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101 Madison, Suite 400
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James M. Fischer
Larry W. DORITY

November 17, 2004

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Missouri 65102

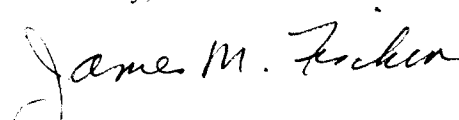
RE: *In the matter of the Application for authority of Sendero SMGC LP Acquisition Company, and Sendero SMGC GP Acquisition Company to purchase the partnership interests of DTE Enerprises, Inc. and DET Ozark, Inc. in Southern Missouri Gas Company, L.P., and for Southern Missouri to execute a Deed of Trust, Security Agreement and Financing Statement to secure a loan to complete the transaction, Case No.*

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original copy of the Application, Motion For Protective Order, and Motion For Expedited Treatment filed on behalf of Joint Applicants.

Thank you for your attention to this matter.

Sincerely,


James M. Fischer

Enclosures

cc: Office of the Public Counsel
Dan Joyce, General Counsel

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the matter of the Application)
for authority of Sendero SMGC LP Acquisition)
Company, and Sendero SMGC GP Acquisition)
Company to purchase the partnership interests) Case No.
of DTE Enterprises, Inc. and DTE Ozark, Inc. in)
Southern Missouri Gas Company, L.P., and for)
Southern Missouri Gas Company, L.P. to execute a)
Deed of Trust, Security Agreement and Financing)
Statement to secure a loan to complete the transaction.)

APPLICATION

COME NOW Sendero SMGC GP Acquisition Company ("Sendero GP Company"), and Sendero SMGC LP Acquisition Company ("Sendero LP Company")(collectively referred to as "Sendero") and DTE Enterprises, Inc ("DTE Enterprises"), and DTE Ozark, Inc. ("DTE Ozark") (collectively referred to as "DTE") by and through their counsel, and for their Application pursuant to Section 393.190, and Section 392.310, RSMo 2000,¹ and 4 CSR 240-3.225, 4 CSR 240-3.220, and 4 CSR 240-2.060, hereby request that the Commission issue an Order authorizing Sendero to purchase from DTE its interest of the outstanding Partnership Interests in Southern Missouri Gas Company, L.P. ("SMGC"), as more fully explained herein. In support thereof, Joint Applicants respectfully state as follows:

1. Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), owns and operates a natural gas transmission and distribution system located in southern

¹All statutory references are to Revised Statutes of Missouri 2000, unless otherwise indicated.

Missouri which serves approximately 7,500 residential, commercial and industrial customers. SMGC is a "gas corporation" and "public utility" under the jurisdiction of the Missouri Public Service Commission, pursuant to Chapters 386 and 393, RSMo. 2000.

2. DTE Enterprises is a corporation duly organized and in good standing under the laws of the State of Michigan, and is a holding company owning the controlling general partnership and limited partnership interests in SMGC. DTE Ozark, an affiliate of DTE Enterprises, is also a corporation duly organized and in good standing under the laws of Michigan, and was formed for purposes of facilitating the acquisition of certain limited partnership interests of Tartan Management Company of Missouri, L.L.C. in 2003. (See *Re: Application of DTE Enterprises, Inc. and DTE Ozark, Inc. for Authority to Purchase An Additional Five Percent Interest of Southern Missouri Gas Company, L.P. from Tartan Management Company of Missouri, L.L.C.*, Case No. GO-2003-0317)(May 13, 2003). Both DTE Enterprises and DTE Ozark have their principle offices located at 2000 Second Avenue, Detroit, Michigan 48226. The certificate to transact business in Missouri as a foreign corporation of DTE Enterprises was filed with the Commission in Case No. GM-2003-0317 and is incorporated herein by reference.

3. DTE Enterprises holds 94 Class A Units of SMGC (the "DTE Limited Partnership Interest") and 2 Class B Units of SMGC (the "General Partnership Interest"), together representing 96% of the outstanding partnership interests in SMGC. DTE Ozark holds 4 Class A Units of SMGC (the "DTE Ozark Limited Partnership Interest"), representing 4% of the outstanding partnership interests in SMGC. The DTE Limited Partnership Interest and the DTE Ozark Limited Partnership Interest are collectively referred to as the "Limited Partnership

Interests" and together with the General Partnership Interest are collectively referred to as the "Partnership Interests".

