn from the attached listing.

3. On or about January 13, 2003 Southern Union Company d/b/a Missouri Gas Energy ("MGE" or "Applicant") applied for authority to acquire up to 100% of the equity interests of Panhandle Eastern Pipeline Company ("PEPL"). PEPL, presently owned by CMS Gas Transmission Company ("CMS") operates roughly 6,500 miles of FERC-regulated natural gas pipeline and associated facilities in several states including Missouri. Part of the application indicates that Applicant will assume PEPL debt of \$1.7 billion. Other possibly pertinent aspects of the transaction presently are presently asserted to be confidential.

4. As major customers of MGE, and as natural gas transportation customers in the Midwest area, Midwest participants may be affected by the outcome of this docket to a material but as yet undetermined extent. Historically, PEPL supplied roughly 5-6 percent of the system supply gas distributed by MGE and at present may be the source or path for unknown quantities of transportation gas owned by Midwest members and participants. MGE or its affiliates also are understood to be in operational control of Southern Star Natural Gas, formerly Williams Gas Pipeline Central and it further appears that the owner of the former Williams Gas Pipeline assets may also be involved in this proposed transaction. Concerns are also apparent in the methodology chosen to allocate costs between operating entities as there are vast opportunities for such costs to be recovered multiple times in different regulatory jurisdictions all to the

ultimate detriment of ratepayers including Midwest's members and participants.

5. Midwest is unable at this time to state a position on the proposed transaction and further analysis after access to the documents will be required. However, because MGE transports gas for use by Midwest members under separate transportation rate schedules and because of the size and consumption patterns of Midwest's members, Midwest is in the special position of representing interests that may be affected and which will not and cannot be represented adequately by any other party and which interests are direct and immediate and differ from those of the general public. Therefore, it will aid the Commission and protect the public interest that Midwest be permitted to intervene in this proceeding so as to protect its interest which no other party is in a position properly to protect and adequately represent herein.

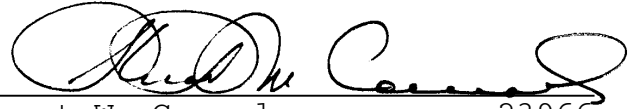
6. For purposes of 4 CSR 240-2.075(2), Midwest states that it is opposed to the discriminatory pricing of natural gas distribution services and favors an openly competitive environment for the services that its members require. Midwest is unable to make a more specific formulation or statement of the positions it will take in the issues in this case, *i.e.*, whether the proposed transaction is "detrimental to the public," whether the conditions stated on Appendix 8 are sufficient to allay any such concerns, the identity of the party having the burden to so

demonstrate, and whether such is the pertinent test, pending further review of Applicant's filing and potential discovery.

WHEREFORE, Midwest prays: (a) that Midwest be permitted to intervene herein and be made a party hereto with all rights to have notice of and participate in hearings to present evidence, cross-examine witnesses, file briefs and participate in argument, should any be had; and (b) for all other needful and proper relief.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

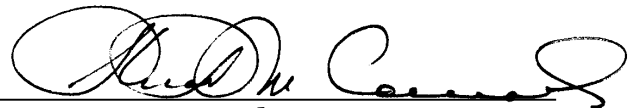


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ATTORNEYS FOR MIDWEST GAS USERS'
ASSOCIATION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as disclosed by the pleadings and orders herein.



Stuart W. Conrad

Dated: January 24, 2003

APPENDIX A

A D Mohr Farms	Fox Run Apartments
A G Processing Inc.	Friskies Petcare Division of
ABB Power T & D Corporation	Nestle' Inc.
A K Steel Corporation	Frito Lay
Alameda Plaza Inc.	Folger's Coffee Co.
Alameda Towers	Gaines Foods
American Bakeries Co.	General Mills
American Beauty Macaroni	Griffin Wheel
Archer Daniels Midland Company	Guardian Management Inc.
Ark City Packing Co.	Gulf & Western Mfg.
Banquet Foods Corporation	Guys Foods Inc.
Baptist Medical Center	Hallmark Cards
Bayer, Inc.	Hamm Asphalt Inc.
Bethany Hospital	Harvest Brand Inc.
Blueside Company	Hercules, Inc.
BMA	Hills Pet Food Division
Bowen Construction Co.	Hills Division of Riviana
Butler Manufacturing Co.	Hospital Linen Service
Cargill Inc.	Hudson Foods, Inc.
Carnation Can Co.	Hudson Farms
Castlegate Ind. Inc.	Hudson Food Protein
Certain-Teed Products Inc.	ICI Explosives USA, Inc.
Chesebrough-Ponds, Inc.	J C Nichols Co.
City of Osborne	Kansas City Terminal Railway
City of Holton	Koppers Co. Inc.
City of Minneapolis	Krause Milling Co.
City of Independence, Missouri	Lafarge Corporation
City of Palmyra	Lawrence Paper Company
City of Ottawa	Leggett & Platt
City of Beloit	M F A Milling
City of Baldwin	M K T Railroad
City of Ossawatimie	Hoeschst Marion Roussel
City of Sabetha	Maytag Corporation
City of Horton	McNally Pittsburg
City of Lincoln	Medical Center of Independence
City of Augusta	Menorah Medical Center
Coleman Alfalfa	Mid America Dairymen
Colgate Palmolive	Midwest Conveyor
Continental Baking Company	Midwest Grain Products
Cook Paint & Varnish	Milnot Compay
Corn Products Company	Mission Clay Products
Danisco Cultor, Inc.	Missouri Steel Castings
Doanes Products	Missouri Plating Co.
Empire Cold Storage	Modine Manufacturing Company
Fairbanks Morse Pump	National Starch Company
Fairbanks Morse & Co.	National ByProducts
Fairmont C. C. Dairy	North Kansas City Memorial
Fasco Products, Inc.	Hospital
Faultless Laundry	O'Sullivan Industries
Ford Motor Co.	Owens Corning Fiberglas

PCS Nitrogen Co.
Pet Milk Co.
Philadelphia Quartz Co.
Pittsburgh Corning Corporation
Proctor & Gamble Co.
Potash Corporation
Quaker Oats
Ralston Purina Co.
Reichhold Chemical Inc.
Research Hospital and Medical
Center
Reynolds Metals Co.
Rival Manufacturing Co.
Safeway Stores
Santa Fe Railroad
Sealright Mfg. Co.
Sears Roebuck & Co.
Seitz Foods Inc.
Southwest Oil & Grease
Sperry Vickers
St. John's Hospital
St. Joseph Light & Power
St. Joseph's Center
St. Francis Hospital
St. Mary's Hospital
St. Joseph, Missouri
St. Joseph's Hospital
St. Lukes Hospital
Stahl Specialty Co.
Standard Refining
Steffen Dairy
Swift and Company
Swift Ind. Packing Co.
Teva Pharmaceuticals, Inc.
Thomas J. Lipton Inc.
Thompson Industries
Tower Metal Products
Town of Carrollton
TransWorld/American Airlines
Trigen - Kansas City District
Trinity Lutheran Hospital
Trumbull Asphalt
Tyson Foods Inc.
U S Gypsum Co.
Vance Brothers Asphalt
W R Grace & Co.
W S Dickey Clay Products Co.
Wells Aluminum Inc.
Winchester Foods Inc.
Wire Rope Corporation of Amer-
ica, Inc.