BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Tariffs)
Increasing Rates for Gas Service Provided to)   **Case No. GR-2006-0422**
Customers in the Company's Missouri Service)   Tariff File No. YG-2006-0845
Area.)

APPLICATION TO INTERVENE
OUT OF TIME OF
CORNERSTONE ENERGY, INC.

COMES NOW Cornerstone Energy, Inc. ("CEI"), pursuant to Commission Rule 4

CSR 240-2.075 and the Commission's *Suspension Order and Notice* issued in this matter

on May 12, 2006, and applies to intervene and to become a party herein. In support

thereof, CEI respectfully states as follows:

  1.   CEI is a Nebraska corporation duly authorized to do business in Missouri.

CEI is a natural gas marketer whose principal place of business is located at 11011 "Q"

Street, Suite 106A, Omaha, Nebraska 68137.

  2.   All communications, correspondence, pleadings, orders and decisions

regarding this proceeding should be directed to:

> James M. Fischer
> Larry W. Dority
> FISCHER & DORITY, P.C.
> 101 Madison, Suite 400
> Jefferson City, MO 65101
> (573) 636-6758
> (573) 636-0383 (fax)

Richard Haubensak
Cornerstone Energy, Inc.
11011 "Q" Street
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Omaha, NE 68137
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3.   On May 2, 2006, Missouri Gas Energy ("MGE") submitted to the Missouri Public Service Commission proposed tariff sheets intended to implement a general rate increase for gas service provided to customers in the Missouri service area of the company. In its *Suspension Order and Notice* issued May 12, 2006, the Commission suspended the proposed tariffs and established an intervention date of June 1, 2006.

4.   CEI is a major marketer of natural gas to industrial and commercial customers on MGE's Missouri natural gas distribution system. CEI provides valuable natural gas supply and price risk management services to its customers located on the aforementioned system and CEI and its customers rely heavily on the transportation tariff rate and the performance of the operator of the natural gas distribution system in question to provide this service. In addition, the inclusion of CEI's interests and expertise in this matter will serve the public interest. Finally, no other party to this proceeding will adequately protect CEI's interest.

5.   In accordance with 4 CSR 240-2.075(2), at this time CEI intends to participate on a limited number of issues that affect marketers of natural gas to industrial and commercial customers. In particular, CEI desires to investigate the feasibility to expanding the availability to transportation services to lower volume commercial and industrial customers that may not currently meet the minimum volume thresholds for transportation service contained in MGE's existing tariffs.

6.   CEI only recently became aware of this proceeding, and therefore has not previously sought intervention in this matter. The granting of CEI's request at this time will not prejudice any party since the filing of testimony by Staff, Public Counsel and intervenors on rate design issues is not scheduled until October 20, 2006, and evidentiary hearings in this matter are not scheduled to commence until December 11, 2006. CEI will also accept the remainder of the existing schedule as it has been approved by the Commission without modification.

WHEREFORE, Cornerstone Energy, Inc. respectfully requests the Commission to grant its Application to Intervene Out of Time, together with any further and/or additional relief the Commission deems just and proper.

Respectfully submitted,

/s / James M. Fischer

| James M. Fischer | #27543 |
| Larry W. Dority | #25617 |

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Attorneys for Cornerstone Energy, Inc.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 28th day of July, 2006, to all parties of record in this proceeding.

/s/ James M. Fischer

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James M. Fischer