

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Thomas E. Wright, Chairman
 Michael C. Moffet
 Joseph F. Harkins

In the Matter of the Application of)
Midwest Energy, Inc. Requesting) Docket No. 08-MDWG-486-MIS
Approval of a Temporary Waiver)
of the 900 BTU Standard)
Contained in its Distribution)
Transportation Terms and)
Conditions.)

ORDER GRANTING TEMPORARY WAIVER

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and decision. Having examined its files and records, and being duly advised in the premises, the Commission makes the following findings:

1. On October 30, 2007, Midwest Energy, Inc. (“Midwest”), Kinder Morgan Interstate Gas Transportation Company’s (“KMIGT”), ONEOK Field Services (“OFS”), interested Kansas gas producers, and Commission Staff (collectively, “Indicated Parties”) met at the Commission to discuss issues relating to gas quality. One issue addressed at this meeting concerned the ability of local distribution companies to supply gas with heat content sufficient to meet existing tariffs.

2. On November 14, 2007, the Indicated Parties held a conference call to further discuss the issues addressed at the October 30, 2007 meeting. Specifically, the Indicated Parties addressed issues involving gas heat content and Midwest’s tariff specifications. During this call, the parties were able to temporarily resolve many outstanding issues.

3. As a result of the informal discussions of the parties, on November 20, 2007, Midwest filed an application requesting a temporary waiver of the minimum natural gas heat

content value found in Section 5(B)(3) of its Distribution Transportation Terms and Conditions for gas deliveries supplied from the KMIGT Holcomb to Scott City pipeline. Midwest is making this request in order to assist OFS in delivering unprocessed gas from its gas gathering system to the Scott City gas plant. By lowering the heat content to 840 British thermal units per standard cubic foot, (Btu/scf), OFS claims it will be able to return approximately 10 million cubic feet of gas/day, (MMCFD) to production.

4. Also on November 20, 2007, Staff filed a memorandum regarding this matter. Specifically, Staff recommended approval of the proposed waiver to the Midwest tariff to lower the minimum acceptable heat content of gas delivered to Midwest to a value of 840 Btu/scf, effective until May 1 of 2008. At that time, the minimum heat value would return to the tariff specification, 900 Btu/scf. Staff concluded the 7% decrease in heating content for a period of five months is not expected to have any significant effect on the appliances of Midwest residential customers. Further, the waiver period will provide an interim solution to the shut in gas production in north central Finney County and will provide OFS and KMIGT the needed time to reconfigure the gas gathering/transportation system in such a manner that only processed gas will be delivered to the Holcomb/Scott City pipeline.

5. Of note, Staff recommended the Commission take immediate action on this matter.

6. Based on a review of the application and Staff's memorandum, the Commission adopts Staff's analysis and finds and concludes the request for a temporary waiver of the tariff specification relating to Midwest's Btu content should be granted.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Midwest Energy, Inc.'s request for a temporary waiver of the tariff specification relating to Btu content is granted, effective until May 1 of 2008.

B. The parties have fifteen days, plus three days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2006 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further order or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Wright, Chmn.; Moffet, Comm.; Harkins, Comm.

Dated: NOV 21 2007

ORDER MAILED

NOV 21 2007

 Executive
Director

Susan K. Duffy
Executive Director

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