

Staff of the Missouri Public Service
Commission,

Complainant,

v.

Missouri Pipeline Company, LLC,
Missouri Gas Company, LLC, et.al.

Respondents.

RESPONDENTS' POSITION STATEMENTS AND ORDER OF CROSS-EXAMINATION

Issues:

Respondents Position:

NP

possibly have improperly used confidential customer information. Staff has failed to provide any competent and substantial evidence to support the allegation raised by this issue.

2. Did MGC and MPC violate their tariffs by transporting natural gas to Omega customers ** _____ ** without an executed transportation agreement?

Respondents Position:

Respondents did not violate their tariffs by transporting natural gas to Omega customers ** _____ ** without an executed transportation agreement. Respondents did not transport gas on behalf of any shipper without a transportation contract. ** _____ ** were not shippers on Respondents systems. The gas supply contracts between two non-regulated entities are beyond the jurisdiction of this Commission. Similarly there is no lawful authority to arbitrarily determine who are Respondents' shippers in contradiction to Respondents' written agreements. Staff has failed to provide any competent and substantial evidence to support the allegation raised by this issue.

3. Did MPC and MGC provide transportation service to its affiliate, Omega, at a discounted rate and if so, should this rate become the maximum rate that MPC and MGC could charge for any of its non-affiliated customers for similar services?

Respondents Position:

Respondents charged Omega rates higher than any shippers so rates to other customers' cannot be modified retroactively. Staff should not be permitted to: (i) disregard the contracts between Respondents and their shippers; i) attack Respondents for shared personnel with Omega after such had been fully disclosed;. (iii) disregard agency contracts between non-regulated parties (iv) misinterpret tariff provisions;(v) compare Respondents' rates without

applying the tariff required load factor;; or (vi) request refunds not lawfully mandated. Staff has failed to provide any competent and substantial evidence to support the allegations raised by this issue.

. a) If the above issues are answered in the affirmative, should MPC and MGC issue refunds for overcharges.

Respondents Position;

See foregoing statement.

b) If the above issues are answered in the affirmative, should MPC's and MGC's current charges be reduced so that the rates charged to non-affiliated shippers for transportation is the same as the rates charged to Omega.

Respondents Position;

See foregoing statement.

4. Did MPC and MGC violate their tariffs by failing to report their offer of discounted transportation service to its affiliate, Omega, in its second quarter and third quarter 2003 reports to the Commission's Energy Staff?

Respondents Position;

Respondents did not charge Omega rates lower than non affiliates, but rather charged Omega rates higher than any other shipper on the Respondents' pipelines. Any required reports of any discount to Omega were properly reported to the Commission's Energy Staff and thus no tariff violation occurred. Staff has failed to provide any competent and substantial evidence to support the allegations raised by this issue.

5. Did MGC construct a lateral line for ** _____ ** to benefit its affiliate, Omega, without demanding reimbursement from either Omega or ** _____ ** in violation of its tariff?

Respondents Position;

Respondents did not improperly build or pay for a new delivery meter station on Missouri Gas Company's system. The subject construction project was for the benefit of MGC not Omega. There has been no tariff violation. The prudence of Respondents' business judgment to additional business by paying for (entirely by its stakeholders at their sole financial risk) additional pipeline facilities cannot be attacked in the context of this complaint case. Staff has failed to provide any competent and substantial evidence to support the allegations raised by this issue.

6. Did MPC and MGC violate their respective tariffs by providing preferential terms of payment to their affiliate, Omega?

Respondents' Position:

Omega paid its invoices from the Respondents faster than any other shipper. Staff has failed to provide any competent and substantial evidence to support the allegations raised by this issue. Staff Witness Schallenberg in his Surrebuttal testimony, filed on November 17, 2006 represented that Staff has dropped this count from its complaint.

.ORDER OF CROSS-EXAMINATION

Witness Schallenberg

Ameren UE, Federal Executive Agencies, Public
Counsel, MGCM, MGC & MPC

Witness Imhoff	Same
Witness Massman	Same
Witness John	Ameren UE, Federal Executive Agencies, Public Counsel, MGCM, Staff
Witness Smith	Same
Witness Reis	Same

Respectfully submitted,

LATHROP & GAGE, L.C.

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Attorneys for Respondents

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Respondents' Position Statements and Order of Cross-Examination has been transmitted by e-mail or mailed, First Class, postage prepaid, this 1st day of December, 2006, to:

*** Case No. GC-2006-0491**

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/s/ Paul S. DeFord

Attorney for Respondents