

1 BEFORE THE PUBLIC SERVICE COMMISSION

2 STATE OF MISSOURI

3 _____
4 TRANSCRIPT OF PROCEEDINGS

5 Procedural Conference

6 June 29, 2007

7 Jefferson City, Missouri

8 Volume 1
9 _____

10 In the matter of:

11 Application of Southern)
12 Missouri Gas Company LP,)
13 d/b/a Southern Missouri) Case No. GA-2007-0212
14 Natural Gas for a Certificate)
15 Of Public Convenience and)
16 Necessity Authorizing It to)
17 Construct, Install, Own,)
18 Operate, Control, Manage,)
19 And Maintain a Natural Gas)
20 Distribution System to Provide))
21 Gas Service in Lebanon, MO)

22 _____
23 NANCY DIPPELL, Presiding
24 JUDGE.
25 _____

26 REPORTED BY:
27 LISA M. BANKS, CCR
28 MIDWEST LITIGATION SERVICES

1 A P P E A R A N C E S

2 KHRISTINE A. HEISINGER, Attorney at Law
3 230 W. McCarty
4 Jefferson City, Missouri 65101
5 314-554-2976

6 FOR: Missouri Propane Gas Association.

7 JAMES M. FISCHER, Attorney at Law
8 Fischer & Dority
9 101 Madison Street, Suite 400
10 Jefferson City, Missouri 65101
11 573-636-6758

12 FOR: Southern Missouri Gas Company LP, DBA
13 Southern Missouri Natural Gas

14 MARC D. POSTON, Senior Public Counsel
15 P.O. Box 2230
16 Jefferson City, Missouri 65102
17 573-751-4857

18 FOR: Office of the Public Counsel and the Public.

19 LERA L. SHEMWELL, Senior Counsel
20 P.O. Box 360
21 Jefferson City, Missouri 65102
22 573-751-3234

23 FOR: Staff of the Missouri Public Service Commission.

24

25

1 P R O C E E D I N G S

2 JUDGE DIPPELL: This is Case
3 No. GA-2007-0212 in the matter of the application of
4 Southern Missouri Gas Company LP, d/b/a Southern
5 Missouri Natural Gas for certificate of public
6 convenience and necessity authorizing it to construct,
7 install, own, operate, control, manage, and maintain a
8 natural gas distribution system to provide gas service
9 in Lebanon, Missouri. This case is consolidated with a
10 financing case and another application case.

11 And my name's Nancy Dippell. I'm the
12 Regulatory Law Judge assigned to this matter, and it is
13 June 29th, 2007. We've come here for a procedural
14 conference.

15 I'm going to begin by letting the
16 attorneys make an appearance. Mr. Fischer?

17 MR. FISCHER: Let the record reflect the
18 appearance of James M. Fischer with Fischer and Dority
19 PC. Our address is 101 Madison Street, Suite 400,
20 Jefferson City, Missouri, 65101. And I'm appearing
21 today on behalf of Southern Missouri Gas Company LP
22 which is doing business as Southern Missouri Natural
23 Gas.

24 JUDGE DIPPELL: And Ms. Heisinger?

25 MS. HEISINGER: Khristine Heisinger with

1 Stinson Morris and Hecker. Our address is 230 West
2 McCarty, Jefferson City, Missouri, 65101, and we are
3 appearing on behalf of Missouri Propane Gas Association
4 an intervener in this case.

5 JUDGE DIPPELL: Ms. Shemwell?

6 MS. SHEMWELL: Lera Shemwell
7 representing the Staff of the Missouri Public Service
8 Commission, Post Office Box 360, Jefferson City,
9 Missouri, 65102.

10 JUDGE DIPPELL: Mr. Poston?

11 MR. POSTON: Marc Poston appearing for
12 the Office of Public Counsel, P.O. Box 2230, Jefferson
13 City, Missouri, 65102.

14 JUDGE DIPPELL: Okay. And is there
15 anyone here for Southern Star and Central Gas Pipeline?
16 I don't see anyone.

17 Okay, then. Basically I asked you all
18 to come here for a procedural conference just so we
19 could figure out where to go from here. Staff has
20 filed a recommendation that the certificate be approved
21 with the condition that the ratification election would
22 take place on August 7th.

23 The Commission has denied the motion to
24 dismiss or stay the proceedings. And so at this point
25 I guess my question is: Is the Propane Gas Association

1 requesting a hearing on the certificate in this matter?

2 MS. HEISINGER: Yes. We are.

3 JUDGE DIPPELL: And did the Association
4 plan to present evidence in opposition to that
5 certificate?

6 MS. HEISINGER: Yes. We are.

7 JUDGE DIPPELL: Okay. Well, in that
8 case, the -- I think the Commission had some agreement
9 with at least, if not desire, to follow the request or
10 grant the request of the Gas -- or the Missouri
11 Southern -- Southern Missouri --

12 MR. FISCHER: Southern Missouri.

13 JUDGE DIPPELL: I'll get it right now --
14 Natural Gas to do this as expeditiously as possible.
15 And seeing that I don't believe there will be too -- if
16 you anticipate this being a complicated procedure,
17 Ms. Heisinger or --

18 MS. HEISINGER: To be quite frank, I
19 think, you know, what -- what we're looking at now is
20 the -- the economic feasibility. And it seems that the
21 economic feasibility -- the financing of this is
22 contingent on the other case, which has not had a
23 recommendation from the PSC staff. And so, you know,
24 our biggest concern is how is this going to proceed?
25 What is the financing of this going to be?

