

TINO M. MONALDO, Chartered

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March 30, 2006

Ms. Cully Dale
Executive Director
Missouri Public Service Commission
200 Madison
P.O. Box 360
Jefferson City, MO 65102

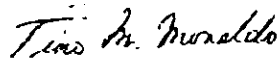
RE: Response to Staff Subpoenas

Dear Ms. Dale:

I am corporate counsel for Missouri Pipeline Company, LLC (MPC); Missouri Gas Company, LLC (MGC); Mogas Energy, LLC; Gateway Pipeline Company, LLC and Omega Pipeline Company, LLC. Since November of 2005 MPC and MGC have been voluntarily cooperating with Staff in an informal rate review. Staff on or about March 24 or 25, 2006 sent five subpoenas, one each to the five different companies mentioned above, including MPC and MGC, as well as to the other three non-regulated entities. Those five subpoenas contained more than 150 separate requests (some with subparts) and five depositions on five different dates for the same individual, a Mr. David J. Ries.

Attached to this letter to you is a copy of my letter to Lera Shemwell of the General Counsel's office. While no matter was docketed when these subpoenas were issued and there is no clear forum in which to lodge objections, please accept these objections as they relate to each subpoena on behalf of the Commission for its records in the informal non-docketed proceedings that have taken place to date involving MPC and MGC.

Sincerely,



Tino M. Monaldo

jd

cc: Lera Shemwell, Office of General Counsel
David J. Ries

Attachment C

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March 30, 2006

Lera Shemwell
Missouri Public Service Commission
Governor's Office Building
200 Madison
P.O. Box 360
Jefferson City, MO 65102

RECEIVED
MAR 31 2006

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

lera.shemwell@psc.mo.gov

RE: Response and Objection to Subpoenas to Missouri Pipeline Company, LLC (MPC); Mogas Energy, LLC (Mogas); Gateway Pipeline Company, LLC (Gateway) and Omega Pipeline Company, LLC (Omega)

Dear Lera:

For purposes of this letter Omega, Mogas and Gateway when referred to collectively will be identified as "Non-Regulated Entities" and MGC and MPC collectively as the "Pipelines."

First, as you know, when these subpoenas were issued there was no open docket and information was being provided voluntarily. In fact, Staff doubled the size of the scope of its review by including requests for 2005 financial information and not just 2004 information as stated by the Staff at an Agenda meeting. The Pipelines' cooperation has produced thousands of pages of documents both in paper and electronically, including every check, invoice, contract, ledger, billing summary and audited financial statements for 2004 and 2005, as well as a plethora of other data for 2004 and 2005, as well as prior years.

I am surprised then to see your subpoenas that requested production of documents, which in some cases have already been provided. Also I am bewildered by the request for five separate depositions of the same person, Mr. David J. Ries. The request for five separate depositions (and attendant separate stenographers and local counsel etc.) is extremely burdensome, costly and inefficient, when one deposition of Mr. Ries can suffice.

Objections to Subpoena:

1. General Objections. The following objections apply to all five subpoenas:

A. Objection is made to the subpoenas being issued in a non docketed case against the Pipelines and the Non regulated Entities, which Non Regulated Entities are non jurisdictional to the subpoenas even if properly submitted pursuant to the rules cited below.

B. Objection is made to the burdensome and costly request for five separate depositions on five separate dates between April 11, 2006 and April 24, 2006. If the objections to the subpoenas are not overruled and depositions authorized, then we suggest the week of May 16, 2006, as an alternative date for Mr. Ries' deposition. Additional time will be needed to gather the documents being requested that have not already been provided, copy them and stamp them Highly Confidential. More importantly, the parties will need to retain new local Missouri legal counsel for representation for the deposition. It will take some time to interview and retain local counsel, clear conflict checks and allow the local counsel a reasonable amount of time to become familiar with the issues. One Hundred Fifty plus separate requests have been made, some with multiple parts. With a small office staff, it simply will take time to retrieve documents and prepare for deposition with new local counsel.

C. The Staff's subpoenas dated March 24, 2006, were issued in a non-docketed case and included many items already provided and also requested items well beyond the scope of this informal, voluntary rate review.

D. MPSC Staff has requested data delivery in formats in which we do not store this information. Where we can easily format information as requested we will, but with a small staff we cannot create new that do not exist.

E. The subpoenas are invalid and unauthorized by law and should be denied or quashed for a number of reasons, including without limitation:

1. The requirements of CSR 240.2-100 (and R.S. Mo (2006) Section 386.440 and Supreme Court Rule 57.02 and related statutes and rules) were not met, including failure to:

(i) state the reasons why the production of the documents is believed by Staff to be material and relevant;

(ii) assert and make a showing of good cause that the requests are material and relevant;

(iii) assert or show good cause with respect to the items requested;

(iv) proffer required fees to the witness to whom the subpoena was directed;

(v) satisfy the provisions of Supreme Court Rule 57.02 for the preservation of testimony before an action is pending;

(vi) comply with time and notice requirements;

(vii) recognize the jurisdictional limitations in that certain items requested are outside the jurisdiction of the MPSC since they relate solely to the business of Non-Regulated Entities and in some cases entities with no business in Missouri.

