

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

In the Matter of a Proposed Experimental)
Regulatory Plan of Kansas City Power &) Case No. EO-2005-0329
Light Company.)

MISSOURI GAS ENERGY'S APPLICATION TO INTERVENE

COMES NOW Missouri Gas Energy, a division of Southern Union Company, by and through counsel, and pursuant to 4 CSR 240-2.075, respectfully moves to intervene in the above-captioned proceeding. In support of its Application to Intervene, MGE states as follows to the Missouri Public Service Commission (the "Commission"):

1. Southern Union Company is a corporation duly incorporated under the laws of the state of Delaware and conducts business in Missouri under the fictitious name of Missouri Gas Energy ("MGE"). MGE is a gas corporation and public utility operating under the regulatory jurisdiction of this Commission. MGE's principal office is located in Kansas City, Missouri.

2. Communications relating to this Application should be directed to the following:

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3. On March 28, 2005, Kansas City Power & Light Company ("KCPL") filed a Stipulation and Agreement which arose from "workshops" in Commission Docket No. EW-2004-0596, a noncontested case. KCPL's Stipulation and Agreement also arose, in part, from the Commission's Integrated Resource Planning processes applicable to Missouri electric utilities. The Stipulation and Agreement provides for certain accounting treatments and financing activities, as well as construction timetables and rate filings. By Commission order of April 5, 2005, the Commission established an intervention deadline in this case of April 19, 2005.

4. Case No. EO-2005-0329 and KCPL's Stipulation and Agreement raise new and potentially critically important issues of general public utility regulatory policy, including issues relating to rate base treatment of utility capital investments and integrated resource planning for utilities. In fact, the Commission frequently establishes important regulatory policies through its decision making in particular cases. A good example of this is the Commission's recent decisions in Case No. GR-99-315 (Laclede Gas Company) and Case No. ER-2004-0570 (The Empire District Electric Company). While the decisions in those cases do not establish binding precedent for future cases, they do reflect the Commission's policy on the treatment of net salvage, a policy that is clearly important to all Missouri public utilities – both gas and electric. Such policies are important to public utilities as they operate and engage in critical prospective planning activities.

5. MGE should be allowed to intervene in this proceeding, because MGE has an interest that is different from that of the "general public" which may be adversely affected by a final order in this case. This case could set, or at least substantially influence, current Commission policies relating to rate base treatment of capital investments, integrated resource planning, rate regulation generally, or various forms of alternative rate regulation, much like the Laclede and Empire cases cited above influenced and in effect set current Commission policy respecting net salvage and depreciation.

6. In addition, MGE's intervention will serve the public interest. The Commission exists to regulate public utilities by protecting the interests of ratepayers, while also ensuring fair treatment to utilities. Important resource planning decisions such as those presented by KCPL's Stipulation and Agreement potentially impact all utility companies in the Kansas City area in which MGE operates. MGE believes that it can represent a view that might not adequately be brought to the Commission without its participation.

7. 4 CSR 240-20.075(2) requires that MGE state whether it supports or opposes the relief sought or whether it is unsure of the position it will take. At this time, given the early stage of the case, MGE is unsure of the position it will take. Additionally, the case presents new and unique issues and the precise nature of the relief being sought is unclear. MGE, however, has no intention of interfering with KCPL's resource planning or its need to complete necessary additions to its infrastructure. MGE seeks to intervene to protect its interests as discussed above and to otherwise serve the public interest.

WHEREFORE, for the reasons stated herein, Missouri Gas Energy, a division of Southern Union Company, respectfully requests that the Commission issue an order permitting MGE to intervene in this case with full rights as a party hereto.

Respectfully submitted,

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ATTORNEYS FOR MISSOURI GAS ENERGY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, mailed by U.S. mail, or electronically transmitted on this 12th day of April, 2005, to all parties of record.

