

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

Staff of the Missouri Public Service Commission,)	
)	
)	
Complainant,)	
)	
v.)	Case No. GC-2006-0491
)	
Missouri Pipeline Company, LLC;)	
Missouri Gas Company, LLC;)	
)	
Respondents.)	

**RESPONDENTS' REPLY TO STAFF'S RESPONSE
TO ITS REQUEST FOR MEDIATION**

COME NOW Respondents Missouri Pipeline Company and Missouri Gas Company (hereafter "MPC" and "MGC") and Reply to Staff's Response to Request for Mediation. In support of its Reply, Respondents state as follows:

1. Staff's Response is unfortunate and comes as a surprise to Respondents. Staff's response shows that Staff is far beyond "impassioned" and demonstrates exactly why mediation should be pursued. The purpose of mediation is to have a neutral third-party help parties step back from their entrenched positions in effort to recognize common ground. Thus far, there has been no forum in which to seek a common ground.

The parties need the help of a skilled person to help facilitate a negotiated resolution.

2. Staff states that Respondents have had months to request mediation and did not. This is not correct. Respondents remind the Commission that Respondents requested mediation when the initial complaint (GC-2006-0378) was filed and that Staff opposed mediation at that time on the grounds that it was premature until discovery was complete.

Respondents now request mediation because Staff's discovery is complete. Unfortunately, even though that condition has been met, Staff now indicates that it is too late to seek mediation. This is disingenuous and reflects Staff's entrenched position.

3. It is unfortunate that Staff continues to respond with unfounded assertions. As stated in Respondents' previous pleadings, Respondents have done everything possible to cooperate with Staff's discovery requests. Staff's repetitive statements to the contrary do not change the fact that Respondents have turned over voluminous records, many of which were disclosed prior to the filing of the case with Respondents' full cooperation. Respondents are trying to offer an avenue to get beyond these unproductive hostilities and move forward with a negotiated resolution.

4. Respondents' Request is not made for the purpose of delaying the final outcome of matters as Staff suggests. Rather, Respondents are willing to try to resolve issues in a manner that will bring final resolution much sooner than protracted litigation and appeals. If Staff's position were followed, mediation would never be used and the public policy merits of mediation would be in vain.

5. Customers will not be prejudiced by undertaking mediation in December with the hearing proceeding in early 2007. The difference in time would be minimal. A resolution through mediation will allow the implementation of results much sooner than a protracted litigation and appeal.

6. Respondents are prepared to explore a negotiated resolution through mediation at this time. Respondents urge the Commission to require the parties to reasonably attempt to find common ground, since such opportunities have not been available without mediation.

WHEREFORE, Respondents respectfully request that the Commission to grant its
Request for Mediation.

Respectfully submitted,

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Attorneys for Respondents

Dated: December 1, 2006

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Respondents' Reply to Staff's Response to its Request for Mediation 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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