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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

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IN THE MATTER OF THE APPLICATION OF MISSOURI GAS ENERGY,
A DIVISION OF SOUTHERN UNION COMPANY,
FOR AN ACCOUNTING AUTHORITY ORDER CONCERNING
ENVIRONMENTAL COMPLIANCE ACTIVITIES

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10 Case No. GU-2007-0480

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PREHEARING CONFERENCE

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VOLUME 1

16

OCTOBER 24, 2007

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STATE OF MISSOURI

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PUBLIC SERVICE COMMISSION

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TRANSCRIPT OF PROCEEDINGS

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Prehearing Conference

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October 24, 2007

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Jefferson City, Missouri

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Volume 1

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In the Matter of the)

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Application of Missouri Gas)

Energy, a division of Southern)

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Union Company, for an Accounting) Case No. GU-2007-0480

Authority Order Concerning)

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Environmental Compliance)

Activities)

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KENNARD L. JONES, Presiding,

SENIOR REGULATORY LAW JUDGE

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

2 JUDGE JONES: This is a prehearing
3 conference for Case No. GU-2007-0480 in the matter of the
4 application of Missouri Gas Energy, a division of Southern
5 Union Company, for an accounting authority order
6 concerning environmental compliance activities.

7 My name is Kennard Jones. I'm the judge
8 assigned to this matter.

9 At this time we'll take entries of
10 appearance, beginning with MGE.

11 MR. COOPER: Dean L. Cooper from the law
12 firm of Brydon, Swearngen and England, P.C., P. O. Box
13 456, Jefferson City, Missouri 65102, appearing on behalf
14 of Missouri Gas Energy, a division of Southern Union
15 Company.

16 JUDGE JONES: And from the Office of Public
17 Counsel.

18 MR. POSTON: Marc Poston, P. O. Box 2230,
19 Jefferson City, Missouri 65102, appearing for the Office
20 of the Public Counsel and the public.

21 JUDGE JONES: And for the Staff of the
22 Commission.

23 MR. BERLIN: Robert S. Berlin, Post Office
24 Box 360, Jefferson City, Missouri 65102, appearing on
25 behalf of the Staff of the Missouri Public Service

1 Commission.

2 JUDGE JONES: Okay. Obviously you guys
3 haven't been able -- have you-all talked at all outside
4 of --

5 MR. COOPER: No, Your Honor.

6 JUDGE JONES: You haven't talked. Okay.
7 This is your opportunity --

8 MR. BERLIN: Other than I think with regard
9 to your filing a response 30 days later. That's the only
10 discussion I've had.

11 JUDGE JONES: Oh, okay.

12 I want to be clear. This accounting
13 authority order has to do with those environmental
14 compliance activities that were discussed in the last rate
15 case. Is that right?

16 MR. COOPER: Certainly the subject of the
17 accounting authority order was discussed in the last rate
18 case, yes.

19 JUDGE JONES: So it has to do with those
20 sites --

21 MR. COOPER: Those manufactured gas plant
22 sites, yes.

23 JUDGE JONES: So there are no factual
24 disputes then. It's just the legal dispute. Is that
25 right?

1 MR. COOPER: That's a possibility,
2 Your Honor, and I think that's something that we'll try to
3 discuss today a little bit.

4 I think it's at least possible that there
5 might be an agreement as to facts, to where we could then
6 just argue what those facts mean and how they should be
7 applied.

8 Now, I say that with the experience that
9 from time to time what looks easy in that regard becomes
10 harder in practice. But that's certainly something that I
11 would agree we should discuss.

12 JUDGE JONES: Mr. Berlin, do you agree with
13 that?

14 MR. BERLIN: I think that's a reasonable
15 assumption.

16 JUDGE JONES: Mr. Poston, do you agree with
17 that?

18 MR. POSTON: I'm not sure whether -- to be
19 honest, I don't know enough about these sites to know
20 whether we could be in agreement on the facts, but like
21 Dean said, when we get into it, we'll figure if we can
22 resolve that.

23 JUDGE JONES: Well, I know it's not really
24 customary to ask even more probing questions during this
25 prehearing conference, but I'm getting to the point where

1 I like to make some substance of them rather than just
2 coming here, open the record and let you guys talk.

3 If the Commission were to grant this
4 application, would that granting be inconsistent with
5 their findings and conclusion in the last rate case?

6 MR. COOPER: I would need to go back and
7 look at that language again, Your Honor.

8 My initial reaction is that it would not,
9 that the question in the last rate case had to do with
10 present recovery as opposed to deferral, which is what
11 we're looking at here is the possibility of deferral.

12 JUDGE JONES: Mr. Berlin, what's your take
13 on that question?

14 MR. BERLIN: Judge, I can't address the last
15 rate case, so I can't answer your question with regard to
16 any effect. I think --

17 JUDGE JONES: A no is fine.

18 MR. BERLIN: My view of this is today at
19 this prehearing conference is we need to discuss how we
20 proceed from here and if there is some additional time
21 needed for further discovery and where we go and how to
22 proceed.

23 JUDGE JONES: Okay. Well, that's all I
24 wanted to ask.

25 Does anybody else want to talk about

1 anything on the record?

2 MR. COOPER: No, Your Honor.

3 MR. BERLIN: No, Judge.

4 MR. POSTON: No.

5 JUDGE JONES: With that we'll go off the
6 record.

7 WHEREUPON, the on-the-record portion of the
8 Prehearing Conference was adjourned.

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I, Patricia A. Stewart, RMR, RPR, CCR, a

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Certified Court Reporter in the State of Missouri, do

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