

LAW OFFICES  
**BRYDON, SWEARENGEN & ENGLAND**  
PROFESSIONAL CORPORATION

DAVID V.G. BRYDON  
JAMES C. SWEARENGEN  
WILLIAM R. ENGLAND, III  
JOHNNY K. RICHARDSON  
GARY W. DUFFY  
PAUL A. BOUDREAU  
SONDRA B. MORGAN  
CHARLES E. SMARR

312 EAST CAPITOL AVENUE  
P.O. BOX 456  
JEFFERSON CITY, MISSOURI 65102-0456  
TELEPHONE (573) 635-7166  
FACSIMILE (573) 635-0427

DEAN L. COOPER  
MARK G. ANDERSON  
GREGORY C. MITCHELL  
BRIAN T. MCCARTNEY  
DIANA C. FARR  
JANET E. WHEELER

OF COUNSEL  
RICHARD T. CIOTTONI

February 7, 2003

Mr. Dale Hardy Roberts  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**FILED<sup>3</sup>**

FEB 07 2003

**Re: Southern Union Company**  
**Case No. GM-2003-0238**

Missouri Public  
Service Commission

Dear Mr. Roberts:

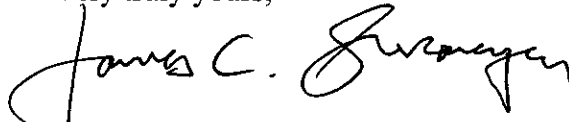
On behalf of Southern Union Company, I deliver herewith for filing with the Missouri Public Service Commission in the referenced matter an original and eight (8) copies of a Status Report.

Copies of this filing will be provided this date to all parties of record.

Would you please bring this filing to the attention of the appropriate Commission personnel.

Thank you very much for your assistance.

Very truly yours,

  
James C. Swearngen

JCS/lar

Enclosures

cc: All parties of record  
RLJ Woodruff

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>3</sup>  
FEB 07 2003

Missouri Public  
Service Commission

In the Matter of the Application of Southern )  
Union Company d/b/a Missouri Gas Energy )  
For Authority to Acquire Directly or )  
Indirectly, Up to and Including One Hundred )  
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 )

Case No. GM-2003-0238

**STATUS REPORT OF SOUTHERN UNION COMPANY**

Comes now Southern Union Company d/b/a Missouri Gas Energy ("Southern Union"), by counsel, and for its Status Report states as follows to the Missouri Public Service Commission ("Commission"):

1. The Application which is the subject of this case was filed with the Commission on January 13, 2003. Since that date, the Commission Staff, Office of Public Counsel and other parties have moved expeditiously in an effort to process the Application. The parties participated in a prehearing conference on January 28, 2003. In addition, Southern Union has endeavored to respond quickly to data requests from the parties.

2. To further expedite the discovery process, on February 5, 2003, Southern Union made available for informal transcribed interviews in Jefferson City, Missouri certain Southern Union representatives including Thomas F. Karam, President and Chief Operating Officer of Southern Union Company; David Kvapil, Chief Financial Officer of Southern Union Company; Dennis K. Morgan, Executive Vice President & General Counsel of Southern Union Company; Jon Graf, Corporate Controller of Southern Union

Company; James H. Oglesby, President & Chief Operating Officer of Missouri Gas Energy; and Robert J. Hack, Vice President, Pricing and Regulatory Affairs and Assistant Secretary of Missouri Gas Energy. Those interviews commenced at 9:00 a.m. and after an exchange of a great deal of information and views among the participating parties ended at approximately 4:30 p.m.

3. Subsequently, to address concerns raised by the parties, Southern Union has made what it believes to be a comprehensive settlement proposal to the parties in an effort to resolve all matters with respect to the Application and proposed transaction.

4. Southern Union looks forward to further discussions with the parties with respect to its settlement proposal and any other matters prior to and during the February 11, 2003, prehearing conference.

WHEREFORE, Southern Union respectfully submits its Status Report as aforesaid.

Respectfully submitted,

Dennis K. Morgan                      MO #24278  
General Counsel  
Southern Union Company  
One PEI Center  
Wilkes-Barre, Pennsylvania 18711-0601

Robert J. Hack                      MO #36496  
Vice President – Pricing and Regulatory  
Affairs and Assistant Secretary  
Missouri Gas Energy  
3420 Broadway  
Kansas City, Missouri 64111  
(816)360-5755  
Fax: (816)360-5536  
e-mail: rhack@mgemail.com



---

James C. Swearngen                      MO #21510  
Paul A. Boudreau                      MO #33155  
Sondra B. Morgan                      MO #35482  
BRYDON, SWEARENGEN & ENGLAND, P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65102  
Tel: (573) 635-7166  
Fax: (573) 636-6450  
paulb@brydonlaw.com

Attorneys for Southern Union Company

### CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail or by hand delivery, on this 7<sup>th</sup> day of February 2003, the following:

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

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

Mr. Jeffrey A. Keevil  
Stewart & Keevil, L.L.C.  
Cherry Street  
1001 Cherry Street, Suite 302  
Columbia, MO 65201

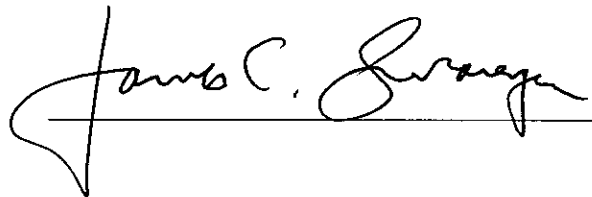
Mr. Ronald Molteni  
Assistant Attorney General  
Supreme Court Building  
207 West High Street  
P.O. Box 899  
Jefferson City, MO 65102

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

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

Mr. Stuart W. Conrad  
Finnegan, Conrad & Peterson, L.C.  
3100 Broadway, Suite 1209  
Kansas City, MO 64111

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

A handwritten signature in black ink, reading "James C. Suranaga", is written over a horizontal line.