

Exhibit No.:
Issues: Certificate of Convenience
Witness: Henry E. Warren
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: GA-2007-0289, et al.
Date Testimony Prepared: September 7, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

HENRY E. WARREN

MISSOURI GAS ENERGY

CASE NO. GA-2007-0289, et al.

**Jefferson City, Missouri
September 2007**

Staff Exhibit No. 18
Case No(s). GA-2007-0289
Date 10/25/07 Rptr WV

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

In the matter of the application of)
Missouri Gas Energy, a division of)
Southern Union Company, 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 Platte County, Missouri, as)
an expansion of its existing certified area.)

Case No. GA-2007-0289, et al.

AFFIDAVIT OF HENRY E. WARREN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Henry E. Warren, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 8 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.


Henry E. Warren

Subscribed and sworn to before me this 6th day of September, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086


Notary Public

My commission expires 9-21-10

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REBUTTAL TESTIMONY

OF

HENRY E. WARREN

MISSOURI GAS ENERGY

CASE NO. GA-2007-0289, et al.

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REBUTTAL TESTIMONY

OF

HENRY E. WARREN

MISSOURI GAS ENERGY

CASE NO. GA-2007-0289, et al.

13 Q. Please state your name and business address.

14 A. My name is Henry E. Warren and my business address is P. O. Box 360,
15 Jefferson City, Missouri, 65102.

16 Q. Are you the same Henry E. Warren that submitted Direct Testimony in
17 this case?

18 A. I am.

EXECUTIVE SUMMARY

19 Q. What is the purpose of your rebuttal testimony?

20 A. The purpose of my rebuttal testimony is: 1) to address issues raised by
21 Missouri Gas Energy (MGE) serving natural gas customers in Sections 11 and 12 of
22 T52WR35N in Platte County, Missouri, and to establish that MGE does not have a
23 certificate of convenience and necessity (CCN) to serve customers in Sections 11 and 12 of
24 T52NR35W in Platte County, 2) to establish that MGE only has a CCN to operate a natural
25 gas supply line to transport gas through Sections 11 and 12, and to review the service area
26 of Missouri Gas Energy in the vicinity of the Kansas City International Airport (MCI or
27 Airport), 3) to review the cases that established the service areas for The Empire District
28 Gas Co. (EDG) in the vicinity of Platte City Missouri, and establish that EDG does have a
29 CCN to serve customers in Sections 11 and 12, 4) to show where EDG and MGE are both

Rebuttal Testimony of
Henry E. Warren

1 now serving customers in section 12, 5) to point out safety issues with the both companies
2 serving in one section, 6) to discuss the franchise and annexation agreements that exist and
3 their potential implications for gas service and safety, and 7) Missouri Public Service
4 Commission (PSC or Commission) Staff (Staff) recommendations.

5 **1. MGE in Certain Areas in Platte County near Platte City and the Airport**

6 Q. What does Mr. Michael Noack, Missouri Gas Energy, state in his direct
7 testimony regarding Missouri Gas Energy's certificate of convenience and necessity
8 (CCN) to serve natural gas customers in certain areas in Platte County, Missouri?

9 A. On page 4, line 14, of his Direct Testimony, Mr. Noack states, "MGE is
10 currently cetificated in Sections 11 and 12 (P.S.C. Mo. No. 1 Original Sheet No. 6.15
11 with an effective date of May 21, 1997) but not in Sections 13 or 14."

12 Q. Does the CCN that MGE has for Sections 11 and 12 allow it to serve
13 customers in these sections?

14 A. No. Staff Witness, Mr. Michael Straub explains the type of CCN that the
15 Commission granted MGE does not allow MGE to serve customers in these sections.

16 Q. Are there any other Sections in Platte County listed on MGE tariff sheet
17 6.15 for which MGE does not have a CCN to serve gas customers.

18 A. Yes. Schedule 1 contains a copy of MGE Tariff Sheet No. 6.15. I have
19 identified twenty-two sections listed on this sheet for which MGE does not have a CCN
20 to serve customers.

