

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
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6 TRANSCRIPT OF PROCEEDINGS  
7 Pre-hearing Conference  
8 September 10, 2007  
9 Jefferson City, Missouri  
10 Volume 1  
11  
12 In the Matter of the Application )  
of Southern Missouri Gas Company,) )  
13 L.P. d/b/a Southern Missouri )  
Natural Gas, for a Certificate of)  
14 Public Convenience and Necessity )Case No.  
Authorizing It To Construct, )GA-2007-0168  
15 Install, Own, Operate, Control, )  
Manage and Maintain a Natural Gas)  
16 Distribution System to Provide )  
Gas Service in Branson, Branson )  
17 West, Reeds Spring, and )  
Hollister, Missouri )  
18  
19 BENJAMIN LANE, Presiding  
REGULATORY LAW JUDGE  
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22 REPORTED BY:  
23 MINDY VISLAY, CCR  
MIDWEST LITIGATION SERVICES  
24  
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6 FOR: Staff of the Missouri Public  
7 Service Commission.  
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1 P R O C E E D I N G S

2 JUDGE LANE: It's 10:35 on Monday  
3 September 10th and it's the scheduled pre-hearing  
4 conference in this matter, which is Case No.  
5 GA-2007-0168, that's styled: In the matter of the  
6 application of Southern Missouri Gas Company, L.P.  
7 doing business as Southern Missouri Natural Gas, for a  
8 certificate of public convenience and necessity  
9 authorizing it to instruct, install, own, operate,  
10 control, manage and maintain a natural gas  
11 distribution system to provide gas service in Branson,  
12 Branson West, Reeds Spring and Hollister, Missouri.

13 My name is Benjamin Lane, I'm the Regulatory Law  
14 Judge assigned to hear this case. And as I mentioned  
15 before, we are here pursuant to an order of the  
16 Commission, issued on August 23rd and modified on  
17 September 7th, setting this matter for a pre-hearing  
18 conference for the parties to get together and have a  
19 chance to discuss outstanding issues in the case,  
20 including settlement, if that's a possibility, and  
21 also to look into the filing of a procedural schedule  
22 and to prepare for that should an evidentiary hearing  
23 be required.

24 This case basically involves an application that  
25 was originally filed by Alliance Gas Energy

1 Corporation requesting that the Commission grant them  
2 an authority to provide natural gas service to  
3 customers in four southwest Missouri communities which  
4 are located in Stone and Taney County.

5 It's my understanding that there is another case,  
6 and I believe Judge Jones has that case, which is  
7 GA-2006-0561, which is a pending application for  
8 service in the same general area. It's my  
9 understanding there is not complete overlap in the  
10 proposed service territories, although there may be  
11 substantial overlap. And I believe, at this point,  
12 there may be identical parties in both those matters,  
13 once you count the interveners and the parties  
14 themselves.

15 So, before we go any further, I know many, if not  
16 all of you, have filed your written entries of  
17 appearance with our court reporter this morning. But  
18 for the record, I would like to go through the parties  
19 and the interveners and have you enter your  
20 appearances orally, please.

21 Let's begin with the Staff of the Commission.

22 MS. SHEMWELL: Good morning and thank you,  
23 Your Honor. Lera Shemwell representing the Staff of  
24 the Missouri Public Service Commission, Post Office  
25 Box 360, Jefferson City, Missouri 65102, thank you.

1 JUDGE LANE: Thank you, Ms. Shemwell.

2 The Office of Public Counsel.

3 MR. POSTON: Thank you. Marc Poston  
4 appearing on behalf of the Office of Public Counsel,  
5 P.O. Box 2230, Jefferson City, Missouri 65102.

6 JUDGE LANE: Mr. Poston, thank you.

7 Southern Missouri Gas Energy Company, L.P.

8 MR. DORITY: Thank you, Judge. Appearing  
9 on behalf of the Applicant; Larry W. DORITY and James  
10 M. Fischer, Fischer and DORITY, P.C., our address is  
11 101 Madison Street, Suite 400, Jefferson City,  
12 Missouri 65101 appearing on behalf of the Applicant;  
13 Southern Missouri Gas Company, L.P. doing business as  
14 Southern Missouri Natural Gas, thank you.

15 JUDGE LANE: Thank you very much, sir.

16 Intervener; Missouri Gas Energy.

17 MR. COOPER: Your Honor, Dean L. Cooper  
18 from the law firm of Brydon, Swearingen & England,  
19 P.C., P.O. Box 456, Jefferson City, Missouri 65102  
20 appearing on behalf of Missouri Gas Energy, a division  
21 of the Southern Union Company.

22 JUDGE LANE: Thank you very much.

23 Ozark Energy Partners, L.L.C., who has also  
24 intervened.

25 MR. STEINMEIER: Thank you, Your Honor.

1 Please let the record reflect the appearance of  
2 William D. Steinmeier and Mary Ann Garr Young of  
3 William D. Steinmeier, P.C., P.O. Box 104595,  
4 Jefferson City, Missouri appearing on behalf of Ozark  
5 Energy Partners, L.L.C.

6 JUDGE LANE: Thank you and good morning,  
7 Mr. Steinmeier.

8 Any appearance for Southern Star Central Gas  
9 Pipeline, Incorporated?

10 No. They were also granted intervention in this  
11 matter.

12 Is there anyone here from Alliance Gas Energy?

13 I think they are basically out of the case at this  
14 point, Missouri Gas Energy having essentially stepped  
15 into their shoes for the purposes of this application.  
16 So, I don't believe there's anyone here from Alliance  
17 Gas Energy.

