

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

The Staff of the Missouri Public	)	
Service Commission,	)	
	)	
Complainant,	)	
	)	
v.	)	<b>Case No. GC-2006-0378</b>
	)	
Missouri Pipeline Company, LLC; Missouri Gas	)	
Company, LLC; Omega Pipeline Company, LLC;	)	
Mogas Energy, LLC; United Pipeline Systems,	)	
Inc.; and Gateway Pipeline Company, LLC,	)	
	)	
Respondents.	)	

**RESPONSE TO ORDER DIRECTING FILING**

COMES NOW the Municipal Gas Commission of Missouri ("MGCM"), in response to the Commission's June 6, 2007, Order Directing The Parties To Explain The Effect of FERC Order, respectfully states as follows:

1. On April 20, 2007, the Federal Energy Regulatory Commission ("FERC") issued its Order Denying Motions, Issuing Certificates, Authorizing Abandonment and Terminating Proceeding ("Order") in Docket Nos. CP07-407-00 *et al.* In that Order, the FERC purports to authorize Missouri Gas Company ("MGC") to "acquire by transfer" all of the existing facilities of Missouri Pipeline Company ("MPC") and Missouri Interstate Gas ("MIG"). Furthermore, the Order purports to grant MGC a certificate of public convenience and necessity to operate the combined facilities as an interstate pipeline subject to FERC regulation.

2. That Order is currently subject to several pending requests for rehearing<sup>1</sup> and, pending decision on those requests, to judicial review by the federal court. Furthermore, restrictions contained in Section 393.190 as well as conditions placed in MGC / MPC's original Missouri certificates inevitably raise questions regarding MGC / MPC's ability to execute the transactions authorized in the FERC Order without express Missouri Commission authority.

3. This docket, established by Staff complaint pursuant to Section 386.390 RSMo., was initiated to determine the appropriate going-forward revenue requirement for MGC and MPC.<sup>2</sup> On November 9, 2006, in response to a Staff Motion, the Commission suspended the procedural schedule in this proceeding and suspended any additional action until further notice.

4. MPC / MGC will inevitably assert that the entities named in Staff's complaint are now purportedly under FERC jurisdiction and no longer subject to regulation by the Missouri Commission. As such, questions will necessarily arise as to this Commission's authority to establish ongoing rates for MGC / MPC. Given the pending rehearings / appeals, as well as the restrictions contained in Section 393.190 and the original Missouri certificates, such an assertion would undoubtedly be disputed. That said, however, MGCM maintains that this pending docket may be closed. Recognizing that the financial data used to derive Staff's allegation of over-earnings was based upon a 2004 test year, the results and conclusion are obviously dated. For this reason, MGCM

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<sup>1</sup> Requests for Rehearing were filed on May 21, 2007 by the Missouri Public Service Commission, Union Electric Company d/b/a AmerenUE and the Municipal Gas Commission of Missouri.

<sup>2</sup> See, Staff Complaint filed March 31, 2006, Count I.

does not object to this docket being closed.<sup>3</sup> In fact, MGCM is aware that Staff, on June 19, 2007, filed its Motion to Dismiss its pending complaint in this docket.

5. MGCM would suggest that the Commission close this docket on the basis of inaction and the acquiescence of the parties. Any suggestion in the Commission Order that this docket was closed for other reasons, including lack of Missouri Commission jurisdiction, may be inappropriately construed in a manner prejudicial to any pending rehearing / appeal of the FERC Order.

Respectfully submitted,



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**Attorneys for the Municipal Gas  
Commission of Missouri**

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<sup>3</sup> MGCM notes that Staff's complaint had several other counts including tariff violations and violations of the Commission's affiliate transaction rule. Since these counts are based upon specific events, they are obviously not forward-looking. Nevertheless, MGCM notes that these counts have been addressed in the context of Case No. GC-2006-0491. As such, the inclusion of these counts in the current docket do not change the conclusion that this docket can be closed.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the forgoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

A handwritten signature in black ink, appearing to read "David L. Woodsmall", is written over a horizontal line. A vertical red line is positioned to the right of the signature.

David L. Woodsmall

Dated: June 20, 2006