

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

<b>In the Matter of Missouri Gas</b>	)	
<b>Energy's Tariff Filing to Implement</b>	)	<b>Case No. GT-2004-0049</b>
<b>Daily Balance Management for Large</b>	)	
<b>Volume Transport Customers</b>	)	

**RECOMMENDATION REGARDING PROCEDURAL SCHEDULE  
OF  
MIDWEST GAS USERS' ASSOCIATION**

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Pursuant to the Commission's Order of August 21, MIDWEST GAS USERS ASSOCIATION ("Midwest") offers these comments and recommended procedural schedule for this matter.

1. We have conferred with Missouri Gas Energy, Kansas City Power & Light and MoPSC Staff representatives but have been unable to come to a definitive agreement on a procedural schedule except as to certain basic outlines. In addition, Midwest has certain concerns that are not shared by either of the other parties.

2. Midwest appreciates that MGE may feel that it is hemmed in by events that are not of its own choosing. Midwest is an intervenor in the related Southern Star Central FERC proceeding and has been an active participant at that level in opposing the pipeline's proposed change.<sup>1/</sup> MGE, however, has "settled" with the pipeline and has withdrawn its opposition, once its interests were accommodated.

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<sup>1/</sup> The pending FERC proceeding is *Williams Natural Gas Pipeline - Central*, Case No. RP03-356.

3. Midwest is not at all certain that the Southern Star proposal will be finally approved by FERC, or approved in some different form with conditions,<sup>2/</sup> if approved how rapidly it will be implemented by Southern Star and even if approved, whether Southern Star will be able to unilaterally discontinue its burner-tip balancing arrangements as readily as it seems to believe it may.

4. Regardless of these considerations and without regard to the procedural schedule that we are proposing here, Midwest is entirely willing to work together with MGE, Staff and KCPL to attempt to reach an acceptable resolution of this matter on an expedited basis. But we are unable to agree to collapse a procedural schedule into a compressed time frame that cannot accommodate the presentation of our concerns to the Commission nor accommodate careful consideration of those concerns by the Commission. Transportation customers are, after all, no less utility customers -- and captive customers at that -- than are other customers. They rely on the same distribution services as do sales customers.

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<sup>2/</sup> It is a virtual certainty that Southern Star will make modifications to its FERC proposal before its approval and has already indicated that it will do so because of concessions it made to several local distribution company customers. Those changes, however, have not been reviewed by many of the parties in that proceeding and may provoke further comment or discussion when submitted.

5. Therefore, Midwest would respectfully propose the following procedural schedule for consideration:<sup>3/</sup>

MGE Direct and Alternative Proposals	September 11, 2003
Staff, Public Counsel and Intervenor Direct Testimony	October 31, 2003
MGE Rebuttal Testimony	November 21, 2003
Surrebuttal if needed	December 5, 2003
Hearing	First or second week of December. We have not had access to the Commission's calendar to verify availability, but probably not more than two days need to be scheduled for hearing. <sup>4/</sup>
Briefing	Usual post-hearing schedule, perhaps tightened to 20 days for initial and 15 days for reply briefs. We believe that briefing is an important part of litigating a case before the Commission and requires the parties to think through their positions to put them on paper.

6. Midwest certainly recognizes that MGE did not initially cause this problem. Regardless, MGE is no less bound by and no more able to unilaterally terminate the burner-tip balancing agreement than is Southern Star. Thus, as the Commission has taken the correct position in the Southern Star proceed-

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<sup>3/</sup> We would emphasize that we have not been able to review this schedule with the other parties because of the short time for responses. If, as we expect, the recommendations vary, perhaps the Commission or the RLJ would consider convening a teleconference for the parties to review the procedural schedules, recommendations and alternatives.

<sup>4/</sup> We have been advised that there are a few days available following December 8, 2003.

ing at FERC that the burner-tip balancing agreement remains in full force and effect, MGE has an alternative, namely to continue to comply with that agreement. We have been advised by MGE personnel in the FERC proceeding that continuing the burner-tip balancing arrangements and mechanism is not inconsistent with the changes that Southern Star has proposed at FERC. We believe that this should solve the immediate problem for MGE and remove some of the urgency from this proceeding. Moreover, there is no absolute requirement that Southern Star immediately implement its changes, even if they are approved. MGE is a large customer, perhaps one of Southern Star's largest, and has considerable negotiating power.

WHEREFORE, Midwest respectfully suggests the foregoing procedural schedule.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

A handwritten signature in black ink, appearing to read "Stuart W. Conrad", is written over a horizontal line.

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ATTORNEYS FOR MIDWEST GAS USERS'  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading as an attachment to electronic mail or by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as disclosed by the pleadings and orders herein.

A handwritten signature in black ink, appearing to read "Stuart W. Conrad", written over a horizontal line.

Stuart W. Conrad

Dated: September 3, 2003