

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

In the matter of Missouri Gas Energy's        )  
Increasing Rates for Gas Service Provided    )  
To Customers in the Company's Missouri     )  
Service Area                                        )

Case No. GR-2006-0422

**STAFF PLEADING OPPOSING CORNERSTONE'S REQUEST FOR LATE  
INTERVENTION**

**COMES NOW** Staff of the Missouri Public Service Commission (Staff) and respectfully submits as follows:

1. On May 2, 2006, MGE filed its rate case.
2. On May 12, 2006, the Commission issued its Suspension Order and Notice.

The Commission ordered MGE to provide notice and set an intervention deadline of June 1, 2006.

3. On July 28, 2006, Cornerstone Energy, Inc. (Cornerstone) filed its Application to Intervene Out of Time.

4. Staff would not have opposed this intervention had it been timely. However, Staff does oppose such intervention due to the fact that it is substantially out of time (57 days) and states an inadequate reason to justify such intervention. Cornerstone's reason for late intervention is that it "...only recently became aware of this proceeding, and therefore has not previously sought intervention in this matter." (Cornerstone Application to Intervene Out of Time, paragraph 6). Staff does not believe that Cornerstone's failure to know about a well publicized rate case is sufficient to justify such late intervention. For this reason, Staff opposes intervention.

5. However, if the Commission grants late intervention, then Staff does wish to inform the Commission about some concerns. Cornerstone's second stated reason for intervention is as follows:

4. 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. Staff believes that, in certain respects, the matters raised by Cornerstone in its request for intervention are proper matters to be considered in the context of general rate proceedings. Changes in tariffs, such as those suggested by Cornerstone, that could impact revenues and possibly result in changes in just and reasonable rates could be considered in this rate proceeding. However, Staff also believes that MGE correctly points out in its August 4, 2006 pleading that the proposal that Cornerstone raises, if adopted to the fullest extent, would constitute a major policy shift that needs careful consideration regarding all of its ramifications. Staff also believes that other Parties may also seek late intervention and that this would be a major issue in this case.

7. These substantial policy matters would need to be addressed in the current rate proceeding or possibly in a different proceeding. These policy matters could affect a number of issues in the current rate proceeding related to customer rates and terms of service, especially for the commercial and industrial customers Cornerstone's proposal would impact.

**WHEREFORE**, Staff respectfully opposes Cornerstone's Request for Late Intervention.

Respectfully submitted,

/s/ Robert V. Franson

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or emailed to all counsel of record this 7<sup>th</sup> day of August 2006.

/s/ Robert V. Franson