

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Tariffs)
Increasing Rates for Gas Service Provided to)
Customers in the Company's Missouri)
Service Area.)

Case No. GR-2006-0422

**RESPONSE OF MISSOURI GAS ENERGY TO MOTION FOR
RECONSIDERATION OF ORDER DENYING MOTION TO REJECT
PREHEARING BRIEF**

COMES NOW Missouri Gas Energy (hereinafter "MGE" or the "Company") and for its response to Public Counsel's Motion for Reconsideration of Order Denying Motion to Reject Prehearing Brief, states the following:

1. On January 22, 2007, Public Counsel resurrected an earlier motion that MGE's prehearing brief be rejected. Public Counsel's Motion for Reconsideration of Order Denying Motion to Reject Prehearing Brief (the "Motion") merely repackages and restates the same arguments contained in its December 19, 2006 filing.

2. In response to Public Counsel's original Motion to Reject, MGE pointed out that:

- The Commission's Scheduling Order¹ was somewhat ambiguous because it referred to a filing of a statement of position and, also, a prehearing brief. As such, parties to the case filed a variety of documents.
- The Commission's Scheduling Order contained no page limitation applicable to the prehearing brief.
- MGE has the burden of proof on nearly every issue in this case whereas Public Counsel filed testimony only with respect to a handful of issues.

¹ Order Regarding Procedural Schedule, Test Year and True-up Hearing dated July 13, 2006

- Public Counsel and the other parties were not prejudiced by understanding in advance of the evidentiary hearing the Company's theory of the case with respect to the unresolved issues.

(See, EFIS document 152).

3. The Commission denied Public Counsel's Motion in a January 11, 2007 Order Denying Motion to Reject Prehearing Brief (the "Order"). The Commission expressly found that MGE had not violated the Scheduling Order. The Commission noted that the Commission's Scheduling Order "does not restrict the length of prehearing briefs." As to Public Counsel's allegations that it was prejudiced by MGE's Prehearing Brief, the Commission concluded that "any possible prejudice does not rise to a level to warrant rejecting MGE's brief." To the contrary, the Commission concluded that MGE had clarified its positions on the issues in the case but, as noted by the Commission, "[i]t does not follow that to better understand a position, the Commission will agree it. Quite the contrary: the Commission may, in its better understanding, more firmly disagree."

4. MGE submits that the Commission's Order was well-reasoned and appropriate in the circumstances. Public Counsel's Motion does not present any compelling new matters which would justify rejecting MGE's prehearing brief so soon after the Commission, having fully considered the matter, refused to do so.

5. Public Counsel is not without a possible remedy. To the extent that it feels it is unnecessarily constrained by the 30-page limit on post-hearing briefs. Public Counsel could seek an order from the Commission enlarging the page limitation for post-hearing briefs but it has chosen not to do so.

WHEREFORE, MGE states that Public Counsel's Motion should be rejected for the same reasons stated in the Commission's January 11, 2007 Order.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted, sent by U.S. Mail, postage prepaid, or hand-delivered, on this 30th day of January, 2007, to:

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