

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In re the Transportation Tariff)	
Proposed Modification of Missouri)	Tracking No.
Gas Energy filed on May 15, 2008)	JG-2008-0680
Proposing Changes to the Existing)	
Transportation Tariff)	

OBJECTION AND REQUEST FOR SUSPENSION
OF PROPOSED TARIFF SHEET

REQUEST FOR EXPEDITED TREATMENT

COMES NOW Midwest Gas Users' Association (Midwest), by its counsel, and requests that the Commission briefly suspend the proposed tariff filing by Missouri Gas Energy (MGE) of May 15, 2008 proposing to make a change to a portion of the terms and conditions of its transportation service and in support thereof states as follows:

1. Midwest is an unincorporated association representing the interests of large commercial and industrial transporters of natural gas through the facilities of MGE in Missouri. Midwest has been active in virtually all of the distribution rate cases of MGE and its predecessors in Missouri since the 1950s including the most recent MGE rate case, GR-2006-0422.

2. Midwest's interest in the terms, conditions and rates for transportation service through its distribution system is or should be well known to MGE.

3. On May 25, 2008, MGE made a filing with the Commission to modify the terms and conditions of a portion of its

transportation tariff dealing with the handling of imbalances and the reconciliation thereof on its system. MGE's transmittal letter, signed by Michael Noack, characterized this filing as follows:

The purpose of the revised tariff sheet is to eliminate an unintended incentive for large volume customers or their agents to clear market positions at the expense of MGE commodity sales customers.^{1/}

4. Mr. Noack is or should be aware of Midwest's interest, through undersigned counsel, in the terms, conditions and rates associated with MGE's transportation service inasmuch as Mr. Noack has appeared as an expert witness on behalf of Midwest in prior proceedings concerning these topics before the Missouri and Kansas regulatory commissions. Moreover, Mr. Noack is well aware of undersigned counsel's involvement with Midwest, having recently contacted undersigned counsel regarding possible support for legislative activity in the General Assembly session just past.

5. Without regard to this knowledge, Midwest received no notification of any type of this proposed modification either from Mr. Noack or any other MGE or Commission Staff representative and no discussions with Midwest were held by MGE before making this filing. Given Midwest's historic participation in MGE rate cases on behalf of transportation customers, this is puzzling.

^{1/} Transmittal letter, dated May 15, 2008, signed by Michael Noack.

6. Midwest counsel only became aware of this filing as a result of a discussion of the filing at an Commission agenda meeting on June 12, 2008.

7. The MGE filing appears to be asymmetrical in its impact on transportation customers. Its apparent purpose is in the circumstance when "nominations" (which may differ from actual deliveries) are less than actual takes. In such a circumstance, reconciliation of any outstanding imbalances would occur (depending on their size) by cashing out the imbalance in favor of MGE. Currently this would be without taking into account the cost of transportation from the interstate pipeline necessary to get the natural gas to MGE's city gate. Currently this mechanism is symmetrical in that no corresponding adjustment is made when nominations or actual deliveries exceed actual takes. MGE's proposal would seek to change this, but on only one side of the balancing sheet. No corresponding adjustment however, is proposed when "nominations" or actual deliveries exceed actual takes and in that circumstance, there is a windfall to MGE in that gas is taken or retained without consideration of the cost of delivery.

8. Balancing and reconciliation are inescapably part of the process of natural gas transportation. For any number of reasons, it is not possible to precisely tune actual deliveries and takes so as to be in perfect balance all the time. Periodic reconciliation is necessary. However, the process should be balanced and not favor one party or the other. Unless done

thoughtfully and symmetrically, efforts to eliminate one "unintended" consequence may create another. Existing Sheet 61.2 reflects an equivalent cash-out mechanism; MGE's proposal would throw this mechanism out of balance.

9. Midwest should not be heard to say that we are in any way unwilling to discuss with MGE a more balanced means of addressing this "unintended" circumstance, and whether and to what extent it actually is a problem. That opportunity has not, however, been provided by notification to Midwest or its representatives of MGE's proposal. Midwest has been on record in numerous cases that transportation customers should not cause an unintended detriment to sales customers, but neither should transportation customers be forced into a position to provide an unintended benefit to sales customers.

10. Accordingly, Midwest respectfully requests that the May 15, 2008 proposed tariff sheet, Third Revised Sheet No. 61.2, be suspended for not less than 45 days^{2/} so that representatives of Midwest and MGE, together with representatives of Staff and Public Counsel, may discuss the matter and seek to reach an acceptable resolution thereof.

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11. As explained above, Midwest representatives only learned of this proposal at the agenda meeting on June 12, 2008.

^{2/} While this suspension period is intentionally brief, it may create the "incentive" for the parties to promptly address the matter. In any event, at this point in time, a full statutory suspension period would not appear necessary.

Unless acted upon by the Commission to suspend the proposed tariff modification, the proposed modification will go into effect on June, 15, 2008 thereby depriving Midwest representatives of any opportunity to investigate the appropriateness of this proposal.

12. The result of an operation of law effect will be to deprive transportation customers of any opportunity to investigate the impact this proposed tariff filing will have on their business operations. Given the failure of MGE representatives to notify Midwest regarding this filing, this would be decidedly unjust and unfair. Accordingly, expedited consideration of this request for suspension should be given.

13. In addition to failing to make Midwest aware of this proposal, MGE has also failed to make Midwest aware of any imminent harm that will occur as a result of the brief suspension period here requested. Midwest representatives are aware of no such imminent event.

WHEREFORE Midwest respectfully prays for expedited consideration of its request that this proposed tariff, for the

reasons aforesaid, be suspended for not less than 45 days to permit the parties to meet and confer with respect thereto.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

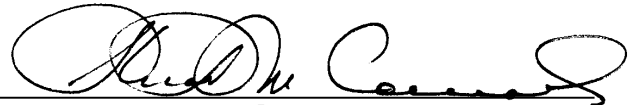


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ATTORNEYS FOR MIDWEST GAS USERS'
ASSOCIATION

SERVICE CERTIFICATE

I certify that I have caused a copy of the foregoing pleading to be served upon representatives of Missouri Gas Energy according to the Commission's Rules of Procedure by e-mail, facsimile or by United States First Class Mail on this 12th day of June, 2008.



Stuart W. Conrad