

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Post Rock Gas,) Application No. NG-0014
LLC, Tulsa, Oklahoma, seeking)
authority as a competitive) TEMPORARY AUTHORITY GRANTED
natural gas provider in the)
state of Nebraska.) Entered: January 13, 2004

BY THE COMMISSION:

By application filed December 15, 2003, Post Rock Gas, LLC (Post Rock or Applicant), Tulsa, Oklahoma, seeks authority as a competitive natural gas provider (CNGP) in the state of Nebraska. Notice of the application was published in the Daily Record, Omaha, Nebraska, on December 17, 2003. Protests or interventions may be filed on or before January 16, 2004.

Applicant further seeks temporary authority as a CNGP, as requested by motion filed December 19, 2003. Notice of the application for temporary authority was published in the Daily Record on December 22, 2003. In support of its request for temporary authority, Applicant states that in order to participate in the Agricultural Choice Gas Program administered by Kinder Morgan, Inc., Applicant must be certificated by the Commission as a competitive natural gas provider by January 9, 2004. Applicant further states that it has served as a supplier of natural gas in the Agricultural Choice Gas Program in the past, and that further participation in the program is important to Applicant's continued business operations in the state.

In support of its application, Post Rock submitted a copy of an audited financial statement. Post Rock also provided a copy of its Certificate of Authority to Transact Business in Nebraska. In its application, Post Rock states that it is an affiliate of Seminole Energy Services, and is an Oklahoma limited liability company. Post Rock has not had any legal action or formal complaints pertaining to the provision of competitive natural gas services filed against the company within the twelve months prior to filing this application, nor has it had a license or certificate to supply competitive natural gas services revoked, denied or withdrawn.

In addition, Post Rock submitted the biographies of the members of its management team: Kirk McClymont - Director of Agricultural Marketing for Natural Gas Transport; Robert Rosene, Jr. - Manager; and Daniel Frey - Manager. The biographies detailed the educational and professional background of each individual.

Commission Staff Accountant Steve Stovall submitted an affidavit attesting that the financial statements submitted provide evidence of adequate financial resources necessary to obtain and deliver the services the Applicant proposes to offer.

O P I N I O N A N D F I N D I N G S

The Commission finds that it has jurisdiction pursuant to Neb. Rev. Stat. §§ 66-1848 to 66-1849 (2003 Supp.). Section 66-1849 provides in part:

The commission shall certify all competitive natural gas providers and aggregators providing natural gas services. In an application for certification, a competitive natural gas provider or aggregator shall reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services such provider or aggregator proposes to offer. The commission may establish reasonable conditions or restrictions on the certificate at the time of issuance.

The Commission finds that it may properly consider a request for temporary authority in this instance, due to the conflict between the January 9, 2004, deadline imposed by Kinder Morgan, and the protest and intervention deadline of January 16, 2004, under the Commission's normal procedures for processing a CNGP application. Temporary authority should be limited in scope, preserving Post Rock's operations as they existed prior to the passage of the State Natural Gas Regulation Act (LB 790 2003), but not expanding such operations under a temporary certificate. The Commission finds it appropriate to allow Post Rock to continue to operate only in the Kinder Morgan Choice Gas Program, and not in any other choice program offered in the state, under the temporary authority sought in this application. In order that Post Rock be allowed to operate throughout the Choice Program year, temporary authority should be in effect throughout the year ending December 31, 2004. The Commission may consider Post Rock's application for statewide authority under the normal timelines and procedures for CNGP applications.

Based upon the information provided in the application and by affidavit, the Commission finds that Post Rock's application for temporary authority should be granted, and that Post Rock should be issued a temporary certificate of authority as a competitive natural gas provider consistent with the conditions set forth in this order.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the application for temporary authority is hereby granted.

IT IS FURTHER ORDERED that this order be, and it is hereby made, the Commission's official certificate of authority to furnish the service authorized herein as a competitive natural gas provider.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of January, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director