BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Revised Transportation Tariff	))	**Case No. GT-2010-0261** Tariff File JG-2010-0565

ONEOK ENERGY MARKETING COMPANY'S
STATEMENT OF POSITION ON THE 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:

1. **Threshold issues**

    a. **What minimum threshold should be established for being permitted to elect to take service as a transportation customer?**

ONEOK agrees with Constellation NewEnergy witness Richard Haubensack that Missouri Gas Energy ("MGE") should make transportation service available to all customers having an annual usage of 30,000 Ccf or more in the preceding calendar year.

    b. **If the threshold for MGE's transportation service is lowered, should the new usage threshold level and/or the number of qualifying customers be "phased-in"? If so, what phase-in should be used?**

ONEOK recognizes that it is operationally and administratively important for MGE to implement a reasonable phase-in of customers transitioning from bundled sales service to transportation service. ONEOK also agrees with MGE witness David Kirkland that it is not necessary to phase-in both the annual usage levels and the number of customers, and that the phase-in could be based upon a certain number of customers per year. In all likelihood, it will be the larger customers that first elect to take advantage of the new service offering. However, ONEOK submits that MGE's proposal to limit service to the first 50 new customers in each year is too conservative, and the number should be increased to 100 or more customers per year.

2. **Telemetry issues**

    a. **Should telemetric measuring equipment be required for all transport customers, except schools where a statute specifies the exemption?**

ONEOK does not take a position on this issue at this time.

b. If telemetry is not mandatory for all transport customers, what are the appropriate criteria for determining which customers are exempt from the telemetry requirement?

ONEOK does not take a position on this issue at this time.

c. If telemetry is not mandatory for all transport customers, what is the appropriate mechanism to determine and recover costs caused by customers not utilizing telemetry?

ONEOK does not take a position on this issue at this time.

d. What is the appropriate cost to be paid by those customers that must have telemetry/EGM equipment?

ONEOK does not oppose requiring a customer to pay the reasonable cost of telemetry equipment necessary to serve the customer. However, the type of equipment, and the corresponding cost, may vary with the size or type of customer and may not be a "one size fits all." In addition, the cost borne by the customer should not be so high as to create an economic barrier for the customer to transition to transportation service if it otherwise desires to do so. As an incentive, MGE could provide customers the ability to finance the cost of the equipment upon reasonable terms and over a reasonable period of time.

e. Should the installed cost of telemetry charged to a transport customer include a pressure/temperature corrector device?

ONEOK does not take a position on this issue at this time.

3. **Capacity Release issues**

a. How should capacity that is released to customers transferring to transportation service be addressed?

MGE proposes that upstream interstate pipeline capacity will be allocated and assigned based upon the maximum monthly volume transported for a customer during a calendar year, calculated as a percentage of MGE's city gas sales receipts in January. Although ONEOK agrees that capacity allocation should based upon the customer's maximum monthly throughput, it is not clear to OEMC why the allocation should be subject to annual variation based upon changes in MGE's transportation commitment each year (which is OEMC's understanding of MGE's proposal).

MGE also proposes to release pipeline capacity at the average rate for all capacity under contract, including those pipelines on which MGE will not release capacity. If ONEOK correctly understands this proposal, a customer served from Pipeline A that has a comparatively low rate for upstream transportation service to MGE could be faced with an artificially high cost of transportation if the higher rates on Pipelines B and C are averaged in. Therefore, ONEOK submits that it is more appropriate to price capacity at MGE's actual cost of transportation service on the pipeline on which the capacity is being released to serve the customer. Releasing capacity at maximum rates or less also has the benefit of allowing MGE to release the capacity for a term greater than one year (subject to recall), consistent with the regulations of the Federal Energy Regulatory Commission pertaining to capacity release.

ONEOK agrees that the capacity should be released subject to MGE's right to recall if the customer either reverts back to sales service or elects a new supplier.

WHEREFORE, ONEOK Energy Marketing Company respectfully submits this Statement of Position on the Issues in this matter.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served by mail, hand-delivery, facsimile or electronic mail to all counsel of record this 7th day of July, 2010.

/s/ Charles W. Hatfield