

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
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6 TRANSCRIPT OF PROCEEDINGS
7 Prehearing Conference
8 February 10, 2006
9 Jefferson City, Missouri
Volume 2

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11

12 In the Matter of the Joint)
Application of Fidelity Natural)
13 Gas, Inc., and Laclede Gas Company)
for an Order Authorizing the Sale)
14 and Transfer of Certain Assets of)
Fidelity Natural Gas, Inc., Located)
15 in Missouri to Laclede Gas Company) Case No. GM-2006-0183
and Either Authorizing the Transfer)
16 of Existing Certificates of Public)
Convenience and Necessity or)
17 Granting a New Certificate of)
Public Convenience and Necessity)
18 to Laclede Gas Company in)
Conjunction with Same)

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STEVEN C. REED, Presiding,
20 REGULATORY LAW JUDGE.

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23 REPORTED BY:

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18 Service Commission.

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

2 JUDGE REED: This is Case No. GM-2006-0183,
3 in the matter of the joint application of Fidelity Natural
4 Gas, Inc. and Laclede Gas Company for an order authorizing
5 the sale and transfer of certain assets of Fidelity
6 Natural Gas and for a certificate of public convenience
7 and necessity or granting a new certificate of public
8 convenience and necessity to Laclede Gas Company in
9 conjunction with same.

10 My name is Steve Reed. I'm the Regulatory
11 Law Judge assigned to this case. This morning we have a
12 prehearing conference. Let's have entries of appearance,
13 starting with Fidelity.

14 MR. FISCHER: Let the record reflect the
15 appearance of James M. Fischer, Fischer & Dority, P.C.,
16 101 Madison Street, Suite 400, Jefferson City, Missouri
17 65101, appearing on behalf of Fidelity Natural Gas, Inc.

18 JUDGE REED: And Laclede?

19 MR. PENDERGAST: Thank you. Michael C.
20 Pendergast appearing on behalf of Laclede Gas Company. My
21 business address is 720 Olive Street, St. Louis, Missouri
22 63101.

23 JUDGE REED: For Public Counsel?

24 MR. MILLS: On behalf of the Office of the
25 Public Counsel and the public, my name is Lewis Mills. My

1 address is Post Office Box 2230, Jefferson City, Missouri
2 65102.

3 JUDGE REED: And Staff?

4 MR. FRANSON: Robert Franson appearing on
5 behalf of the Staff of the Missouri Public Service
6 Commission, P.O. Box 360, Jefferson City, Missouri 65102.

7 JUDGE REED: Thank you. Do you want to
8 just tell me where you are and what you want me to do?
9 Would that be --

10 MR. FISCHER: Certainly. Judge, we did
11 have a public hearing, as you're aware, and we would like
12 to visit with the parties today about resolving this
13 matter by stipulation perhaps.

14 JUDGE REED: So instead of working on a
15 procedural schedule or picking a date, just see if it
16 can't be resolved and revisit this in --

17 MR. FRANSON: Probably, Judge, I would say
18 no more -- I'll throw it out here. I would say, could you
19 give us a date, say 15 days out, either we have a stip to
20 file or within a week after that we would file a proposed
21 procedural schedule?

22 The problem is I'm not absolutely sure if
23 this would be the normal proposed procedural schedule,
24 because what we already have is a Staff recommendation, we
25 have a filing by Laclede and Fidelity, which in large part

1 agrees with that, then we have an additional document by
2 Public Counsel. So we've already got some documents out
3 there, and even if we didn't come up with a stip, an
4 alternative might be to file maybe a joint document that
5 tried to combine some of those.

6 MR. PENDERGAST: Yeah. Your Honor, I've
7 tried to go ahead and search through the pleadings and
8 tried to find something that we can fight about and have
9 been woefully unsuccessful in doing that.

10 MR. MILLS: I'll help you.

11 MR. PENDERGAST: Come to the rescue, find
12 something for me. But until I get something like that,
13 I'm fairly optimistic that hopefully we will be able to
14 resolve our differences. We do have some more discussion
15 to do, and if we do, hopefully we'll be able to provide
16 something in the near future. I don't have any objection
17 to the 15-day proposal by Mr. Franson.