4. Each of Sendero GP Company and Sendero LP Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Both Sendero GP Company and Sendero LP Company have their principle offices located at 1001 Fannin--Suite 550, Houston, TX 77002. The certificates to transact business in Missouri as foreign corporations of Sendero GP Company and Sendero LP Company are in the process of being obtained from the Missouri Secretary of State and will be incorporated herein as Exhibit 1 when they are available. Sendero GP Company and Sendero LP Company are affiliates of Sendero Capital Partners, Inc., a capital investment fund that focuses upon investments in the energy sector of the economy. Sendero GP Company and Sendero LP Company are privately held companies whose primary business is investing in, acquiring and managing the interests of SMGC. The principals of both companies include Sendero Capital Partners, Inc., CHx Capital, LLC and Michael J. Lewis. Sendero Capital Partners, Inc. is owned by Randal T. Maffett who has over 24 years in natural gas and related industries. CHx Capital, LLC is an affiliate of Aspect Energy, LLC which is also a privately held energy investment company principally owned by Alex M. Cranberg with over 25 years in the energy industry. Mr. Michael J. Lewis is a private investor who has over 28 years in the natural gas pipeline and distribution industry. Collectively, the Sendero investors represent more than 75 years in the natural gas, pipeline, distribution and related energy industries. Specific related industry experience includes natural gas pipeline engineering, operations and construction, corporate business development, finance and strategic planning, mergers and acquisitions, gas marketing

and sales, safety and environmental as well as regulatory compliance at both state and federal levels.

5. All correspondence, pleadings, orders, and documents in this proceeding should be addressed to:

James M. Fischer
Fischer & Dority, P.C.
101 Madison Street--Suite 400
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Email: jfischerpc@aol.com

Randal T. Maffett
Sendero Capital Partners, Inc.
1001 Fannin--Suite 550
Houston, Texas 77022
Telephone: (713) 655-0523
Email: maffett@kingwoodcable.net

Scott F. Klemm
DTE Enterprises, Inc.
127 N. Main
P.O. Box 40
Adrian, Michigan 49221
Telephone: (517) 264-4484
Email: klemms@dteenergy.com

6. Pursuant to an Agreement For Purchase Of Partnership Interests between DTE Enterprises, Inc. and DTE Ozark, Inc. as Seller and Sendero SMGC GP Acquisition Company and Sendero SMGC LP Acquisition Company as Buyer, dated November 15, 2004 (the "Agreement")(attached as Exhibit 2 and filed under seal) Sendero and DTE have agreed upon the terms and conditions under which Sendero will acquire the Partnership Interests in SMGC. At the closing of the transactions contemplated by the Agreement, DTE will sell and deliver to Sendero GP Company the General Partnership Interest, DTE shall sell and deliver to Sendero LP

Company the DTE Limited Partnership Interest, and DTE Ozark will sell and deliver to Sendero LP Company the DTE Ozark Limited Partnership Interest. Following the transaction, Sendero will collectively own 100% of the Partnership Interests in SMGC.

7. Certified copies of the resolutions of the Board of Directors of Sendero and DTE authorizing the consummation of the transactions contemplated by this Application are attached hereto as Exhibit 3 and incorporated herein by reference.

8. The proposed sale and purchase of the Partnership Interests is not detrimental to the public interest because the transaction will not result in any reduced level of service or reliability, or in any change in the rates for those customers being served by SMGC. Additionally, Sendero anticipates no significant changes to operational structure or procedures currently in place in Missouri. In fact, the proposed transaction should have no impact on Missouri customers of SMGC. As stated earlier, Sendero's management team will also bring more than seventy-five years of collective experience in the pipeline and related industries to the management of SMGC. As the principal owner of SMGC, Sendero's primary role will be in managing the overall corporate business environment, developing strategic growth plans and maximizing the level of service SMGC provides. Sendero's primary focus will be on growth, both internally within the existing markets already served by SMGC as well as potentially expanding service to other areas in proximity to its existing system. Sendero intends to continue operating SMGC as it currently is with no anticipated changes to either key personnel or SMGC's operating policies and procedures. Sendero does intend to expand SMGC's marketing efforts and is considering hiring additional representatives to help facilitate the growth strategies it believes exists. The partners of Sendero are very well capitalized and plan on utilizing its resources to supplement SMGC's current operations, technological upgrades, customer services

and regulatory compliance. Finally, Sendero intends to hire a full-time local general manager who will be directly responsible for the day to day operations of the company. The general manager will work closely with and report directly to the Advisory Board of Sendero.

