

LAW OFFICES
BLAKE & UHLIG, P.A.

475 NEW BROTHERHOOD BLDG.

753 STATE AVENUE

KANSAS CITY, KANSAS 66101

913/321-8884

913/321-2396 TELEFAX



JOHN J. BLAKE (Ret.)
RICHARD L. CALCARA*
JOSEPH W. MORELAND
THOMAS H. MARSHALL
JAMES R. "DICK" WAERS
MICHAEL T. MANLEY
MICHAEL J. STAPP**
G. GORDON ATCHESON**
CURTIS G. BARNHILL
ROBERT J. HENRY***
CHARLES R. SCHWARTZ*
MARTIN W. WALTER
ADRIENNE H. WYKER†

MISSOURI OFFICE
2500 HOLMES
KANSAS CITY, MO 64108
816/472-8883

NEBRASKA OFFICE
9615 IDA STREET
OMAHA, NE 68122
402/345-9449
402/345-8204 FAX

ROBERT L. UHLIG (1929-1981)
RICHARD B. THOMPSON (1952-1981)
ROBERT L. DAMERON (1951-2001)

† ADMITTED IN MISSOURI
* ADMITTED IN KANSAS
** ADMITTED IN KANSAS, MISSOURI AND NEBRASKA
*** ADMITTED IN MISSOURI, NEBRASKA, IOWA AND WASHINGTON, D.C.
ALL OTHERS ADMITTED IN KANSAS AND MISSOURI

February 7, 2003

UPS, Next Day Delivery

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
Jefferson City, Missouri 65102

Re: GM-2003-0238

Dear Mr. Robert:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of *Response of Intervenor PACE*.

Thank you for your attention to this matter.

Sincerely,

Curtis G. Barnhill

CGB:sab
Enclosures

cc: Counsel of Record

FILED⁴

FEB 10 2003

Missouri Public
Service Commission

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

FILED⁴

FEB 10 2003

In the Matter of Application of Southern)	
Union Company d/b/a Missouri Gas Energy)	
For Authority to acquire Directly or)	
Indirectly, Up to and including One Hundred)	Case No. GM-2003-0238
Percent (100%) of the Equity Interests of)	
Panhandle Eastern Pipeline Company,)	
Including Its Subsidiaries, and to Take All)	
Other Actions Reasonably Necessary to)	
Effectuate Said Transaction)	

Missouri Public
Service Commission

**RESPONSE OF INTERVENOR PACE TO OBJECTION
OF APPLICANT SOUTHERN UNION COMPANY TO
PACE'S APPLICATION TO INTERVENE**

Intervenor Local 5-348 of Paper, Allied-Industrial, Chemical and Energy International Union ("PACE"), by and through its attorneys, hereby responds to Applicant Southern Union Company's objection to PACE's Application to Intervene.

1. PACE is a voluntary labor organization doing business in representing employees of Panhandle Eastern in the State of Missouri. PACE is the exclusive collective bargaining agent of the bargaining unit employees of Panhandle Eastern Pipeline Company ("Panhandle Eastern") in the State of Missouri. PACE is the exclusive collective bargaining agent of the bargaining unit employees of Panhandle Eastern in Missouri.

2. The acquisition of Panhandle Eastern by Southern Union Company is the subject of this matter before the Public Service Commission.

3. As the exclusive bargaining agent of Panhandle Eastern, PACE is an interested person in this matter and properly should be allowed to intervene in the instant matter.

4. As a direct and proximate result of the proposed sale of Panhandle Eastern to applicant Southern Union Company, the bargaining unit employees represented by PACE will receive a reduction in pension benefits to which they are otherwise entitled. As such it is in the public's interest that the Public Service Commission consider the impact of said purchase upon Pipeline Eastern's employees.

5. The Public Service Commission has the authority to enter an order conditioning the authority of Southern Union Company purchasing the equity interest of Panhandle Eastern upon the Panhandle Eastern employees being granted all of their pension benefits otherwise promised.

6. The Public Service Commission had not granted PACE's Motion to Intervene when the scheduling conference was held on January 28, 2003. As such, PACE had no right to attend the scheduling conference. Additionally, no parties to this matter were prejudiced by PACE's absence from the scheduling conference. As a result, it would be manifestly unjust to deny PACE's request to intervene based upon PACE's non-attendance at the scheduling conference

WHEREFORE, Intervenor PACE requests that its Motion to Intervene be granted, Applicant Southern Union's objections to intervention by PACE be overruled, and the Public Service Commission schedule a hearing on the proposed order by Intervenor PACE before the Commission.

Respectfully submitted,



James R. Waers, MO. Bar #26220
Curtis G. Barnhill, MO. Bar #41469
BLAKE & UHLIG, P.A.
753 State Avenue
475 New Brotherhood Building
Kansas City, Kansas 66101
Telephone: (913) 321-8884
Facsimile: (913) 321-2396

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served upon all parties to this action by United States Mail, postage prepaid this 7th day of February, 2003, addressed to the following:

James C. Swearengen
Paul A. Boudreau
Sondra B. Morgan
Brydon, Swearengen & England, P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102

Robert Franson
Office of the General Counsel
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, Missouri 65102-0360

Jeffrey A. Keevil
Stewart & Keevil, LLC
Cherry Street Centre
1001 Cherry Street, Ste. 302
Columbia, Missouri 65201

Thomas Byrne
Associate General Counsel
Ameren Services Company
1901 Chouteau Avenue
P.O. Box 66149 (MC 1310)
St. Louis, Missouri 63166-6149

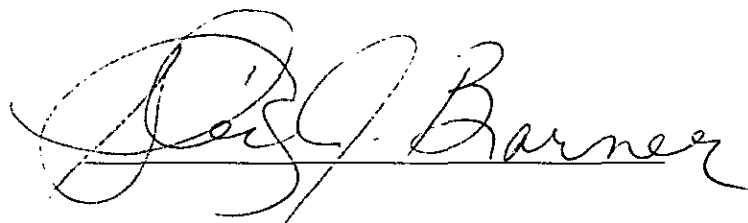
Stuart Conrad
Finnegan, Conrad & Peterson, LC
3100 Broadway, Ste. 1209
Kansas City, Missouri 64111

Duncan Kincheloe
Missouri Gas Commission of Missouri
2407 W. Ash
Columbia, Missouri 65203

Douglas Micheel
Deputy Public Counsel
Office of the Public Counsel
200 Madison Street, Ste. 650
P.O. Box 7800
Jefferson City, Missouri 65102

Ronald Molteni
Assistant Attorney General
Supreme Court Building
207 West High Street
P.O. Box 899
Jefferson City, Missouri 65102

Michael Pendergast
Vice President & Assoc. General Counsel
Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, Missouri 63101

A handwritten signature in cursive script, reading "David J. Barner". The signature is written in dark ink and is positioned above a horizontal line.