18 MR. FISCHER: My sense, Judge, is we're
19 very close. Of course, from the seller's perspective, we
20 would like to get it done, and we're a little bit slower
21 than what we'd hoped for earlier. So we -- I guess to the
22 extent that you can give us any guidance on if we got this
23 signed soon, if we need any kind of on-the-record
24 presentation or whether it might just be done by order,
25 that would be helpful, too. But we'd like to get it done

1 by the end of the month, and that's our goal is to get it
2 closed.

3 JUDGE REED: All right. Okay. Well, let
4 me think out loud here. Let's say either within 15 days
5 we have a stipulation and then we'll -- you know, I can
6 take that to the Commission on agenda, I presume, and try
7 to get that done by the end of the month.

8 In the event you folks aren't able to
9 agree, why don't you give me something in terms of the
10 procedure upon which all of you can agree the way you want
11 to resolve it. Maybe that's something short of a full
12 evidentiary hearing. Maybe it's something on the record,
13 some kind of agreed set of facts or something to that
14 effect.

15 MR. FRANSON: That might -- that's why I
16 mentioned it, Judge. Usually at this stage we don't
17 already have the rather extensive pleading that we've
18 already got in, Staff recommendation, company response,
19 OPC filings. So even if we do need some kind of hearing,
20 it may be somewhat abbreviated in that it may not be on
21 every possible issue.

22 JUDGE REED: Right. Is that getting close
23 to where you were headed, Mr. Fischer?

24 MR. FISCHER: I think it does. My goal is
25 really to make sure we have an Order by the end of the

1 month that's effective if we can, if we can reach an
2 agreement.

3 JUDGE REED: I brought a calendar showing
4 the dates that would be open in the event we had to
5 present something to the Commission. It looks like there
6 are -- there is time in February. I'll leave that with
7 you-all to take a look at.

8 If you're unable to agree, if you're unable
9 to get a stipulation together, then propose one of these
10 dates to me and let me know about how long you think it
11 would take to present it to the Commission in a
12 hearing-type setting, half a day maybe. I don't know.
13 Maybe longer.

14 MR. FRANSON: So when you talk about a
15 Commission setting, you're talking about -- because
16 actually it wouldn't be up to us if there was to be an on
17 the record. So if we have a stipulation, we'd I think be
18 looking to you, Judge, to tell us when to be where if we
19 had to do some kind of hearing. I guess that would be --

20 JUDGE REED: I think if it's a stipulation,
21 I think I can take that to agenda without a -- Mr. Mills?

22 MR. MILLS: Yes.

23 JUDGE REED: The stipulation, I can take
24 that to agenda without having to have any sort of on the
25 record, unless one of the Commissioners wanted an on the

1 record?

2 MR. MILLS: Right. And depending on
3 whether or not they have any particular issues with this
4 transaction, you just don't know. They may or may not.

5 JUDGE REED: Something short of that, I
6 think we have to pick a date.

7 MR. PENDERGAST: And if you do take it to
8 the agenda, certainly we can be available, and I'm sure
9 Fidelity could as well, to be there at the agenda meeting,
10 since if it were a Unanimous Stipulation & Agreement, I
11 think the Commission would be free to ask the parties
12 questions if somebody had one without having to go to the
13 trouble of having a formal on-the-record presentation.

14 MR. FRANSON: That is actually a rather
15 normal circumstance. That has been done when maybe one
16 Commissioner had questions, we -- the parties were
17 actually present at agenda and were able to answer.

18 JUDGE REED: All right. Whatever direction
19 you-all want to give me is fine, and I'll do what I can to
20 help you get this done if you can agree.

21 All right. Is there anything else for me?

22 MR. FRANSON: I don't believe so at this
23 time, Judge, but I would ask, are you available for the
24 balance of the morning it we needed to talk to you about
25 dates for agendas or anything like that?

1 JUDGE REED: Yes. Yes. I'll be here 'til
2 close to noon and then afternoon. All right. So we'll go
3 off the record.

4 WHEREUPON, the recorded portion of the
5 prehearing conference was concluded.

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