1 You know, that's one of the crucial
2 components in the Commission approving this certificate
3 of necessity. And that's one of the things we wanted
4 to look at. We did not want to proceed with that until
5 we had a ruling on our motion, and we wanted to see
6 what the staff recommendation is.

7 But we don't see much detail about how
8 this is going to be financed in any of the materials thus
9 far. I would hope that it would not be complicated.
10 We've submitted a data request to see everything
11 that's, you know -- the data request that had been
12 exchanged between the PSC staff and the applicant, and
13 hopefully that will give us a lot of the information we
14 need.

15 JUDGE DIPPELL: Is the opposition of the
16 Propane Gas Association just particular to the
17 certificate on the Lebanon portion? Or is it also in
18 regards to the other certificate request?

19 MS. HEISINGER: At this point, just the
20 Lebanon portion.

21 JUDGE DIPPELL: Okay. Well, then I did
22 bring with me copies of the Commission's calendar. As
23 it is, there's through the end of September for you all
24 to look at -- talk about. I would hope that maybe you
25 can talk about settlement today if you can get any of

1 your issues worked out. And maybe look at this
2 calendar. I set a date of July 9th for a proposed
3 procedural schedule if that was going to be necessary.
4 And I think it might be helpful, Ms. Heisinger, if the
5 Propane Gas Association at least filed a formal request
6 for hearing.

7 MR. FISCHER: Judge, as I see the case
8 right now, the company agrees to the Staff's
9 recommendation --

10 JUDGE DIPPELL: Uh-huh.

11 MR. FISCHER: -- as its condition
12 including the voter ratification. And it's my
13 understanding that what you're asking for is basically
14 a brief hearing -- a date that would allow us to
15 explore the underlying basis for that. We present our
16 general manager and anyone else that might be needed to
17 answer questions --

18 JUDGE DIPPELL: Uh-huh.

19 MR. FISCHER: -- and the Commissioners
20 and the counsel for Propane Association and we could do
21 that fairly expeditiously. Is that your --

22 JUDGE DIPPELL: That is my current view
23 of the way the case is unless Ms. Heisinger's client,
24 you know, can show us something different. We do have
25 that financing application is out there pending and

1 that is --

2 MR. FISCHER: And on that, I think the
3 Staff's recommendations indicated they would like to
4 have a little bit of more specific information --

5 JUDGE DIPPELL: Right.

6 MR. FISCHER: -- about an equity -- who
7 the equity investor would be. And we've indicated
8 we'll be providing that as soon as it's available,
9 which we believe it should be available in the next 30
10 to 45 days.

11 JUDGE DIPPELL: Right.

12 MR. FISCHER: So that -- that's really a
13 fairly minor matter as well, in terms of when we can
14 get that done. And the financing will be going forward
15 and I don't think there's a -- otherwise a real concern
16 here too much.

17 JUDGE DIPPELL: Okay. Well, it is --
18 like you said, I think we can set a hearing for this
19 pretty quickly and, you know, if you think --

20 MR. FISCHER: Does -- does the Judge
21 have a preference on when you'd like to do it? I --
22 toward the end of July or August? Is that what you're
23 looking at?

24 JUDGE DIPPELL: There are -- right now,
25 we have a Laclede rate case hearing which I am the

1 judge for, set on July 30th for two weeks in there.
2 And the Missouri American rate case is set to begin
3 immediately -- well, actually they're kind of
4 overlapped. So --

5 MS. SHEMWELL: I believe that's an
6 amended case though. Laclede will be unlikely to take
7 two weeks.

8 JUDGE DIPPELL: I was going to say, I
9 believe that the Laclede will be shortened. So you
10 get -- it is okay with me if you want to schedule
11 something in there or within the month of August if you
12 can figure out a way to squeeze it in there. Right
13 now, the August calendar is completely full with --

14 MR. FISCHER: The last week of July --

15 JUDGE DIPPELL: -- rate cases.

16 MR. FISCHER: -- would be available for
17 the company.

18 JUDGE DIPPELL: So -- well, I'll let you
19 talk with Ms. Shemwell a little more about -- I'm
20 pretty sure me might be having -- it's possible we'll
21 be having a stipulation hearing or something like that
22 if the Laclede case settles and we might be getting
23 that out of the way before that, so that we can free up
24 those dates.

25 But I'll let you all know that if --

1 it's okay to -- I've also heard rumors that perhaps
2 settlement negotiations are going on Missouri American
3 too. So if you want to look in those weeks and think
4 about double booking something, we can consider that.
5 We can always set to in this timeframe.

6 MS. HEISINGER: Thank you, Judge.

7 JUDGE DIPPELL: Is there any other
8 questions? Mr. Poston?

9 MR. POSTON: No. Thank you.

10 JUDGE DIPPELL: Okay. I'll assume
11 there's nothing further then. We'll go ahead and go
12 off the record, and I'll leave you all to your
13 discussions. Thank you.

14

15

16

17

18

19

20

21

22

23

24

25

1

2

CERTIFICATE OF REPORTER

3

4

5

6

7

8

9

10

11

12

13

14

15

Lisa M. Banks, CCR

16

17

18

19

20

21

22

23

24

25