

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the matter of the Application of DTE Enterprises,)	
Inc. and DTE Ozark, Inc. for authority to purchase)	
an additional 5% partnership interest in)	Case No.
Southern Missouri Gas Company, L.P. from)	
Tartan Management Company of Missouri, L.C.)	

APPLICATION

COMES NOW DTE Enterprises, Inc., successor by merger to MCN Energy Group, Inc, ("DTE") and DTE Ozark, Inc. ("DTE Ozark")(collectively referred to as "Joint Applicants") by and through their counsel, and for their Application pursuant to Section 393.190, RSMo 2000,¹ and 4 CSR 240-2.060(12), hereby request that the Commission issue an Order Declining Jurisdiction over the proposed transaction, or in the alternative, issue an Order authorizing DTE and DTE Ozark to purchase from Tartan Management Company of Missouri, L.C. ("Tartan") its 5% interest of the outstanding partnership interests in Southern Missouri Gas Company, L.P. ("SMGC"), as more fully explained herein. In support thereof, Joint Applicants respectfully state as follows:

1. Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), owns and operates a natural gas transmission and distribution system located in southern Missouri which serves approximately 7,500 residential, commercial and industrial customers. SMGC is a gas corporation and public utility under the jurisdiction of the Missouri Public Service Commission, pursuant to Chapters 386 and 393, RSMo. 2000.

¹All statutory references are to Revised Statutes of Missouri 2000, unless otherwise indicated.

2. Tartan is a Missouri Limited Liability Company which has been involved in the operation and management of SMGC and its predecessor since 1994. Tartan's principle offices are located at 8801 South Yale—Suite 385, Tulsa, Oklahoma 74137. Tartan holds 4 Class A Units of SMGC (the "Tartan Limited Partnership Interest") and 1 Class B Unit of SMGC (the "Tartan General Partnership Interest")(the Tartan Limited Partnership Interest and the Tartan General Partnership Interest are collectively referred to herein as the "Tartan Partnership Interests"), together representing 5% of the outstanding partnership interests in SMGC.

3. DTE is a corporation duly organized and in good standing under the laws of the State of Michigan, and is a holding company owning a controlling interest in the stock of Michigan Consolidated Gas Company, Citizens Gas Fuel Company, and other corporations. DTE Ozark is also a corporation duly organized and in good standing under the laws of Michigan, and was formed for purposes of facilitating this transaction and is an affiliate of DTE. Both DTE and DTE Ozark have their principle offices located at 2000 Second Avenue, Detroit, Michigan 48226. The certificates of DTE to transact business in Missouri is attached as Appendix 1.

4. DTE holds 94 Class A Units and 1 Class B Unit of SMGC, together representing 95% of the outstanding partnership interests in SMGC. DTE desires to purchase and Tartan desires to sell the Tartan General Partnership Interest, and DTE Ozark desires to purchase and Tartan desires to sell the Tartan Limited Partnership Interest. Following the closing of the transaction, DTE will own 94 Class A Units of SMGC and 2 Class B Units of SMGC, while DTE Ozark will own the remaining 4 Class A Units of SMGC.

5. All correspondence, pleadings, orders, and documents in this proceeding should be addressed to:

James M. Fischer
Fischer & Dority, P.C.
101 Madison Street
Suite 400
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Email: jfischerpc@aol.com

Scott Klemm
Citizens Gas Fuel
127 N. Main
P.O. Box 40
Adrian, Michigan 49221
Telephone: (517) 264-4484
Email: sklemm@citizensgasfuel.com

6. Pursuant to an Agreement For Purchase Of Partnership Interests, dated January 31, 2003 (the "Agreement")(attached as Appendix 2 and filed under seal since it contains proprietary information) DTE and DTE Ozark and Tartan have agreed upon the terms and conditions under which DTE and DTE Ozark will acquire the Tartan Partnership Interests. Following the transaction, DTE and DTE Ozark will collectively own 100% of the partnership interests of SMGC. However, the manner of providing natural gas services to customers in SMGC's service area in Missouri and SMGC's rates will remain unchanged.

7. A certified copy of the resolution of the DTE's and DTE Ozark's Board of Directors authorizing the consummation of the transactions contemplated by this Application is attached hereto as Appendix 3 and incorporated herein by reference.

8. The proposed purchase of the Tartan Partnership Interests is not detrimental to the public interest because the sale will not result in any reduced level of service or reliability or a

change in the rates for those customers being served by SMGC. In fact, the proposed transaction will have no impact on Missouri customers of SMGC.

9. The proposed transaction will not impact any of the tax revenues of the Missouri political subdivisions in which any structures, facilities, or equipment of SMGC are located.

