

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

The Staff of the Missouri Public)	
Service Commission,)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0491
)	
Missouri Pipeline Company, LLC; and)	
Missouri Gas 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 rehearing¹ and, pending decision on those requests, to judicial review by the federal court.

¹ 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.

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. On June 21, 2006, Staff filed this docket alleging numerous tariff violations by MPC / MGC. Specifically, Staff alleges that MPC / MGC violated its tariff by: (1) sharing confidential information with its marketing affiliate; (2) transporting natural gas for its marketing affiliate without an executed written Transportation Agreement; (3) charging non-affiliate shippers a higher rate than it charged affiliated shippers; (4) failing to report discounts and offers of discounts; (5) constructing a lateral line for the benefit of its marketing affiliate; and (6) providing preferential payment terms to its marketing affiliate. Noticeably, each of Staff's allegations stem from MPC / MGC actions that *had already occurred*.

4. It is indisputable that the events underlying Staff's complaint took place while MPC / MGC were regulated by the Missouri Public Service Commission. As such, the Missouri Commission has exclusive jurisdiction to interpret its tariffs and make findings regarding tariff violations for that period of time. While authority over the pipelines may ultimately be transferred to FERC as a result of the proposed merger into a single interstate pipeline, those proposed transactions do not affect the fact that, at all times relevant to the pending complaint, the Missouri Commission had exclusive jurisdiction over MPC / MGC.

WHEREFORE, MGCM respectfully requests that the Commission exert its jurisdiction over MPC / MGC and issue findings of fact / conclusions of law consistent with the positions advanced in the MGCM Initial and Reply Briefs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David L. Woodsmall". The signature is written in a cursive, flowing style. To the right of the signature is a vertical red line.

David L. Woodsmall (MBE #40747)
Stuart W. Conrad (MBE #23966)
FINNEGAN, CONRAD & PETERSON, L.C.
428 East Capitol Avenue, Suite 300
Jefferson City, MO 65102-0148
Voice: 573-635-2700
Fax: 573-635-6998
Email: dwoodsmall@fcplaw.com

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

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 positioned above a horizontal line. A vertical red line is located to the right of the signature.

David L. Woodsmall

Dated: June 20, 2007