

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

In the Matter of Missouri Gas)	
Energy's Revised Transportation)	GT-2010-0261
Tariff)	

**MIDWEST GAS USERS' ASSOCIATION
STATEMENT OF POSITION**

COMES NOW MIDWEST GAS USERS' ASSOCIATION ("Midwest") and, pursuant to the Commission's Scheduling Order, respectfully submits its position statement concerning this case.

For many years, and in many different forums, Midwest has represented larger industrial and commercial customers. Here our interest is transportation customers of the Southern Union Corporation d/b/a/ Missouri Gas Energy ("MGE") and its predecessors. These large customers were once only permitted to take natural gas if they accepted interruptibility and installed and maintained alternate fuel supplies.^{1/}

After FERC Order 436, Midwest was deeply involved in implementing end-user transportation on several interstate pipelines including Williams Natural Gas (now Southern Star Pipeline) and in Case No. GO-85-263 where large volume transportation customers accessed the upstream interstate pipeline to ship their

^{1/} They also had to use at least 3,000 Mcf in any one month out of 12.

own gas supplies and agreed to install telemetry equipment at their cost.^{2/}

Here Constellation seeks to lower the existing threshold^{3/} of eligibility for natural gas service, thereby making transportation service available to additional customers and expanding its potential market. As to this, Midwest takes no position.

Constellation also seeks to exonerate these potential new transportation customers from the expense of installing telemetry equipment. It appears certain that there are additional costs associated with the installation of this equipment and/or with the handling of imbalances, to the extent that they occur, in the absence of this equipment. Constellation argues *de minimis* or diversity.

^{2/} The information obtained from these electronic systems is understood to be used by MGE to monitor its gas deliveries from the interstate pipeline and to adjust its "takes" accordingly. We also understand that this information is used on a current basis to allow the local distributor and the transporters to maintain themselves in rough balance (inputs equalling outputs) with the interstate pipeline.

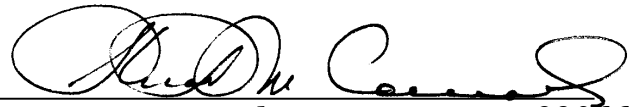
^{3/} The original transportation threshold matched the 3,000 Mcf in any one month of 12. Subsequently this was cut in half at the insistence of another marketer, Mountain Iron.

The "back story" is more complicated than needs be detailed here. This LDC was created by the pipeline (then Cities Service, then Northwest Central, then Williams), spun off in the 1950's by Cities, and (except for its large interruptible customers) supplied through "requirements" contracts by the upstream pipeline. The larger customers were offered only interruptible or "as available" gas service **per the pipeline's FERC tariffs** and were not under a "requirements" obligation.

Cost causers should be cost payers. Midwest's members paid for their telemetry equipment and continue to pay for its operation. Costs incurred by the local distributor to provide this service or to provide this equipment should be paid by those causing this cost and should not be shifted to any other customer group. Whatever mechanism is necessary to prevent costs from being shifted to other customers or customer classes should be permanently implemented as a condition of granting the relief requested.

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 per the Commission's EFIS records.



Stuart W. Conrad

Dated: July 7, 2010