9. As part of its acquisition financing, Sendero will be capitalized with approximately \$3 - 6 million of equity contributed by its partners and approximately \$10 – 13.5 million of senior debt secured by the assets of SMGC and amortized over a 10-18 year time period at a current interest rate of approximately 6% (i.e. LIBOR plus 350 basis points).

10. Pursuant to 4 CSR 240-3.220, Sendero states that the proceeds of the senior debt will be used to acquire the Partnership Interests in SMGC. Copies of the senior debt instruments will be provided to the Commission after they are executed.

11. None of the proceeds is subject to the fee schedule in Section 386.300 RSMo 2000. Other appendices, as required by the Commission Rules or by way of additional explanation, are as follows:

- Exhibit 4: Income statement and balance sheet of SMGC with adjustments showing the effects of the proposed financing. (filed under seal)
- Exhibit 5: A five (5) year capitalization expenditure schedule for SMGC, as required by Section 392.310, RSMo 2000, is attached hereto and incorporated herein by reference.

12. The proposed transaction will not impact any of the tax revenues of the Missouri political subdivisions in which any structures, facilities, or equipment of SMGC are located.

13. The Joint Applicants have no pending action or final unsatisfied judgments or decisions against them from any state or federal agency or court which involve customer service or rates which has occurred within three (3) years of the date of the Application

14. No annual report or assessment fees are overdue in Missouri.

15. The Joint Applicants also respectfully request a review of the Application by the Commission Staff to enable the Joint Applicants to receive an Order authorizing the purchase of the Partnership Interests in SMGC, as described in the Agreement, effective by December 31, 2004, if possible.

WHEREFORE, Joint Applicants respectfully request that the Commission issue an Order approving the transactions described herein, including:

(a) Authorizing the purchase of the Partnership Interests by Sendero, as more fully described in the Agreement, including the purchase of the General Partnership Interest by Sendero GP Company and the purchase of the Limited Partnership Interest by Sendero LP Company;

(b) Authorizing Sendero and DTE to enter into, execute and perform in accordance with the terms of the Agreement;

(c) Authorizing SMGC to execute and deliver a Deed of Trust, Security Agreement and Financing Statement and/or other related financing documents, as required by the lender;

(d) Granting such other relief as may be deemed necessary to accomplish the purpose of this Application and to consummate the purchase of the Partnership Interests in SMGC, as more fully described in the Agreement.

Respectfully submitted,

/s/ James M. Fischer

James M. Fischer Mo. Bar No. 27543
Fischer & Dority, P.C.
101 Madison Street, Suite 400
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383
Email: jfischerpc@aol.com

ATTORNEYS FOR JOINT APPLICANTS

CERTIFICATE OF SERVICE

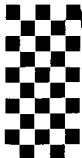
I hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, by U.S. Mail, First Class, this 17th day of November, 2004, to:

Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102

Dan Joyce
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

/s/ James M. Fischer

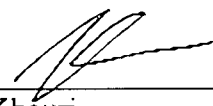
James M. Fischer



VERIFICATION


STATE OF MICHIGAN)
)
 COUNTY OF WAYNE) ss.

N. A. Khouri, being first duly sworn, on his oath and in his capacity as Vice President of DTE Enterprises, Inc. states that he is authorized to execute this Application on behalf of DTE Enterprises, Inc. and DTE Ozark, Inc. and has knowledge of the matters stated herein, and that said matters are true and correct to the best of his knowledge and belief.



 N. A. Khouri

Subscribed and sworn to before me this 15th day of November, 2004.



