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BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

In the Matter of an Investigation)
into Compliance with the Required) Case
Registration of Sellers of) No. GO-2004-0195
Electricity and Gas for Use or)
Consumption within Missouri.

PREHEARING CONFERENCE
Volume 1
Wednesday, February 4, 2004
Governor Office Building
200 Madison Street
Jefferson City, Missouri 65101

KENNARD JONES, Presiding,
REGULATORY LAW JUDGE

REPORTED BY:

Patricia A. Stewart
RMR, RPR, CCR, CSR
ASSOCIATED COURT REPORTERS
714 West High Street
Jefferson City, Missouri 65101

1 APPEARANCES:

2

3 DEAN L. COOPER, Attorney at Law
4 BRYDON, SWEARENGEN & ENGLAND
5 312 East Capitol
6 Jefferson City, Missouri 65101

7 FOR: Southern Union Company d/b/a Missouri Gas
8 Energy, Aquila, Inc. d/b/a Aquila
9 Networks-MPS and Aquila Networks-L&P.

10

11 JEFFREY A. KEEVIL, Attorney at Law
12 STEWART & KEEVIL
13 4603 John Garry Drive, Suite 11
14 Columbia, Missouri 65203

15 FOR: Missouri Pipeline Company LLC,
16 Missouri Gas Company, LLC,
17 Omega Pipeline Company, LLC f/k/a,
18 Omega Pipeline Company.

19

20 THOMAS M. BYRNE, Attorney at Law
21 AMERENUE
22 1901 Chouteau Avenue
23 St. Louis, Missouri 63101

24 FOR: Ameren Energy Marketing Company.

25

26 JENNIFER S. GRIFFIN, Attorney at Law
27 LATHROP & GAGE
28 314 East High Street
29 Jefferson City, Missouri 65101

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31 FOR: U.S. Oil, Inc.

32

33 WILLIAM D. STEINMEIER, Attorney at Law
34 MARY ANN YOUNG, Attorney at Law
35 LAW OFFICES OF WILLIAM D. STEINMEIER P.C.
36 P. O. Box 104595
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38 Jefferson City, Missouri 65110-4595

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40 FOR: Alliance Energy Services, LLC.

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1 APPEARANCES (CONT'D):

2 MICHAEL C. PENDERGAST, Attorney at Law
3 LACLEDE GAS COMPANY
4 720 Olive Street
5 St. Louis, Missouri 63101

6 FOR: Laclede Gas Company, Laclede Energy
7 Resources, Laclede Energy Services and
8 Laclede Venture.

9 LISA CHASE, Attorney at Law
10 ANDERECK, EVANS, MILNE, PEACE & JOHNSON, LLC
11 700 East Capitol
12 Jefferson City, Missouri 65101

13 FOR: Proliance Energy, LLC.

14 JAMES M. FISCHER, Attorney at Law
15 FISCHER & DORITY, P.C.
16 101 Madison Street, Suite 400
17 Jefferson City, Missouri 65101

18 FOR: TXU Energy Retail Company, LP, et al.

19 LISA LANGENECKERT, Attorney at Law
20 LAW OFFICES OF ROBERT JOHNSON
21 720 Olive Street, #2400
22 St. Louis, Missouri 63101

23 FOR: Missouri Energy Group.

24 PAUL H. GARDNER, Attorney at Law
25 GOLLER, GARDNER & FEATHER
131 East High Street
Jefferson City, Missouri 65101

FOR: Oneok Energy Marketing, et al,
Centerpoint Gas Energy Services, Inc.

1 APPEARANCES (CONT'D):

2 KARL ZOBRIST, Attorney at Law
3 BLACKWELL SANDERS PEPER MARTIN, LLP
4 2300 Main Street, Suite 1100
5 Kansas City, Missouri 64108

6 FOR: Duke Energy Control Area Services
7 LLC, et al.

8 JAMES P. ZAKOURI, Attorney at Law
9 SMITHYMAN & ZAKOURA
10 750 Commerce Plaza II
11 7400 West 110th Street
12 Overland Park, Kansas 66210-2362

13 FOR: Cornerstone Energy.

14 DIANA M. VUYLSTEKE, Attorney at Law
15 BRYAN CAVE, LLP
16 211 North Broadway, Suite 3600
17 St. Louis, Missouri 63102

18 FOR: Missouri Industrial Energy Consumers.

19 ROBERT FRANSON, Senior Counsel
20 PUBLIC SERVICE COMMISSION
21 P. O. Box 360
22 Jefferson City, Missouri 65102

23 FOR: Staff of the Missouri Public Service
24 Commission.

25 DOUGLAS E. MICHEEL, Deputy Public Counsel
OFFICE OF PUBLIC COUNSEL
P. O. Box 2230
Jefferson City, Missouri 65102

FOR: Office of the Public Counsel and the
Public.

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P R O C E E D I N G S

JUDGE JONES: This is Case No. GO-2004-0195, in the matter of an investigation into compliance with the required registration of sellers of electricity and gas for use or consumption within Missouri.

