

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
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6 TRANSCRIPT OF PROCEEDINGS
7 Prehearing Conference
8 December 9, 2004
9 Jefferson City, Missouri
Volume 1

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12 In the Matter of the Verified)
Application and Petition of)
13 Laclede Gas Company to Change Its) Case No. GO-2005-0119
Infrastructure System Replacement)
14 Surcharge)

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LEWIS MILLS, Presiding,
16 DEPUTY CHIEF REGULATORY LAW JUDGE.

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1 P R O C E E D I N G S

2 JUDGE MILLS: We're on the record this
3 morning for a prehearing conference in Case
4 No. GO-2005-0119. We'll begin by taking entries of
5 appearance on my left with Staff and just moving across
6 the front.

7 MS. SHEMWELL: Good morning. Lera Shemwell
8 representing the Staff of the Missouri Public Service
9 Commission, Post Office Box 360, Jefferson City, Missouri
10 65102.

11 MR. PENDERGAST: Michael C. Pendergast
12 appearing on behalf of Laclede Gas Company. My business
13 address is 720 Olive Street, St. Louis, Missouri 63101.

14 MR. MICHEEL: Douglas E. Micheel appearing
15 on behalf of the Office of the Public Counsel and the
16 Public, and I've got my written stuff handed in.

17 JUDGE MILLS: Thank you. The Missouri
18 Industrial Energy Consumers have applied to intervene, and
19 they're not represented today at this prehearing. At the
20 time the prehearing was scheduled, ten days hadn't run for
21 responses to MIEC's application to intervene. It has now
22 run, and no one has opposed the application to intervene,
23 so it is hereby granted. I'll issue a notice later in the
24 day just so there's a paper trail that shows that it was
25 granted. But as of now they are intervenors.

1 In the last episode of the Laclede ISRS, we
2 left it with a disagreement between Staff and Laclede over
3 some tax consequences. Do we still have a difference of
4 opinion?

5 MS. SHEMWELL: I think that we still have
6 an issue out there. It is unique to Laclede. And we will
7 be discussing it today.

8 JUDGE MILLS: Because as of September 2nd
9 in GO-2004-0443, Staff filed a pleading saying that Staff
10 and Laclede had been talking about the issue and unable to
11 come to a resolution, and it was my understanding from
12 that pleading that that issue was likely to come up in
13 this case and require Commission resolution. Does that
14 appear to be the case now or do we know?

15 MR. PENDERGAST: Well, I'm, as you know,
16 your Honor, always the internal optimist. I intend to use
17 today as an opportunity to see if reasonable minds can
18 reach a consensus on this issue. Failing that, yes, we
19 will need to go ahead and bring it before the Commission.

20 But we really haven't had an opportunity to
21 discuss in great detail the proposal that we've made.
22 There has been a little back and forth, but I think it
23 might benefit from some additional discussion.

24 JUDGE MILLS: Okay. If -- well, it seems
25 likely that the parties won't be able to resolve

1 everything in this case before a week from today when the
2 procedural schedule is due, so I assume that you-all will
3 probably be filing a procedural schedule.

4 If the schedule you come up with requires a
5 hearing, we're going to have to have that done by roughly
6 the end of the third week of January because the tariffs
7 are only suspended until February 25th. So in order to
8 get a ten-day effective date on an Order, we'll have to
9 have it issued by the middle of February, which means we
10 will have to have a hearing concluded by somewhere about
11 the end of the third week in January.

12 MS. SHEMWELL: We have considered a number
13 of things, and we'll discuss them today, and that is
14 stipulating to the facts and perhaps just briefing the
15 issues since it's probably just a legal issue. Is it your
16 opinion that we could settle this case?

17 JUDGE MILLS: Sure. I'm an optimist, too.
18 It's my opinion that any case can be settled. So yeah,
19 certainly if the parties present the Commission with a
20 Stipulation & Agreement and you resolved the tax issue,
21 there's sort of a limited number of ISRS cases out there,
22 but most of them have been -- in fact, I think all of them
23 have been resolved by Stipulations and Agreements, all of
24 which have been accepted by the Commission. So I don't
25 see any reason why this would need be any different.

1 There is -- there was in GO-2004-0443, the last ISRS case,
2 there was some concern on the part of the Commission that
3 by stipulating to the results in that case and not
4 resolving the issue, that it was just sort of left
5 hanging. And if the same thing happens here, there may be
6 a similar concern.

7 But I certainly can't predict whether the
8 Commission will decline to approve a Stipulation &
9 Agreement on that basis. They didn't in the last case.
10 That's really all I can say about that.

11 MS. SHEMWELL: Thank you.

12 JUDGE MILLS: Anything further? Okay.

13 MR. MICHEEL: I look forward to working
14 with these fine individuals.

15 JUDGE MILLS: Well, good. With that, I
16 will leave all of you optimists to chat among yourselves
17 and we'll be off the record.

18 WHEREUPON, the recorded portion of the
19 prehearing conference was concluded.

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