 Notary Public


ANDREA L. CAMPAU
 Notary Public, Wayne County, MI
 My Commission Expires May 10, 2005

My Commission Expires: _____

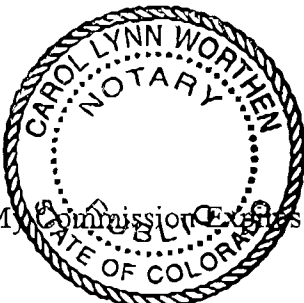
VERIFICATION

STATE OF COLORADO)
)
COUNTY OF DENVER) ss.

Robert T. Neugebauer, being first duly sworn, on his oath and in his capacity as Vice President states that he is authorized to execute this Application on behalf of Sendero SMGC GP Acquisition Company and Sendero SMGC LP Acquisition Company and has knowledge of the matters stated herein, and that said matters are true and correct to the best of his knowledge and belief.

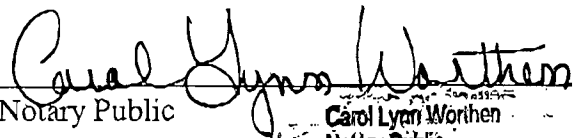

Robert T. Neugebauer

Subscribed and sworn to before me this 17th day of November, 2004.



My Commission Expires: _____

My Commission Expires 5/11/2005


Notary Public
Carol Lynn Worthen
Notary Public
511 Stout St., Suite 300
Denver, CO 80202

Certificates to Transact Business As Foreign Corporations

Sendero GP Company

Sendero LP Company

(Late-filed)

Exhibit 1

Agreement For Purchase Of Partnership Interests

Between DTE Enterprises, Inc. and DTE Ozark, Inc., as Seller

and Sendero SMGC GP Acquisition Company and Sendero LP Acquisition Company as Buyer

November 15, 2004

(Proprietary—filed under seal)

Exhibit 2

Resolutions of the Board of Directors

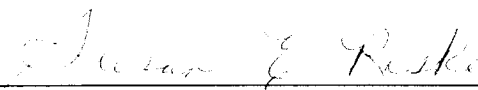
Exhibit 3

**Certification of Resolution
of the Board of Directors
of DTE Enterprises, Inc.**

I, SUSAN E. RISKE, Assistant Corporate Secretary of DTE Enterprises, Inc., do hereby certify that the attached is a true and correct copy of a resolution passed by the Board of Directors of said Company on October 28, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of November 2004.

DTE ENTERPRISES, INC.

A handwritten signature in cursive script, reading "Susan E. Riske", is written above a horizontal line.

Assistant Corporate Secretary

DTE ENTERPRISES, INC.

**UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING**

The undersigned, constituting all of the Directors of DTE Enterprises, Inc., a Michigan corporation ("Company"), acting pursuant to the provisions of the Michigan Business Corporation Act, hereby unanimously consent to the adoption of the following preamble and resolutions:

WHEREFORE, the officers of this Company have advised this Board that it is in the best interest of this Company to sell this Company's General and Limited Partnership interests in Southern Missouri Gas Company, L.P. (SMGC); and

NOW, THEREFORE, BE IT

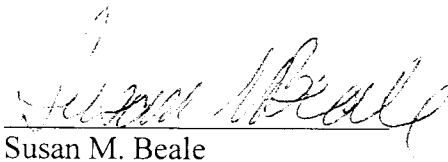
RESOLVED, that the officers of this Company be, and they hereby are, authorized to sell this Company's General and Limited Partnership interests in SMGC at a price to be approved by this Company's Vice President and Treasurer or an Assistant Treasurer of this Company; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

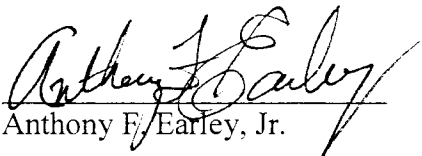
RESOLVED, that the Vice President and Treasurer or an Assistant Treasurer of this Company be, and each of them hereby are, authorized to execute an Agreement for Purchase of Partnership Interests (Agreement for Purchase) providing for the sale of this Company's interests in SMGC and providing for such terms and conditions as the signatory officer shall deem appropriate; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

