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September 24, 2004

FILED

SEP 24 2004

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

**Missouri Public
Service Commission**

Re: Case No. GT-2005-0069

Dear Judge Roberts:

Please find enclosed for filing in the referenced matter the original and five copies of MFA Incorporated's and ONEOK Energy Marketing Company's Joint Motion to Suspend Tariff(s) and Application to Intervene.

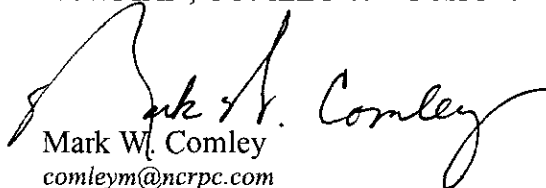
Would you please bring this filing to the attention of the appropriate Commission personnel.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:


Mark W. Comley
comleym@ncrpc.com

MWC:ab

Enclosure

cc: Office of Public Counsel
General Counsel's Office
Steven R. Sullivan
Victor S. Scott
J. Brian Griffith
Thomas J. Kirby

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

FILED

SEP 24 2004

Missouri Public
Service Commission

In the Matter of Union Electric Company)
d/b/a AmerenUE's Proposed Tariff)
Revisions Regarding Burner Tip)
Balancing for its Gas Transportation)
Customers)

Also:)

Case No. GT-2005-0069

Tariff No. JG-2005-0145I-2004-0654

In the Matter of the Application to)
Intervene in Union Electric Company)
d/b/a AmerenUE Proposed Tariff filed)
under Tariff NO. JG-2005-0145)

**MFA INCORPORATED'S AND ONEOK ENERGY MARKETING COMPANY'S
JOINT MOTION TO SUSPEND TARIFF(S) AND APPLICATION TO INTERVENE**

COME NOW MFA INCORPORATED (MFA) and ONEOK ENERGY MARKETING COMPANY (OEMC) (collectively "the Movants" or "Applicants") pursuant to Section 386.400, Section 393.130, 393.150 RSMo.2000, 4 CSR 240-2.065, and 4 CSR 240-2.075, by and through their attorneys, and respectfully submit their Joint Motion to Suspend the recently proposed tariffs of Union Electric Company d/b/a AmerenUE (Ameren) identified above, and respectfully apply to intervene in this matter. In support of their motion and application, Movants state as follows:

1. MFA is a non stock cooperative corporation organized under the laws of the State of Missouri with over 45,000 farmer members/owners. MFA engages in the business of supplying its members and customers with agricultural services and products either through arrangements with wholesale sources or by and through its own production and distribution facilities. MFA is a major manufacturer of livestock feed within the state of Missouri and relies

extensively upon natural gas in the manufacturing process for its feed products. MFA's corporate offices are located at 201 Ray Young Drive, Columbia, Missouri 65201.

2. OEMC is a corporation organized under the laws of the State of Oklahoma and is authorized to engage in business in the state of Missouri. OEMC has been engaged in retail natural gas marketing since 2000 and serves municipal, industrial, commercial, agricultural, and residential customers. OEMC serves as a broker or agent for MFA in connection with the latter's procurement of natural gas for MFA's livestock feed operations. Natural gas transported to MFA's facilities is supplied through Ameren's local distribution facilities.

3. All communications and pleadings in this case should be directed to:

For MFA:

J. Brian Griffith
General Counsel
MFA Incorporated
201 Ray Young Drive
Columbia, MO 65201-3599

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(573) 876-5475 (fax)
bgriffith@mfaincorporated.com

For OEMC:

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(918) 595-4800
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4. Ameren is a Missouri corporation and is a public utility subject to the jurisdiction of the Commission that provides local gas distribution service and other gas services in its service area within the State of Missouri under authority granted and tariffs approved by the Commission.

5. On or about August 30, 2004 Ameren filed its proposed tariff which was purportedly designed to effect changes in the administrative function of burner tip balancing which up to this time has been performed by Panhandle Eastern Pipe Line Company (PEPL). The tariffs bear an effective date of October 1, 2004. On September 17, 2004, ProLiance Energy, LLC (ProLiance) filed a motion to suspend the tariffs with the Commission on grounds that they are unjust and unreasonable, and further requested the scheduling of a hearing at which the reasonableness of Ameren's tariffs might be tested.

6. Movants agree with ProLiance and request that the proposed tariff sheets be rejected or, alternatively, suspended for further review at a hearing scheduled for that purpose. Movants submit that the proposed tariff sheets are not in the public interest, are unjust and unreasonable.

7. In its cover letter to the Commission dated August 30, 2004, Ameren stated that it filed the tariffs because "[e]ffective October 1, 2004 PEPL would stop performing the administrative function of burner tip balancing for **most** of Ameren's gas transportation customers." [emphasis added] The cover letter forecasts discrimination by PEPL and Ameren

such that some transport customers will be burner tip balanced by PEPL as they are now, while others will be subject to Ameren's new tariffs. Movants submit that in practice, burner tip balancing cannot be reasonably rendered on an individual case basis without unlawful discrimination. Movants contend that if burner tip balancing is an option for one transport customer behind the Ameren system it should be an option for all transport customers behind that system. Ameren's tariffs appear to permit otherwise and are therefore unreasonable, unjust and unlawfully discriminatory.

