

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

St. Louis Natural Gas Pipeline, L.L.C.	)	
Complainant,	)	
	)	
vs.	)	Case No. GC-2011-0294
	)	
Laclede Gas Company	)	
Respondent.	)	

**SOUTHERN STAR CENTRAL GAS PIPELINE, INC.'S RESPONSE TO THE  
COMMISSION'S ORDER REGARDING PENDING MOTIONS**

Comes now, Southern Star Central Gas Pipeline, Inc., (hereinafter "Southern Star"), by and through its counsel, pursuant to §§ 386.390 & 386.410, Revised Statutes of Missouri and 4 CSR 240.2.070, and submits this response to the Commission's June 22, 2011 ordering, among other items, that Southern Star show cause why its informational filing should not be stricken.

**I.  
Introduction**

On March 22, 2011, St. Louis Natural Gas Pipeline, L.L.C., ("SLNGP") submitted a "Complaint, Request for Investigation and Motion for Expedited Treatment" ("Complaint"), pursuant to Sections 386.390, Revised Statutes of Missouri and 4 CSR 240-2.070, alleging that Laclede Gas Company ("Laclede") has unlawfully refused to sign an interconnect agreement related to a proposed pipeline project being developed by SLNGP, which would transport gas in interstate commerce under the jurisdiction of the Federal Energy Regulatory Commission ("FERC") from an interconnect with Natural Gas Pipeline Company of America, L.L.C. ("NGPL"), another interstate pipeline regulated by the FERC, to a proposed interconnection with Laclede in St. Louis, Missouri. Among other accusations, SLNGP submits in its complaint that Laclede's refusal to sign an interconnect agreement "unlawfully discriminates" against SLNGP,

“confers an unfair advantage” to Laclede and its other current suppliers of gas, and “violates state and federal antitrust and unfair competitive laws.”

On April 21, 2011, Laclede filed a “Motion to Dismiss, Answer to Complaint, and Response to Request for Investigation.” Various pleadings were exchanged between the parties to the case, including SLNGP’s “Response In Opposition to Laclede Gas Company’s Motion to Dismiss” (“SLNGP’s Response”), filed on May 12, 2011. On May 26, 2011, the Missouri Public Service Commission, (“MoPSC”) issued an “Order Denying Laclede’s Motion to Dismiss and Directing Staff to Investigate.” Such Order directed the MoPSC Staff to report its findings to the MoPSC “no later than July 1, 2011.”

On June 6, 2011, Southern Star filed an informational pleading with comments to clarify the record. Various other pleadings have been filed. On June 22, 2011 the Commission issued an order addressing several of the pleadings and ordering that Southern Star and Centerpoint (another pipeline that filed similar informational comments) show cause why they should not formally intervene or have their pleadings stricken as not proper filings of a party.

## **II. Southern Star’s Relation To This Case**

Southern Star is the successor in interest to an interstate pipeline system, originally owned and operated by Cities Service Gas Company, and currently owned by a partnership between General Electric Energy Financial Services Company and Morgan Stanley Infrastructure, Inc. Southern Star has been in operation as a transporter and supplier of gas for over 100 years, serving the Midwestern United States, including the State of Missouri. Southern Star’s gas pipeline system has a mainline capacity of approximately 2.4 billion cubic feet (Bcf) of natural gas per day; of that capacity, 1.2 Bcf of peak day deliveries are contracted for in Missouri and 129 Bcf was ultimately delivered to consumers in Missouri in 2010. Southern

Star's major customers in Missouri consist of Missouri Gas Energy (MGE), Laclede, City Utilities of Springfield, MO., Empire District Gas, Empire District Electric, Kansas City Power and Light, Dogwood Energy L.L.C., and Westar Energy. Southern Star operates a total of 870 miles of pipeline in Missouri with a total facility plant investment of \$187 Million. Southern Star has 30 employees in Missouri, and pays annual property taxes of \$1.4 Million in the State.

Southern Star's interest in this case is to point out certain misstatements and mischaracterizations made on the record by SLNGP regarding Southern Star's services to Laclede and presence in Missouri and thereby to assist the MoPSC Staff in the investigation into the Complaint filed against Laclede by SLNGP. It is not Southern Star's interest, nor would it be appropriate, to address any legal or regulatory arguments that are involved in this case, thus the prior informational filing is and was meant only for informational purposes.

### **III. Southern Star's Response**

Although Southern Star does not intend to intervene in this docket at the present time, the broad authority of the MoPSC to conduct this proceeding it is sufficient for the MoPSC to accept the informational filing made by Southern Star. Section 386.410 Revised Statutes of Missouri provides that:

1. All hearings before the commission or a commissioner shall be governed by rules to be adopted and prescribed by the commission. And in all investigations, inquiries or hearings the commission or commissioner shall not be bound by the technical rules of evidence. 2. No formality in any proceeding nor in the manner of taking testimony before the commission or any commissioner shall invalidate any order, decision, rule or regulation made, approved or confirmed by the commission.

Additionally, the MoPSC has broad authority to take official notice of information put before it of a scientific or technical nature within its competence, even where not judicially cognizable.<sup>1</sup>

Southern Star's interest is in providing the MoPSC additional information for its convenience in the dispute filed by SLNGP. Southern Star wishes to emphasize to MoPSC how important its business activities are in the past, present, and future of the State of Missouri. However, Southern Star has confidence in the MoPSC's ability, and that of its Staff, to investigate the matter as it relates to Missouri law. All of Southern Star's interstate gas transmission deliveries to Missouri customers are regulated by the Federal Energy Regulatory Commission, and it is likely that any future service proposals that Southern Star would offer to the St. Louis area, or other existing or prospective customers in Missouri, would be interstate in nature as well, and thus subject to FERC approval and jurisdiction.

#### **IV. Conclusion**

As stated above, Southern Star filed its Informational Filing to suggest necessary corrections of the record for informational purposes only. As has already been stated by the parties in this docket, the decision whether it is in the "public convenience and necessity" for any interstate pipeline to be built to provide access to alternative gas supplies for Laclede or any other shipper is ultimately up to the FERC, which has exclusive jurisdiction over the permitting of such facilities. Southern Star remains committed to explore and develop any and all economical projects to bring a greater diversity of and less costly gas supplies to all of its customers in Missouri, including Laclede.

Because the information at issue is not being offered as evidence, there is nothing to cross-examine or to discover, just a suggestion of indisputable facts to be noticed in the case.

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<sup>1</sup> Section 536.070(6). *See* Stegeman vs. St. Francis Xavier Parish 611 SW 2<sup>nd</sup> 204 Mo, 1981. And see, 62 Harvard Law Review 537, 538 (1949).

The commission has discretion to accept the filing and to give it whatever weight it deems proper, including possibly taking official notice of the fact that there is another pipeline in the state. It is in the public's interest for the commission to have this accurate information, and there is no unfair prejudice to any party in the case. Southern Star requests that the MoPSC exercise its discretion to receive information submitted by Southern Star and to retain the filing for informational purposes as intended.

Respectfully submitted,

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### **Certificate of Service**

The undersigned hereby certifies that he/she/they served a copy of the foregoing Filing to Correct the Record to the following via U.S. Mail, postage prepaid, before the hour of 5:00 pm, on July 5, 2011:

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