RESOLVED, that the officers of this Company be, and they hereby are, authorized to apply for and secure such regulatory approvals for the transaction herein authorized as such officers shall deem necessary or advisable, including the approval of the Missouri Public Service Commission; and

RESOLVED, that the officers of this Company be, and they hereby are, authorized to do all acts and deeds and execute and deliver all such documents as such officers shall deem necessary or appropriate to carry into effect the purpose and intent of the transaction authorized by these resolutions; provided, however, that only the Vice President and Treasurer or an Assistant Treasurer of this Company may execute and deliver an Agreement for Purchase of this Company's General and Limited Partnership interests in SMGC.

Executed this 28th day of October, 2004.


Susan M. Beale


Anthony F. Earley, Jr.



David E. Meador

**Certification of Resolution
of the Board of Directors
of DTE Ozark, Inc.**

I, SUSAN E. RISKE, Assistant Corporate Secretary of DTE Ozark, Inc., do hereby certify that the attached is a true and correct copy of a resolution passed by the Board of Directors of said Company on October 28, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of November 2004.

DTE OZARK, INC.



Assistant Corporate Secretary

DTE OZARK, INC.

**UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING**

The undersigned, constituting all of the Directors of DTE Ozark, Inc., a Michigan corporation ("Company"), acting pursuant to the provisions of the Michigan Business Corporation Act, hereby unanimously consent to the adoption of the following preamble and resolutions:

WHEREFORE, the officers of this Company have advised this Board that it is in the best interest of this Company to sell this Company's Limited Partnership interest in Southern Missouri Gas Company, L.P. (SMGC); and

NOW, THEREFORE, BE IT

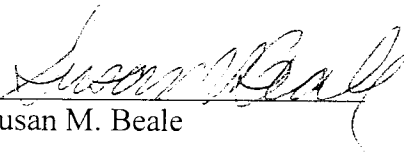
RESOLVED, that the officers of this Company be, and they hereby are, authorized to sell this Company's Limited Partnership interest in SMGC at a price to be approved by this Company's Vice President and Treasurer or an Assistant Treasurer of this Company; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

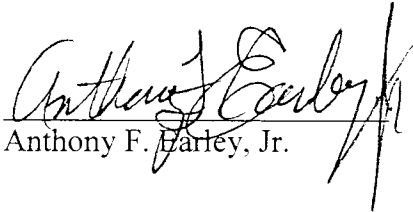
RESOLVED, that the Vice President and Treasurer or an Assistant Treasurer of this Company be, and each of them hereby are, authorized to execute an Agreement for Purchase of Partnership Interests (Agreement for Purchase) providing for the sale of this Company's interest in SMGC and providing for such terms and conditions as the signatory officer shall deem appropriate; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

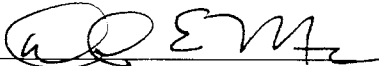
RESOLVED, that the officers of this Company be, and they hereby are, authorized to apply for and secure such regulatory approvals for the transaction herein authorized as such officers shall deem necessary or advisable, including the approval of the Missouri Public Service Commission; and

RESOLVED, that the officers of this Company be, and they hereby are, authorized to do all acts and deeds and execute and deliver all such documents as such officers shall deem necessary or appropriate to carry into effect the purpose and intent of the transaction authorized by these resolutions; provided, however, that only the Vice President and Treasurer or an Assistant Treasurer of this Company may execute and deliver an Agreement for Purchase of this Company's Limited Partnership interest in SMGC.

Executed this 28th day of October, 2004.


Susan M. Beale


Anthony F. Barley, Jr.


David E. Meador

Income Statement and Balance Sheet of Southern Missouri Gas Company, L.P.

with adjustments showing impact of financing

(Proprietary—filed under seal)

Exhibit 4

Capitalization Expenditure Schedule
for Southern Missouri Gas Company, L.P.

Exhibit 5

Southern Missouri Gas Company, L.P.
Capital Expenditure Schedule

<u>Year</u>	<u>Capital Expenditures</u>
1999	\$ 2,020,832
2000	\$ 1,184,137
2001	\$ 574,814
2002	\$ 621,844
2003	\$ 553,496