

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Southern Missouri)	
Gas Company, L.P., d/b/a Southern Missouri Natural)	
Gas, for a Certificate of Public Convenience and)	
Necessity Authorizing It to Construct, Install, Own,)	<u>Case No. GA-2007-0168</u>
Operate, Control, Manage and Maintain a Natural Gas)	
Distribution System to Provide Gas Service in Branson,)	
Branson West, Reeds Spring, and Hollister, Missouri)	

ORDER SCHEDULING PREHEARING CONFERENCE

AND DIRECTING FILING

Issue Date: August 23, 2007

Effective Date: August 23, 2007

On October 26, 2006, Alliance Gas Energy Corporation ("AGE") filed an application with the Missouri Public Service Commission requesting that the Commission grant AGE authority to provide natural gas service to customers in four southwest Missouri communities (Branson, Branson West, Reeds Spring, and Hollister), all of which are located in either Stone or Taney County.

On November 2, 2006, the Commission issued notice of AGE's application to members of the public at large and other potentially interested parties and established an intervention deadline of December 4, 2006. On November 8 and November 30, 2006, respectively, Missouri Gas Energy and Ozark Energy Partners, LLC filed applications to intervene pursuant to Commission Rule 4 CSR 240-2.075, which governs intervention. The Commission granted those applications by order dated December 11, 2006. That order also directed Staff to promptly commence an investigation into the merits of AGE's application and to file monthly status reports informing the Commission of Staff's progress. Staff subsequently

filed a series of monthly status reports, nearly all of which emphasized that Staff had nothing new to report because Staff had requested, but not received, important additional information from AGE under Commission Rules 4 CSR 240-3.205(1)(A) and (1)(B) in order to complete its analysis and review of AGE's application.

On February 21, 2007, Southern Star Central Gas Pipeline, Inc. submitted a late-filed application to intervene in this case, which was granted by order dated March 6, 2007. On April 3, 2007, the Missouri Propane Gas Association also submitted a late-filed application to intervene, which was denied by order dated April 19, 2007.

On June 29, 2007, AGE and Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas ("SMNG") jointly moved to substitute SMNG as a party to this cause pursuant to an Asset Purchase Agreement dated June 29, 2007, under which AGE's interest in this case was effectively transferred to SMNG.¹ Ten days later, on July 9, 2007, Staff filed its response, in which Staff indicated that it "has no fundamental objection" to the joint motion but also made a number of related recommendations. No other party filed a timely response to the joint motion, which was granted subject to the conditions specified by Staff on July 11, 2007.

On July 20, 2007, SMNG advised the Commission that all previous filings made in this proceeding by AGE remained pertinent to the pending application given that SMNG would be effectively stepping into the shoes of AGE as the applicant in this proceeding. SMNG further advised the Commission that it would file a status report on or before August 11, 2007, indicating when it planned to file all remaining supplemental and updated information required to complete the application. On August 10, 2007, SMNG filed a First Amended Application

¹ In their joint motion, AGE and SMNG tacitly acknowledged that the additional required information requested by Staff some six months ago had not yet been supplied. SMNG did, however, indicate that it "intends to provide the Commission in the near future with the information needed to complete the Application filed by AGE."

and the required status report. In its status report, SMNG advised the Commission that it believed the First Amended Application contained the supplemental and updated information necessary to complete its application. SMNG further advised the Commission that it intended to supplement the attachments to the First Amended Application as soon as it receives additional governmental approvals. SMNG filed a Supplement to Appendix A (HC) of the First Amended Application on August 21, 2007.

In conjunction with its August 10, 2007 status report SMNG asked the Commission to schedule a prehearing conference in this case, so the parties might propose a procedural schedule for resolving any issues in this case. Ten days have passed and no party has objected to SMNG's request.

The next step is to move this matter toward resolution. To that end, the Commission will conduct a prehearing conference to discuss the scheduling of an evidentiary hearing and provide an opportunity for the parties to pursue settlement discussions. The parties shall jointly file a proposed procedural schedule one week after the prehearing conference.

IT IS ORDERED THAT:

1. A prehearing conference shall be held on September 10, 2007, beginning at 10:00 a.m., in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. This conference will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this conference, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the conference.

2. The parties shall jointly prepare and file a proposed procedural schedule no later than September 17, 2007.

3. This order shall become effective on August 23, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Cherlyn D. Voss, Regulatory Law Judge,
by delegation of authority
under Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 23rd day of August, 2007.