8. Additionally, on Sheet 13.1 of the filing, under the sub-heading of "Nominations," the tariff requires a group manager to provide Ameren with 21.5 hours advance notice prior to the gas day of any nomination change. This is a severe restriction on group managers and is unreasonable. This proposed notice requirement is inconsistent with notice and other nomination provisions adopted by the North American Energy Standards Board, Inc. (NAESB) which allows group managers to make more than one nomination change on (not before) and during the applicable gas day. The rules of the NAESB are followed nationwide by interstate pipeline companies and are inherently reasonable. The Commission should investigate why Ameren would propose a dramatic modification in the notification rules pertaining to nomination changes in its intrastate tariffs. This section of the tariff also provides that a customer can submit only one intraday nomination per gas day. To be reasonable, the tariff should mirror the nomination procedures set forth by NAESB which, as mentioned above, allow for more than one nomination per gas day.

9. In the second full paragraph under the sub-heading of "Group Balancing of Customer-Owned Gas" found on Sheet 14 of the tariff proposal, Ameren requires customers to provide written notice no later than ten (10) business days prior to the beginning of the month of

their intent to have their accounts managed by a Group Manager. The ten day notice requirement is unreasonable. For example, if OEMC as a group manager is not provided actual monthly usage until the 9th business day of the month following the month in which the gas was delivered, it will not have sufficient time to invoice the customer, judge the timeliness of payments and then determine if the relationship with the customer should continue. If the purpose behind this tariff provision is to encourage group managers to provide group balancing to their customers, that purpose is unreasonably compromised by the ten day notice requirement. It imposes an unreasonable burden on supplying that service and should be rejected.

10. On Sheet 15 of the tariff proposal, Ameren explains its group balancing mechanism and associated fees. Ameren proposes that the first 5% of a negative pool imbalance be cashed out at 100% of the then current PGA (currently at \$7.179 per MMBtu). Anything in excess of 5% will be cashed out at 110% of the then effective PGA. If a pool balance is positive, the first 5% of the imbalance will be cashed out at 100% of the indexed commodity price as quoted in the publication "*Inside FERC's Gas Market Report*." However, Ameren does not specify which index it will use in that publication. Pool balances that are positive in excess of 5% will be cashed out at 110% of the indexed commodity price as quoted in the same publication, but again Ameren fails to specify which index it will use. Movants contend that Ameren's cashout mechanism is punitive, and is therefore unjust and unreasonable. The pipeline companies serving Ameren have indices that set out penalties for imbalances. There is no reason why Ameren cannot abide by those terms for its own tariff and any proposed variance should be investigated by the Commission in this case.

11. Furthermore, the pool imbalance percentage proposed by Ameren for its Missouri system is not consistent with the tolerances of Ameren affiliates in other jurisdictions,

specifically CIPS and CILCO. Ameren should be required to explain why the imbalance percentages in Missouri are more restrictive than in Ameren's Illinois service territory.

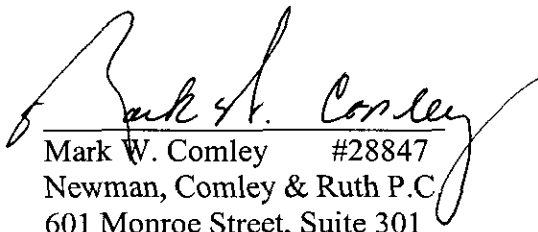
12. Pursuant to the proposed terms on Sheet No. 16 of the tariff, Ameren has the right to interrupt, curtail, or discontinue transportation service. In the absence of a clause which provides for customer immunity from penalty in the event of the Ameren generated interruption in service, the tariff is unreasonable. If Ameren interrupted a customer's service and the group manager had already submitted its one allowed intraday nomination change, the group manager has no method of amending the nomination to avoid the penalties set out in the tariff.

13. Currently Ameren prohibits multiple contracts to deliver into its city gate for a single customer. This tariff should be modified to eliminate that prohibition. If group managers are to nominate gas for their respective customers, they should also be allowed to determine the best manner to deliver gas to the city gate, whether that is via a single transport contract or on multiple transport contracts providing different services.

14. MFA is a transport customer of Ameren and if this tariff is permitted to become effective, MFA expects to unfairly experience significant increases in its costs of natural gas. These costs will translate into increased costs of production and in turn costs of products and services sold by MFA to farmer members and customers. Approval of the tariff as proposed is not in the public interest.

WHEREFORE, on the basis of the foregoing, Movants respectfully request that the Commission reject the Ameren tariffs, suspend the same and hold a hearing on the reasonableness thereof, granting Movants intervention therein and the right to fully participate at hearing.

Respectfully submitted,

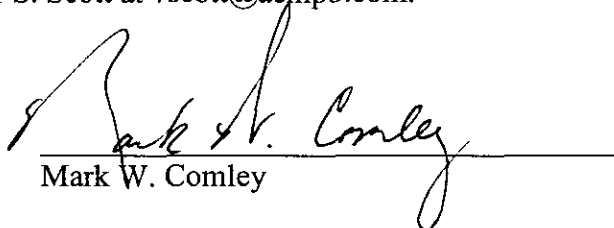


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Attorneys for MFA INCORPORATED and ONEOK
ENERGY MARKETING COMPANY

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 23rd day of September, 2004, to General Counsel's Office at gencounsel@psc.state.mo.us; Office of Public Counsel at opcservice@ded.state.mo.us; Steven R. Sullivan at ssullivan@ameren.com; and Victor S. Scott at vscott@aempb.com.


Mark W. Comley