This is a prehearing conference. My name is Kennard Jones, and I am the administrative law judge assigned to this matter.

And at this time I will take entries of appearance, beginning with the Staff of the Commission. Staff.

MR. FRANSON: Robert Franson, F-r-a-n-s-o-n, Senior Counsel, representing the Staff of the Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102.

JUDGE JONES: Thank you. And Office of Public Counsel.

MR. MICHEEL: Douglas E. Micheel appearing on behalf of the Office of Public Counsel and the public, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

JUDGE JONES: I've had a number of entries of appearance already filed, but for the record, if we could start on the left side of the room and work our way across. That may be the best way to do that.

Yes.

1 MR. KEEVIL: Judge, Jeffrey A. Keevil of the
2 law firm of Stewart & Keevil, LLC, 4603 Garry Drive,
3 Suite 11, Columbia, Missouri 65203, appearing on behalf
4 of Missouri Gas Company LLC, Missouri Pipeline Company
5 LLC, and Omega Pipeline Company LLC, formerly known as
6 Omega Pipeline Company.

7 JUDGE JONES: Thank you, Mr. Keevil.

8 And are you an attorney?

9 MR. BYRNE: Yes, sir.

10 Tom Byrne appearing on behalf of Ameren Energy
11 Marketing Company. My address is 1901 Chouteau Avenue,
12 St. Louis, Missouri 63103.

13 JUDGE JONES: And next to Mr. Byrne.

14 MS. GRIFFIN: Jennifer Griffin, Lathrop & Gage,
15 314 East High Street, Jefferson City, Missouri 65101.
16 And I'm appearing on behalf of U.S. Oil, Inc.

17 MR. STEINMEIER: William Steinmeier and
18 Mary Ann Young, William D. Steinmeier, P.C., P.O.
19 Box 104595, Jefferson City, Missouri, on behalf of
20 Alliance Energy Services LLC.

21 JUDGE JONES: Thank you, Mr. Steinmeier.

22 Right here.

23 MR. PENDERGAST: Thank you, Your Honor.

24 Michael C. Pendergast appearing on behalf of
25 Laclede Gas Company, Laclede Energy Resources, Laclede

1 Venture and Laclede Energy Services.

2 I should note that although I'm saying I'm
3 appearing on behalf of Laclede Energy Services, just to
4 clarify, that company is no longer in existence pursuant
5 to a stipulation agreement reached with the Staff last
6 year. That company was dissolved.

7 And I intend to talk to Mr. Franson today to
8 ensure that we can go ahead and get the record to reflect
9 that as far as its participation in this proceeding.

10 My business address is 720 Olive Street,
11 St. Louis, Missouri 63101.

12 Thank you.

13 MR. JONES: Thank you, Mr. Pendergast.

14 MS. CHASE: Lisa Chase of Andereck, Evans,
15 Milne, Peace & Johnson LLC, 700 East Capitol,
16 Jefferson City, Missouri 65102, appearing on behalf of
17 Proliance Energy LLC.

18 Other counsel of record on behalf of Proliance
19 LLC will be Victor Scott of the law firm of Andereck,
20 Evans, Milne, Peace & Johnson, and in-house counsel
21 Briane House. His entry of appearance will be filed
22 within the next day or two.

23 JUDGE JONES: Thank you, Ms. Chase.

24 MR. FISCHER: James L. Fischer, Fischer &
25 Dority, P.C., 101 Madison Street, Suite 400,

1 Jefferson City, Missouri, appearing today on behalf of a
2 number of companies that I've identified on a list with
3 our written entry, including the TXU entities that have a
4 motion to dismiss pending in front of the Commission.

5 And regarding TXU, I'd like to introduce an
6 out-of-state attorney who is working with me, Cecily
7 Gooch, of the law firm of Hunton & Williams out of
8 Dallas, Texas.

9 JUDGE JONES: Thank you.

10 MS. LANGENECKERT: Lisa C. Langeneckert of the
11 law office of Robert Johnson, 720 Olive, 24th Floor,
12 St. Louis, Missouri 63101, appearing on behalf of the
13 Missouri Energy Group, which comprises three not-for-
14 profit hospitals, a few cement companies and a small
15 commercial company, all of whom are hoping to be for
16 profit.

17 JUDGE JONES: Okay.

18 Any other attorneys?

19 MR. GARDNER: Paul H. Gardner of the law firm
20 of Goller, Gardner & Feather, 131 East High Street,
21 Jefferson City, Missouri 65101, appearing on behalf of
22 Oneok Energy Marketing and Trading Company LP, Oneok
23 Energy Marketing Company, Oneok Power Marketing Company,
24 Oneok Energy Marketing and Trading Company Two, and Oneok
25 Gas Marketing Company.

1 I'm also appearing as counsel for Centerpoint
2 Energy Gas Services, Inc., which basically is the
3 successor to the various MRT Energy Marketing entities
4 that are identified in the order initiating this docket.

