BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Ozark Energy Partners, LLC for a Certificate of Public Convenience and Necessity to Construct and Operate an Intrastate Natural Gas Pipeline and Gas Utility to Serve Portions of the Missouri Counties of Christian, Stone and Taney, and for Establishment of Utility Rates.))) (Case No. GA-2006-0561)))
In the Matter of the Application of Alliance Gas Energy Corporation for a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Control, Manage and Maintain a Natural Gas Distribution System to Provide Gas Service in Branson, Branson West, Reeds Spring, and Hollister, Missouri)))) <u>Case No. GA-2007-0168</u>))

OZARK ENERGY PARTNERS' RESPONSE TO STAFF'S MOTION TO CONSOLIDATE

COMES NOW Ozark Energy Partners, LLC (hereinafter, "Ozark"), by and through counsel, and respectfully opposes Staff's *Motion to Consolidate* of February 21, 2007, for the reasons detailed below.

1. Ozark filed its Application in this case on June 30, 2006. Subsequent Supplements to the Application were filed on November 6, 2006 and February 28, 2007. Ozark requests a certificate of public convenience and necessity to serve the area described in Exhibits D and E to its Application, which includes Stone and Taney Counties and parts of Christian County, Missouri, and the cities of Hollister, Reeds Spring, Branson, Branson West, Highlandville, Spokane, Kimberling City and Galena.

- 2. On February 28, 2007, Ozark also filed its Feasibility Study in this case (Exhibit F to its Application), as well as the legal description of its proposed service area (Exhibit D), a plat reflecting those descriptions (Exhibit E), an Amended Exhibit A (Amended Articles of Organization) and copies of its franchise ordinances (Exhibit I). Ozark's filings on February 28 complete its application for a certificate of convenience and necessity to provide natural gas distribution services in the proposed service area.
- 3. In a pleading being filed concurrently with this one, Ozark is requesting that the Commission establish a schedule of proceedings in Case No. GA-2006-0561 to move toward an expeditious determination on the merits of Ozark's Application.
- 4. The demand for natural gas service in the proposed service area is substantial and increasing. In addition, a number of major development projects within the proposed service area are in the planning stages, or are under or nearing construction; these projects would utilize natural gas if it were available. Thus, time is of the essence in assessing Ozark's Application and granting the certificate of public convenience and necessity being sought by Ozark in Case No. GA-2006-0561.
- 5. Ozark Energy Partners believes that it is significantly further along than Alliance Gas Energy Corporation in the process of completing its Application for a certificate of public convenience and necessity. Ozark objects to consolidation of the Alliance and Ozark application cases because it would delay

consideration of Ozark's case. To consolidate these cases would punish Ozark Energy Partners, by reason of Alliance's inability to advance its case.

- 6. Consolidation of these cases would also punish the citizens of the Ozark region of Missouri, and businesses and developers there, who want and need natural gas service to become available to them as expeditiously as possible.
- 7. Alliance (or its corporate predecessor) has held a non-exclusive franchise to provide natural gas service in Branson for three years now, but has never exercised that franchise. Not until October 26, 2006 did Alliance actually file an Application with the Public Service Commission. This was four months after Ozark had filed its Application in Case No. GA-2006-0561, and only days before Alliance's Branson franchise would otherwise have expired under even the most liberal interpretation of the Branson franchise ordinance as extended in March 2006.
- 8. While 4 CSR 240-2.110(3) does permit the Commission to consolidate cases that "involve related questions of law or fact," Staff, in its Motion, correctly goes on to recite that the purpose of such consolidation would be ". . . to avoid unnecessary costs or delay." However, to grant consolidation of these two cases would *cause* delay, not avoid it, by slowing down the process of Ozark Energy Partners being able to demonstrate that it should be granted a certificate by the Commission.
- 9. Alliance has had three years to present its credentials and feasibility study to the Commission. It has yet to do so. These cases should not

be consolidated when they do not appear to be on the same time track. Ozark's case is now ready to proceed toward hearing. By contrast, Alliance's case does not appear to be ready to proceed to hearing. The Commission should: (1) deny Staff's *Motion to Consolidate*, or (2) consolidate the cases only if Alliance agrees to a procedural schedule consistent with the one proposed by Ozark today in Case No. GA-2006-0561.

10. The people of the Ozarks have been waiting for more than ten years for Alliance (and its corporate predecessor¹) to bring natural gas to the region. They should not have to continue to wait for natural gas service when Ozark is ready to proceed and Alliance does not appear to be prepared to proceed.

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Alliance's predecessor in interest, Ozark Natural Gas Co., Inc. filed an application with the Missouri Public Service Commission on December 3, 1997, and received a certificate of convenience and necessity from the Commission in an *Order Approving Stipulation and Agreement* issued on August 4, 1998, effective August 14, 1998. Case No. GA-98-227. That company had received franchise ordinances from various cities in the Ozarks as early as September 1, 1994, and during 1995 and 1996. Ozark Natural Gas never exercised its certificate. Its Branson franchise was assigned to Alliance Gas Energy, Inc., which included some of the same ownership as Ozark Natural Gas, on March 14, 2004, according to Branson Ordinance No. 2005-035, (March 28, 2005), which is attached to Alliance's Application in GA-2007-0168 as Appendix F.

WHEREFORE, Ozark Energy Partners, LLC respectfully moves the Commission to deny Staff's *Motion to Consolidate*, or to condition consolidation on Alliance's agreement to the schedule of proceedings proposed by Ozark in Case No. GA-2006-0561.

Respectfully submitted,

/s/ William D. Steinmeier_

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been served electronically on the General Counsel's Office, the Office of the Public Counsel, and counsel for each Intervenor, on this 2nd day of March 2007.

/s/ William D. Steinmeier_

William D. Steinmeier