

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

In the Matter of an Investigation into)	
Compliance with the Required)	
Registration of Sellers of Electricity and)	Case No. GO-2004-0195
Gas for Use or Consumption Within)	
Missouri)	

STAFF'S PLEADING

COMES NOW the Staff of the Missouri Public Service Commission (Staff) by and through counsel, and respectfully states as follows:

1. On February 24, 2005, Staff filed its Energy Sellers Report.
2. On March 10, 2005, the Commission issued an Order Directing Filing. This Order directed Staff to file a pleading by April 8, 2005 specifically addressing what role Cornerstone Energy plays in the distribution process of energy.
3. In its Motion to Open Docket filed in this case, Staff explained that it had received an inquiry about Energy Seller Certification and Cornerstone Energy. In this initial pleading Staff originally believed that the "Missouri Guaranteed Price Program" offered by Cornerstone Energy was a bundled service, including all aspects of the gas purchasing process for customers. Staff further believed that Cornerstone was offering a service that leased, used, or controlled the distribution of a distributor, in this case Aquila. Staff further suggested that Cornerstone Energy needed to register as an energy seller. See Exhibit 1, attached hereto.
4. In the Energy Sellers Report, Staff stated that after reviewing industry practices, that there are no energy sellers providing "energy services" as defined in Section 393.298(4)

RSMo 2000 because none of these energy sellers use, lease or control the distribution system of a distributor (LDC)

5. Exhibit 2 is a Highly Confidential Contract between Cornerstone and a customer attached hereto and incorporated by reference. The customer identifying information has been marked out. This document indicates that there is a delivery point of the gas where title passes from Cornerstone to the customer. However, Cornerstone has explained in Data Request responses that this transfer point is at the city gate or upstream thereof. Cornerstone represents that it does not control, use or lease any part of Aquila's distribution system.

6. Furthermore, Staff's understanding is that Cornerstone is not considered to be a customer of Aquila and that under current tariffs, only Aquila customers can be served behind its city gate. The end user is the actual customer, not the marketer such as Cornerstone.

WHEREFORE, for the reasons stated above, Staff respectfully requests that the Commission accept Staff's Pleading.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Robert V. Franson
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 8th day of April 2005.

/s/ Robert V. Franson