18 Very well, are there any other parties or  
19 individuals here that I overlooked? All right. Very  
20 good.

21 As I mentioned before, this involves an area of  
22 southwest Missouri gas service. In that area, there  
23 is another application which involves a competing  
24 application for gas service in the same general area.  
25 Although it is my understanding that some of the

1 entities have franchise arrangements in place already  
2 with some of the municipalities in question, others  
3 are not quite yet in place.

4 I know this matter was originally filed back in  
5 October of 2006. And it's my understanding that the  
6 application has now met all the pleading requirements,  
7 all the things required by our rules have now been  
8 filed, or are close to being filed if they have not  
9 yet been filed. I don't want to state anything  
10 officially for the record, but I have certainly  
11 received no motions to postpone the proceedings, or to  
12 strike the pleadings, or anything like that, for  
13 failure to comply with the pleading requirements that  
14 are specified in the rules. So, I think we are okay  
15 on that front.

16 My philosophy, and I think the philosophy of the  
17 Commission in general at these pre-hearing  
18 conferences, there are two major purposes for them.  
19 And you are all experienced and have been through them  
20 many times before, so no need to go into that.

21 It will first give the parties an opportunity to  
22 pursue settlement negotiations, or at least  
23 discussions, regarding the outstanding issues. I am  
24 hopeful that, in this matter, since we have all of you  
25 here today, and there is a substantial overlap in the



1 service territories involved, and also the parties  
2 involved in this and the other matter, that you are  
3 certainly welcome, once I leave, to discuss issues  
4 related to that case since they are very closely  
5 intertwined.

6 I know, at one point, there was a motion to  
7 consolidate the two actions, but that never took off  
8 because there was a difference in the way the two  
9 cases had advanced in terms of filings and so forth.  
10 So, settlement and discussion is a key point for me in  
11 these matters.

12 And the second one is, should it look as if  
13 settlement is not possible and we will need to go to a  
14 contested evidentiary hearing on the merits of the  
15 application, to give you a chance to get together and  
16 discuss a possible procedural schedule, and all the  
17 things that entails, should this matter need to go to  
18 a contested evidentiary hearing.

19 I don't believe there's a whole lot I can add to  
20 get this discussion started. I think the issues  
21 framed by the application are pretty straightforward.  
22 And I'm also familiar, having read the pleadings in  
23 that other matter, with the similarity of the issues  
24 in that one as well. So, I don't think there's any  
25 matters I need to bring up as items that you might

1 want to use as a jumping-off point in this proceeding.

2 I think, at this point, we're very close to being  
3 able to go off the record. I noticed there are some  
4 people in the audience that may or may not be  
5 associated with the parties in this case. You will  
6 need to decide amongst yourselves, once we get to the  
7 off-the-record portion of the hearing of this  
8 proceeding, whether those folks should remain or  
9 participate. I'm not exactly sure what their roles  
10 are.

11 MS. SHEMWELL: Judge, I think it's all  
12 Staff.

13 JUDGE LANE: Is it all Staff?

14 MS. SHEMWELL: I believe so.

15 JUDGE LANE: I recognized several, but I  
16 was not sure about all. Well, in that case, they are  
17 representatives of one of the parties, and I apologize  
18 for not recognizing everyone. I wanted to make sure  
19 everyone was aware of that.

20 Are there any other matters we need to take up  
21 while we are still on the record? Anyone?

22 MS. SHEMWELL: I don't think so.

23 MR. DORITY: Judge, very briefly, I noticed  
24 that the Commission's order contains an ordering  
25 clause for the filing of a proposed procedural

1 schedule for next Monday the 17th. Could we extend  
2 that?

3 We may be able to engage in some settlement  
4 discussions this morning, maybe of a continuing  
5 nature, but I'm assuming, Your Honor, we will be able  
6 to have a status report filed if we're still in  
7 discussions as we move into next week as opposed to  
8 the procedural schedule?

9 JUDGE LANE: Yes, absolutely. The 17th was  
10 there just as a fail-safe in case it became obvious  
11 during this proceeding that a procedural schedule  
12 would be necessary. So, after completion of this  
13 pre-hearing conference, I would entertain a motion by  
14 any of the parties to continue with monthly status  
15 reports or whatever procedural vehicle you think is  
16 necessary to keep this case moving along and keep the  
17 Commission informed of the progress of the  
18 negotiations and the discussions.

19 So, yes, if you would make an appropriate motion,  
20 I'm sure the Commission would be disposed  
21 positively -- we would consider that motion and  
22 certainly move that date or postpone the procedural  
23 schedule until it became obvious that one was  
24 necessary.

25 MR. DORITY: Thank you, Judge.

1 JUDGE LANE: Thank you.

2 Thank you, everyone, for appearing today. I know  
3 some of the issues here are rather complicated, with  
4 the competing applications and given the geography and  
5 the politics down there.

6 So, I will take us off the record. I want to  
7 thank our court reporter this morning for being able  
8 to be here. There was originally a scheduling  
9 conflict with the court reporter which was the reason  
10 we had to move this hearing to 10:30 today. And I  
11 apologize for the late notice on that, but we just  
12 wanted to make sure we didn't have any problems there.

13 So, without further adieu, I am going to take us  
14 off-the-record. Have a productive discussion, and  
15 thank you very much.

16 MS. SHEMWELL: Thank you, Judge.

17 MR. DORITY: Thank you, Your Honor.

18 (WHEREIN, the recorded portion of the pre-hearing  
19 conference was concluded.)

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