

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

Staff of the Missouri Public Service Commission,)	
)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0378
)	
Missouri Pipeline Company, Missouri Gas Company, Omega Pipeline Company, LLC, Mogas Energy LLC, United Pipeline Systems Inc., and Gateway Pipeline Company, LLC,)	
)	
Respondents.)	

STAFF RESPONSE TO RESPONDENTS' REQUEST FOR MEDIATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and in Response to Respondents' Request for Mediation and the Commission's April 14, 2006 Order Directing Response to Request for Mediation states:

1. Staff filed its complaint against Missouri Pipeline Company, LLC (MPC); Missouri Gas Company, LLC (MGC); United Pipeline Systems, LLC (UPSI); Gateway Pipeline, LLC (Gateway); MogasEnergy, LLC (Mogas) and Omega Pipeline, LLC (Omega) on March 31, 2006.
2. Respondents MPC, MGC, Gateway, UPSI, filed a request for mediation on April 14, 2006, also asking the Commission to suspend discovery during the pendency of mediation efforts. Staff notes that Respondent Omega has not joined the Motion for Mediation filed by the other Respondents.
3. Discovery problems and Respondents' refusal to timely provide even routine information has delayed the proceedings in this case. For example, Respondents' have not provided Staff with information that would permit Staff to verify gas volumes received into the

pipelines with volumes delivered to customers, nor have Respondents provided invoices sent to customers and other information to reconcile amounts billed for those volumes. Since Respondents have not provided Staff the information it needs through informal discovery, Staff has begun the process of formal discovery. Suspension of discovery efforts at this time will deprive Staff of access to information needed to develop and reach its final position on the issues raised in its complaint.

4. Until Respondents provide further information, and its investigation is completed, Staff cannot engage in meaningful mediation.

5. After Staff completes its investigation, mediation might be useful in resolving some, if not all issues. At this time, however, mediation will do nothing except delay the reduction in rates that Staff believes is just and reasonable. The case has already been delayed so that Respondents could retain counsel, the Commission should not permit further delay of the process.

6. Respondent's assert, that if the complaint is processed further, MPC and MGC cannot continue to "safely operate the pipelines and simultaneously engage in intense litigation" is without merit as no Respondent has voiced such a concern to Staff.

7. Further, Staff notes that Respondent Omega has not joined the Motion for Mediation, so discovery will continue with respect to Omega in any event.

WHEREFORE Staff recommends that the Commission hold Respondents' request in abeyance until the completion of discovery in the next thirty (30) days; require the parties to notify the Commission when discovery is sufficiently completed to make mediation a useful procedure; and to further consider Respondents' motion at that time.

Respectfully submitted,

/s/ Lera L. Shemwell

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 18th day of April, 2006.

/s/ Lera L. Shemwell