F. Documents requested and/or questions at the deposition regarding the business affairs of Non-Regulated Entities that do not involve transactions or matter between said Non-Regulated Entities and the Pipelines are objected to. The books and records of Non-Regulated Entities are separate from those of the Pipelines. The MPSC has no jurisdiction or legal authority over the Non-Regulated Entities that would allow the MPSC to subpoena records or persons in their capacity as officers or directors of Non-Regulated Entities. Likewise, asking the Pipelines for information or documents about the Non Regulated Entities not related to the business between the Pipelines and the Non-regulated Entities is objectionable.

G. When a request is made for "all" documents, objection is made to the vagueness and over breadth of such a request without more specificity. Subject to the foregoing objection, where documents are not otherwise objectionable, relevant documents not already provided will be made available.

H. Objection is made to the vague or imprecise description of a number of documents and therefore the requests are vague and overbroad. For example purposes only, you reference in a number of requests the Senior Secured Debt of March 12, 2002. Your reference to the same debt documents is not only misdated, but it cannot apply and does not apply to all the entities in question by virtue of the fact named parties are clearly identified yet the question is posed to entities not on the document itself and therefore is too vague and overbroad.

I. Objection is made to any request for tax returns or financial information for any entities other than the Pipelines, as irrelevant to the policy issue of whether or not income tax is an item to be included in the cost of service of the pipelines as limited liability companies.

J. Any document requested of a Non-Regulated Entity in a transaction that does not relate to the Pipelines is objected to as having no relevance to any matter which could lead to relevant information regarding the Pipelines.

K. If required to participate in a deposition Mr. Ries will be presented in his capacity as President of MPC and MGC and no other entity. He will be available to answer

questions related to MPC, MGC, but not with respect to Gateway, Omega or Mogas, for all the reasons stated above.

On another matter, I must speak up and categorically deny the utterly false assertions made in the Staff's letter of March 10, 2006, implying that the Pipelines were slow in delivering documents. Within 30 to 45 days Staff was given access to all the records of the Pipelines and not just for 2004, but also 2005, including all invoices, contracts, debt documents, audited financials, billing information, check ledgers, etc. You doubled the scope of the review to include 2005 data and the Pipelines continued to cooperate with its small staff. We even gave you access to the 2004 Independent Auditor's work papers. Representatives have met voluntarily with MPSC Staff on multiple occasions for hours at a time. In addition, it was understood that because the information requested is highly confidential, I was to review it after it was copied and then affix the "Highly Confidential" stamp to each document page. All the while, MPC and MGC were undergoing their annual audited review for financial statements for its lender. For Staff to conclude that MPC and MGC were slow or that its cooperation was anything but extraordinary is false and misleading. In fact, at times when Staff was meeting with MPC and MGC representatives, it was clear that not all of the documents previously delivered had even been reviewed by Staff.

We can certainly debate what items may be discoverable, but the huge volume of information turned over within a short time frame is proof of the good faith cooperation of the Pipelines.

Please contact me at your earliest convenience so we can discuss these matters further. When local counsel is hired we will let you know.

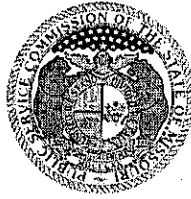
Sincerely,



Tino M. Monaldo

jd

cc: Ms. Cully Dale for the Commission
David J. Ries



Commissioners

JEFF DAVIS
Chairman

CONNIE MURRAY

STEVE GAW

ROBERT M. CLAYTON III

LINWARD "LIN" APPLING

Missouri Public Service Commission

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Executive Director

DANA K. JOYCE
Director, Administration

ROBERT SCHALLENBERG
Director, Utility Services

WARREN WOOD
Director, Utility Operations

COLLEEN M. DALE
Secretary/Chief Regulatory Law Judge

KEVIN A. THOMPSON
General Counsel

April 3, 2006

Mr. Tino Monaldo
5425 Martindale, Suite 100
Shawnee, KS 66218

VIA FACSIMILE

Re: Missouri Pipeline Company, LLC, et al.
GC-2006-0378

Dear Tino,

I have reviewed your letters of March 30, 2006, to Ms. Dale and to Ms. Shemwell. I perceive two problems.

First, Commission rules, 4 CSR 240-2.080 states that Commission action cannot be requested in a cover letter. If your letter is treated as a cover letter, then it is ineffective under Commission rules.

Second, to my knowledge you are not admitted to practice in Missouri. If you intend to have the Commission treat your letter as a pleading, you will be engaging in the unauthorized practice of law.

Because I cannot think that you intend to engage in the unauthorized practice of law, I consider your missive as merely a communication from Missouri Pipeline and its affiliates. Thus, I will not respond here to the many inaccuracies and erroneous statements in this letter. I suggest that you advise your client to secure Missouri counsel promptly if they wish to be represented at the depositions, as the Staff expects all entities to comply with the Commission's subpoenas.

Sincerely,

Thomas R. Schwarz, Jr.

cc: Cully Dale
Lera Shemwell

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Missouri Public Service Commission

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Jefferson City, MO 65102
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573/751-0285 (Fax)

Fax

To: Tino Monaldo, 913-441-5980

From: Thomas R. Schwarz

Fax:

Date: April 3, 2006

Pages: 2

Re:

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• Comments:

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