10. The Joint Applicants have no pending action or final unsatisfied judgments or decisions against them from any state or federal agency or court which involve customer service or rates which has occurred within three (3) years of the date of the Application

11. No annual report or assessment fees are overdue in Missouri.

12. The Joint Applicants do not believe that Section 393.190(2), RSMo 2000², requires that they obtain the approval of the Commission before DTE and DTE Ozark acquire the remaining five per cent (5%) interest of the Tartan Partnership Interests since the Joint Applicants are not acquiring more than ten per cent (10%) of the partnership interests of SMGC. However, since the Joint Applicants will be acquiring the remaining five per cent (5%) of the outstanding partnership interests in SMGC and will own 100% of the partnership interests in SMGC, the Joint Applicants filed this Application to determine if the Commission has jurisdiction to review the proposed transaction. If the Commission finds that it does not have

² Section 393.190(2) states:

No such corporation shall directly or indirectly acquire the stock or bonds of any other corporation incorporated for, or engaged in, the same or a similar business, or proposing to operate or operating under a franchise from the same or any other municipality; neither shall any street railroad corporation acquire the stock or bonds of any electrical corporation, unless, in either case, authorized so to do by the commission. Save where stock shall be transferred or held for the purpose of collateral security, no stock corporation of any description, domestic or foreign, other than a gas corporation, electrical corporation, water corporation, sewer corporation or street railroad corporation, shall, without the consent of the commission, purchase or acquire, take or hold, more than ten percent of the total capital stock issued by any gas corporation, electrical corporation, water corporation or sewer corporation organized or existing under or by virtue of the laws of this state, except that a corporation now lawfully holding a majority of the capital stock of any gas corporation, electrical corporation, water corporation or sewer corporation may, with the consent of the commission, acquire and hold the remainder of the capital stock of such gas corporation, electrical corporation, water corporation or sewer corporation, or any portion thereof. (*Emphasis added*)

jurisdiction over the proposed transaction, the Joint Applicants request that it issue an Order Declining Jurisdiction. If the Commission finds that it has jurisdiction to approve the proposed transaction, the Joint Applicants request that it approve the purchase of the Tartan Partnership Interests as soon as possible, as requested.

13. The Joint Applicants also respectfully request a review of the Application by the Commission Staff to enable the Joint Applicants to receive an Order Declining Jurisdiction, or in the alternative, an Order authorizing the purchase of the Tartan Partnership Interests, effective by April 15, 2003, if possible.

WHEREFORE, Joint Applicants respectfully request that the Commission issue its Order Declining Jurisdiction over the proposed transaction since the Joint Applicants are not proposing to acquire more than ten per cent (10%) of the SMGC partnership interests as a result of the proposed transaction; or in the alternative, Joint Applicants request that the Commission issue an Order approving the transactions described herein, including:

- (a) Authorizing the purchase of the Tartan Partnership Interests by DTE and DTE Ozark, as more fully described in the Agreement;
- (b) Authorizing DTE and DTE Ozark to enter into, execute and perform in accordance with the terms of the Agreement; and
- (c) Granting such other relief as may be deemed necessary to accomplish the purpose of this Application and to consummate the purchase of the Tartan Partnership Interests.

Respectfully submitted,


James M. Fischer Mo. Bar No. 27543
Fischer & Dority, P.C.
101 Madison Street, Suite 400
Jefferson City, Missouri 65101
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Fax: (573) 636-0383
Email: jfischerpc@aol.com

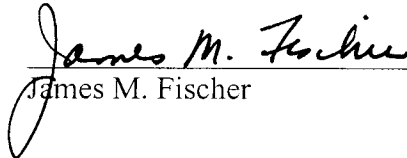
ATTORNEYS FOR
JOINT APPLICANTS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, by U.S. Mail, First Class, this 10th day of March, 2003, to:

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

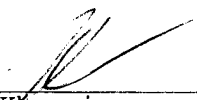
Dan Joyce
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102


James M. Fischer

VERIFICATION

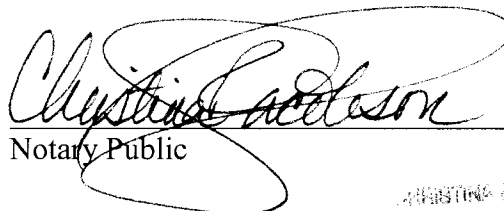
STATE OF MICHIGAN)
)
COUNTY OF) ss.

I, Naif A. Khouri, being first duly sworn, on my oath and in my capacity as Vice President and Treasurer of DTE Enterprises, Inc., states that I am authorized to execute this Application on behalf of DTE Enterprises, Inc. and have knowledge of the matters stated herein, and that said matters are true and correct to the best of my knowledge and belief.



Naif A. Khouri
Vice President and Treasurer

Subscribed and sworn to before me this 7th day of March, 2003.



Christina R. Jackson
Notary Public

My Commission Expires: 3/10/05

CHRISTINA R. JACKSON
NOTARY PUBLIC MICHIGAN CO. 04
MY COMMISSION EXPIRES MAY 10, 2005

No. F00518686

STATE OF MISSOURI



Matt Blunt
Secretary of State

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,
DTE ENTERPRISES, INC.

using in Missouri the name
DTE ENTERPRISES, INC.

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of MICHIGAN.