5 JUDGE JONES: Thank you, Mr. Gardner.

6 Now, beginning on the right and going on the
7 back row, are there attorneys present?

8 MR. ZOBRIST: Karl Zobrist, Blackwell Sanders
9 Peper Martin, Suite 1100, 2300 Main Street, Kansas City,
10 Missouri. I'm appearing on behalf of, so far, I think
11 about nine Duke Energy related entities, and I filed my
12 entry of appearance through an E-filing yesterday.

13 JUDGE JONES: Thank you, Mr. Zobrist.

14 MR. ZAKOURA: James P. Zakoura of
15 Overland Park, Kansas.

16 Judge, we filed our entry of appearance on
17 Monday.

18 We also have associated with us David Longston
19 of Kansas City, Missouri -- excuse me, Your Honor -- on
20 behalf of Cornerstone Energy.

21 JUDGE JONES: Okay. Further over.

22 MR. COOPER: Dean L. Cooper of the law firm of
23 Brydon, Swearngen & England, P.C., P.O. Box 456,
24 Jefferson City, Missouri 65102, appearing on behalf of
25 Southern Union Company, doing business as Missouri Gas

1 Energy, and on behalf of Aquila, Inc., doing business as
2 Aquila Networks-MPS and Aquila Networks-L&P.

3 JUDGE JONES: Thank you, Mr. Cooper.

4 Any more attorneys who have not entered their
5 appearance here on the record today?

6 MS. VUYLSTEKE: Diana Vuylsteke of the law firm
7 Bryan Cave, LLP, on behalf of the Missouri Industrial
8 Energy Consumers.

9 And our address is 211 North Broadway,
10 Suite 3600, St. Louis, Missouri 63102.

11 JUDGE JONES: Thank you.

12 This prehearing conference is held in order to
13 give you all an opportunity to settle the matter and
14 maybe clear out some gray areas, if need be, prior to
15 going to hearing.

16 But there are several matters pending that we
17 need to discuss before I leave you all to yourselves.

18 An application to intervene, Centerpoint Energy
19 Gas Services, has been filed, Mr. Franson.

20 Does Staff have objection to that application?

21 MR. FRANSON: No. Staff has no objection to
22 that application.

23 JUDGE JONES: Do any parties here have an
24 objection to that application to intervene?

25 Seeing none, then, the Commission will grant

1 that application.

2 Also, we have two motions to dismiss, one filed
3 by Tyson Sales & Distribution, Incorporated and Tyson
4 Shared Services.

5 Are there any objections to that motion to
6 dismiss?

7 MR. FRANSON: Judge, Staff hasn't had an
8 opportunity to review that.

9 I believe that has some affidavits, and they
10 may have been filed yesterday, and I believe that would
11 also be true of the TXU companies.

12 JUDGE JONES: Okay.

13 MR. FRANSON: I don't believe the ten days has
14 expired on either one, and I don't know what our view on
15 those will be, but at this point I would have to object
16 because I haven't had the opportunity to review those.

17 JUDGE JONES: I'll wait for you all to file a
18 response to those motions.

19 Are there any other matters that need to be
20 taken up prior to us going off the record?

21 MR. FRANSON: If I may, Your Honor, this case
22 is different than almost any other case.

23 There may not really be any controversies among
24 the parties, and the reason is, this is an investigation,
25 not a litigated case.

1 While there will certainly be some matters that
2 the Staff has been ordered to file a report on, that will
3 be an effort that all of the parties will contribute to.

4 So actually, Judge, I'm not sure settlement
5 would be the right term for what we'll be discussing
6 today.

7 There are certainly some matters that do need
8 to be discussed among the parties. However, Judge,
9 because it's not really per se settlement, I would
10 encourage you to stay for that.

11 While it may not be on the record, it would
12 certainly be beneficial for you to hear some of the
13 discussion that might flush out the issues that will be
14 reported on.

15 And the primary reason I suggest that is, I'm
16 not sure that this will lead to a hearing, because the
17 order opening the case concludes with an order to the
18 Staff to file a report ultimately.

19 So there may or may not be a hearing out of
20 this.

21 JUDGE JONES: Okay.

22 Would my staying facilitate discussion?
23 Mr. Franson?

24 MR. FRANSON: On a couple of matters it may
25 very well, Judge, including the number of parties and

1 how -- I think one of the discussions will be -- and I
2 don't know what anybody else thinks. This is just
3 Staff's viewpoint, that maybe having you here for part of
4 the discussion, especially the fact that there is so many
5 parties and ideas on possibly reducing that number, that
6 may be beneficial from Staff's viewpoint, Your Honor.

7 MR. JONES: Okay. I'll certainly stay then.

8 Are there any other matters that need to be
9 discussed prior to going off the record?

10 Seeing none, then, we will close the record.

11 Thank you.

12 WHEREUPON, the on-the-record-portion of the
13 Prehearing Conference was concluded.

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