

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Southwest Gas Storage Co.)	Docket No. RP07-541-000 and
)	
Panhandle Complainants)	Docket No. RP07-34-0000
v.)	(Not Consolidated)
Southwest Gas Storage Co.)	

**MOTION TO INTERVENE AND PROTEST OUT OF TIME
AND ANSWER OF THE MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to Rules 211, 213 and 214(d)(12) of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. §§§ 385.211, 385.213, and 385.214(d)(1), the Michigan Public Service Commission ("MPSC") hereby submits its Motion to Intervene and Protest in the captioned dockets. In addition, pursuant to Rule 708 of the Commission's Rules of Practice and Procedure, MPSC hereby answers in support of the request made by the Missouri Public Service Commission ("Missouri PSC") in its August 13, 2007 pleading in the above captioned dockets imploring the Commission to omit the initial decision in the pending investigation of Southwest Gas Storage Company's ("Southwest Gas") rates in Docket No. RP07-34-000 in order to allow the Commission to issue its order reducing rates in that proceeding on or before January 31, 2008. Finally, the Missouri PSC also provides its answer to the Panhandle Complainants' August 13, 2007 motion for interim relief requested in Docket No. RP07-34-000.

I. INTERVENTION

The MPSC is an agency of the State of Michigan, created by 1939 Pub. Acts 3, Mich. Comp. Laws Ann. § 460.1 *et seq.* As the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of

natural gas and electricity in the State, the MPSC is a “state commission” as defined in 16 U.S.C. § 796(15) and 18 C.F.R. § 1.101(k) (2006).

Southwest Gas Storage has one customer, Panhandle. Panhandle currently serves four investor-owned distribution companies regulated by the MPSC: Consumers Energy Company, Michigan Consolidated Gas Company, Michigan Gas Utilities Company, and SEMCO Energy Gas Company. Panhandle also serves numerous marketing companies that sell gas to retail customers under retail choice tariffs that are under the jurisdiction of the MPSC. Accordingly, the MPSC has a direct and unique interest in this proceeding and is entitled to party status upon filing this Notice of Intervention pursuant to 18 CFR §385.214(a)(2).

Due to the unavailability of necessary personnel, the MPSC was unable to obtain the appropriate authorization to intervene in a timely manner. The filing proposed by Southwest Gas could affect Michigan customers’ rates for natural gas service. The MPSC submits that it has an interest in this proceeding that cannot be protected adequately by any other party. Because this motion is being filed early in the proceedings and prior to any Commission ruling on this matter, the MPSC believes no party will be prejudiced and no disruption of the proceedings will occur if its motion is granted. Copies of all pleadings and correspondence in the proceeding should be addressed to:

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II. PROTEST AND ANSWER TO MOTIONS FOR EXPEDITED ACTION

For the reasons articulated by the Missouri PSC and hereby incorporated by reference, the MPSC protests Southwest Gas' Section 4 rate filing in RP07-541-000 and requests that the Commission institute a hearing to establish just and reasonable rates.

In addition, the MPSC hereby files an answer in support of the two motions for expedited action filed on August 13, 2007 in Docket RP07-34-000. In the first motion,¹ the Missouri PSC's request that the Commission omit the initial decision in the pending Section 5 investigation of Southwest Gas's rates and issue an order, inclusive of rates in that proceeding on or before January 31, 2008. In the second motion,² the Panhandle Complainants request that the Commission order an interim rate reduction in the Section 5 complaint proceeding. Both of these motions request expedited action in order to protect customers from the refund floor implications of Southwest Gas' Section 4 filing on the eve of the pending Section 5 hearing procedures. While the MPSC believes that the relief sought by the Missouri Commission in the form of a waiver of the initial decision is the optimum approach under the circumstances, in the

¹ *Notice of Intervention and Protest and Motion for Omission of Initial Decision of the Missouri Public Service Commission*, August 13, 2007.

² *Renewed Motion for Interim Relief And Request For Expedited Action*, August 13, 2007.

alternative, granting the interim relief sought by the Panhandle Complainants would be a reasonable way of mitigating the harm imposed on customers of Southwest Gas.

Respectfully submitted on behalf of,

THE MICHIGAN PUBLIC SERVICE COMMISSION

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August 16, 2007

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CERTIFICATE OF SERVICE

In accordance with 18 C.F.R. § 385.2010, I hereby certify that I have this day served the foregoing document, via electronic mail or first class mail, upon each person designated on the service list compiled by the Secretary in this proceeding.

/s/ Kelly A. Daly