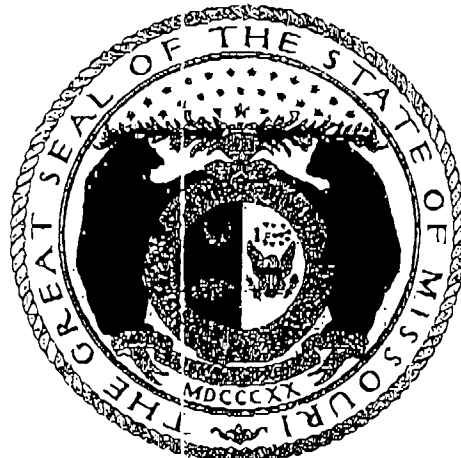
NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 28th day of FEBRUARY, 2003.

A handwritten signature of Matt Blunt in cursive script, written over a horizontal line.

\$155.00

Secretary of State



PROPRIETARY

APPENDIX 2

**APPENDIX 2 CONTAINS PROPRIETARY INFORMATION
AND IS BEING FILED UNDER SEAL**

DTE ENTERPRISES, INC.

UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS
IN LIEU OF SPECIAL MEETING

December 13, 2002

Pursuant to the Michigan Business Corporation Act, the undersigned, constituting all of the Directors of DTE Enterprises, Inc., a Michigan corporation (the "Company"), hereby consent in writing to the adoption of the following preambles and resolutions:

WHEREAS, the Company owns one Class B Unit of the outstanding general partnership interests of Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"); and further

WHEREAS, Tartan Management Company of Missouri, L.C., a Missouri limited liability company ("Tartan") owns one Class B Unit of the outstanding general partnership interests of SMGC (the "Tartan G.P. Interest"); and further


WHEREAS, Tartan wishes to sell, and the Company wishes to buy, the Tartan G.P. Interest, and the officers of the Company have advised the Board that it is in the best interest of the Company to purchase the Tartan G.P. Interest on such terms and conditions set forth in the Agreement for Purchase of Partnership Interests by and between the Company, Tartan and DTE Ozark, Inc. (the "Agreement"), a copy of which has been provided to the Board; and

NOW, THEREFORE, BE IT

RESOLVED, that the officers of the Company, or any of them, be, and they hereby are, authorized to execute and deliver any and all documents and instruments as such officers deem, with advice of counsel, necessary or desirable to purchase the Tartan G.P. Interest upon and pursuant to the terms and conditions substantially as set forth in the draft Agreement presented to the Board with such modifications, as the officers of the Company, or any of them, determine to be in the best interest of the Company, the signature of such officers or officer on the final Agreement to be conclusive evidence of such determination; and further

RESOLVED, that the officers of this Company, or any of them, be, and they hereby are, authorized to do all acts and deeds and execute and deliver all such documents as such officers shall deem, with advice of counsel, necessary or advisable to carry into effect the purpose and intent of this resolution.

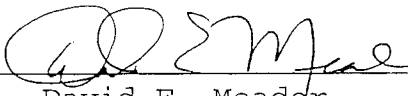
Executed this 13th day of December, 2002.



Susan M. Beale



Anthony P. Earley, Jr.



David E. Meador

DTE OZARK, INC.

**UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS
IN LIEU OF SPECIAL MEETING**

December 13, 2002

Pursuant to the Michigan Business Corporation Act, the undersigned, constituting all of the Directors of DTE Ozark, Inc., a Michigan corporation (the "Company"), hereby consent in writing to the adoption of the following preambles and resolutions:

WHEREAS, Tartan Management Company of Missouri, L.C., a Missouri limited liability company ("Tartan") owns four Class A Units of the outstanding limited partnership interests of Southern Missouri Gas Company, L.P., a Missouri limited partnership (the "Tartan L.P. Interest"); and further

WHEREAS, Tartan wishes to sell, and the Company wishes to buy, the Tartan L.P. Interest, and the officers of the Company have advised the Board that it is in the best interest of the Company to purchase the Tartan L.P. Interest on such terms and conditions set forth in the Agreement for Purchase of Partnership Interests by and between the Company, Tartan and DTE Enterprises, Inc. (the "Agreement"), a copy of which has been provided to the Board;

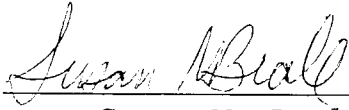
NOW, THEREFORE, BE IT

RESOLVED, that the officers of the Company, or any of them, be, and they hereby are, authorized to execute and deliver any and all documents and instruments as such officers shall deem, with advice of counsel, necessary or desirable to purchase the Tartan L.P. Interest upon and pursuant to the terms and conditions substantially as set forth in the draft Agreement presented to the Board with such modifications, as the officers of the Company, or any of them, determine to be in the best interest of the Company, the signature of such officers or officer on the final Agreement to be conclusive evidence of such determination; and further

RESOLVED, that the officers of this Company, or any of them, be, and they hereby are, authorized to do all acts and deeds and execute and deliver all such documents as such officers shall deem, with advice of counsel, necessary

or advisable to carry into effect the purpose and intent of
this resolution.

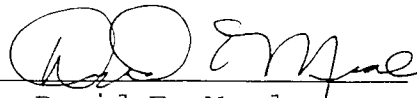
Executed this 13th day of December, 2002.



Susan M. Beale



Anthony F. Earley, Jr.



David E. Meador