BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy	)	
And Its Tariff Filing to Implement a	)	GR-2009-0355
General Rate Increase for	)	
Natural Gas Service	)	

ONEOK ENERGY MARKETING COMPANY'S STATEMENT OF POSITION ON ISSUES

COMES NOW ONEOK Energy Marketing Company ("ONEOK"), intervenor herein, and submits the following Statement of Position on the issues set forth in the Joint List of Issues:

ONEOK takes no position at this time regarding the issues enumerated in Sections I through IV and in Section VI of the List of Issues. ONEOK's primary interest herein pertains to the changes to the transportation tariff proposed by Missouri Gas Energy ("MGE"), as enumerated in Section V. ONEOK did not file witness testimony in this proceeding, but has participated in meetings with the parties and has identified the tariff provisions with which it had concerns. Below is its statement of position on such issues.

V. TARIFF CHANGES

B. Transportation/Other:

i) Deadline for Notice of Pool Changes

The Transportation Tariff ("Tariff") currently provides that MGE must receive any changes to pools, in writing, prior to the last working day of a month, with the change to become effective on the first day of the following month. MGE proposes to revise this provision to provide that it must receive such changes "no later than the 15th day of the month preceding the month requiring the change." Although MGE has offered no justification for changing this provision of the existing Tariff, ONEOK acknowledges that MGE may need more time than the current Tariff provides, but submits that four (4) business days is a reasonable period for moving a customer from one pool to another.

ii) Proposed Elimination Of Multiple Pools Per Aggregation Area

In the proposed tariff, it appears that MGE is removing the option that allows suppliers acting as agents to either pool their customers or to supply each customer on an individual basis. However, for a number of reasons, a single pool may not be optimal for the customer, the supplier, and/or MGE. MGE has offered no justification for a change to the existing Tariff. Therefore, MGE should continue to allow suppliers acting as agents for transportation customers to aggregate their customers into one or more pools per aggregation area, pursuant to the terms of its existing Transportation Tariff.

iii) Transportation Charge Component of Cash-Outs for Imbalances (amount and symmetry of charges)

Under the imbalance provisions of the current Tariff, the imbalance cash-out fee for both under-nominations and over-nominations includes the then-current firm transportation charges in the PGA rate to bring the gas to the MGE system, which MGE currently sets at $1.30. MGE proposes to eliminate the payment or credit to customers for over-nominations. ONEOK submits that there are more appropriate pricing mechanisms for imbalance cash-outs that still provide incentives for customers to stay in balance, but without unfairly impacting a customer or group of customers. MGE cannot meet the burden of establishing that its current proposal is appropriate.

iv) Index Price for Cash-Outs

In the current Transportation Tariff, the cash-out price for imbalance volumes is an index price, which is defined as the average of certain first-of-the-month prices for the month immediately following the month in which the imbalance occurred. MGE proposes to revise the Tariff, such that the index price would be the lower (for over-nominations) or higher (for under-nominations) of the index price for the business month or the month immediately following the business month. ONEOK submits that the index pricing mechanism under the current Tariff provides adequate incentive for customers to stay in balance, and MGE has provided no justification for revising it at this time.

v) Circumstances and Conditions for Calling OFOs

ONEOK acknowledges there may be valid reasons for MGE to call an Operational Flow Order ("OFO") period. However, these OFO periods should be limited to specifically identified operational emergencies on the MGE system or during times when an OFO period has been called by an upstream interstate pipeline serving MGE. Moreover, prior to calling an OFO, MGE should issue a notice to shippers requesting them to make efforts or take certain measures to help maintain system integrity, which might then alleviate the need to call an OFO and subject customers to the higher imbalance fees applicable to those periods.

vi) Supplier/Agent's Ability To Move Customers From A Pool On One Pipeline To Another Pipeline In The Event Of Capacity Constraints

ONEOK submits that, for added flexibility and supply certainty in the event of a force majeure or other operational issue that limits the availability of capacity on one of MGE's upstream interstate pipelines, the Tariff should permit suppliers that are acting as agents for transportation customers to move customers from a pool on the affected pipeline to a pool on another pipeline.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was sent to all counsel of record via U.S. mail, postage prepaid, and e-mailed on the 22nd day of October, 2009:

Attorneys for Intervenor ONEOK Energy
Marketing Company