

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Tariffs)	
Increasing Rates for Gas Service Provided to)	<u>Case No. GR-2006-0422</u>
Customers in the Company's Missouri Service)	Tariff No. YG-2006-0845
Area.)	

ORDER DENYING APPLICATION TO INTERVENE

Issue Date: August 28, 2006

Effective Date: August 28, 2006

On May 12, 2006, the Missouri Public Service Commission issued a suspension order and notice in Missouri Gas Energy's present rate case. Interested persons were directed to file applications to intervene by June 1. On July 28, 2006, Cornerstone Energy, Inc., filed an application to intervene out of time. Both MGE and the Staff of the Commission oppose Cornerstone's application.

Cornerstone's application

As its reason for requesting intervention out of time, Cornerstone states that "[it] only recently became aware of this proceeding, and therefore has not previously sought intervention in this matter." Cornerstone emphasizes that no party will be prejudiced by granting its application. Cornerstone seeks intervention for the purpose of "investigating the feasibility [of] expanding the availability to transportation service to lower volume commercial and industrial customer that may not currently meet the minimum volume thresholds for transportation service contained in MGE's existing tariffs." Cornerstone finally states that its participation will serve the public interest and that no other party will

adequately protect its interest. In a later filing, Cornerstone states that it intends to produce an expert witness on rate design.

Missouri Gas Energy's Opposition

MGE primarily argues that the decision to expand its available transportation services would be a "significant policy decision carrying with it a host of operating ramifications" and should not be considered in a rate case but in a separate docket. MGE stresses that the magnitude of operational ramifications necessitates that this matter be handled outside the scope of a general rate case.

The Staff of the Commission's Opposition

Staff states that it would not have opposed Cornerstone's request had it been timely filed. Further, Staff states that Cornerstone's reason for filing its application so late is inadequate. Staff, however, believes that the matters raised in Cornerstone's application are proper matters to be considered in the context of this case. Staff adds that "[c]hanges in tariffs that could impact revenues and possibly result in changes in just and reasonable rates could be considered in this rate proceeding." Staff agrees with MGE that Cornerstone's proposal would constitute a major policy shift that needs careful consideration.

Cornerstone's Response to Objections

Cornerstone argues that MGE's minimum threshold for the availability of transportation service is higher than that of similar thresholds approved for other local distribution companies in Missouri. Cornerstone states that minimum thresholds for transportation have always been reviewed in the context of local distribution company rate cases and have never been reviewed in a separate docket.

Discussion

Commission rule 4 CSR 240-2.075 states that the Commission may grant interventions if the proposed intervenor has an interest which is different from that of the general public and which may be adversely affected by a final order arising from the case or if granting intervention would serve the public interest. Further, applicants must state “good cause” for filing late applications to intervene.

The Commission finds that Cornerstone has not stated good cause for filing its untimely request for intervention. As stated in its application, Cornerstone is a “major marketer of natural gas to industrial and commercial customers on MGE’s Missouri natural gas distribution system.” As such, it is Cornerstone’s business to know what is going on in its market. This is particularly true in light of the Commission having issued notice of this matter. Were the Commission to accept “we just found out” as good cause for filing a request to intervene almost two months out of time, “good cause,” as used in the Commission’s rule, would have no substance. This is particularly so when it is a proposed intervenor’s business to know what is going on in its environment. The Commission will therefore deny Cornerstone’s request to intervene.

IT IS ORDERED THAT:

1. Cornerstone Energy, Inc.’s application to intervene is denied.

2. This order shall become effective on August 28, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 28th day of August, 2006.