21 Q. Does MGE have a CCN to maintain and operate a natural gas supply line
22 in some of these sections listed on MGE Tariff Sheet 6.15?

1 A. Yes, in Case No. 12,632 the predecessor to MGE was issued a CCN for a
2 natural gas supply line to serve the MCI Airport and the surrounding area. This is
3 referred to as the Leavenworth Supply Line (MGE LSL) because it starts in the vicinity
4 of East Leavenworth, Missouri and runs east to the MCI Airport, as shown in Schedule 2.
5 The MGE LSL is located in Section 12 T52NR36W and Sections 7-12 T52NR35W
6 before reaching the area MGE is certificated to serve around the MCI Airport, as shown
7 in Schedule.

8 **2. The CCN for MGE Leavenworth Supply Line**

9 In a series of orders regarding Certificates of Convenience and Necessity (CCN)
10 dating back more than fifty years the Commission clearly defined the sections of land
11 around the MCI Airport that MGE could serve with its MGE LSL and the sections of
12 land around Platte City that EDG could serve (Schedule 4). The CCN for the MGE LSL
13 is unique in that it limits the use of the MGE LSL to supply the sections around the MCI
14 airport delineated in the first order in Case No. 12,632. This restriction was
15 acknowledged in the third order in Case No. 12,632, which expanded the sections that
16 could be served by the MGE LSL to include sections in southern Platte County around
17 the community of Platte Woods and the southern Clay County community of Gladstone
18 which MGE already had a CCN to serve. Consequently, only those sections authorized
19 in Case No. 12,632 may be served by the MGE LSL.

20 Q. What action is Staff taking regarding the MGE tariff sheets approved by
21 the Commission in File No. 9700571?

22 A. Staff is reviewing the orders in MGE's and predecessor company's CCN
23 cases and verifying that each section listed on its current tariff sheets were properly

Rebuttal Testimony of
Henry E. Warren

1 authorized by the Commission in a CCN case. Once this process is completed Staff will
2 determine if further action is required to modify the sections listed on the tariff sheets as a
3 result of File No. 9700571.

4 **3. EDG's CCN in the Vicinity of Platte City including Sections 11 and 12**

5 Q. Does EDG have a CCN to serve customers in Sections 10-12
6 T52NR35W?

7 A. Yes. In Case No. 13,172 (1956) the Commission issued a CCN to the
8 predecessor of EDG to serve Platte City and the surrounding area including Sections 10-
9 12 T52NR35W.

10 The boundaries of sections in service areas set forth in the Commission orders in
11 Case Nos. 12,632 and 13,172 (Schedule 4) are the current boundaries recognized by the
12 Commission for MGE and EDG in the area in the vicinity of Platte City and the MCI
13 Airport (Schedule 4).

14 Q. Are the Sections around Platte City, ordered in Case No. 12,632 and Case
15 No. 13,172 accurately listed in the EDG Tariff?

16 A. Yes. A copy of Aquila Networks – MPS and L&P Tariff Sheet No. 3,
17 adopted by EDG is shown in Schedule 5.

18 **4. EDG and MGE in Section 12**

19 Q. Is EDG currently serving customers in Section 12?

20 A. Yes, EDG is serving a subdivision in the northeast part of Section 12
21 (Schedule 7).

22 Q. Is MGE serving customers in Section 12 other than the Seven Bridges
23 Subdivision?

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Henry E. Warren

1 A. Yes. MGE serves customers on Oakmont Drive which begins in a
2 subdivision west of I-435 in Section 7 T52NR34W for which MGE has a CCN to serve
3 customers. However, Oakmont Drive has been extended west into the southeast corner
4 of Section 12 just east of Prairie Creek. MGE has also indicated that they serve some
5 isolated customers in Section 12 near the MGE LSL.

6 **5. Safety Issues**

7 Q. Is there a safety concern with two natural gas local distribution companies
8 (LDCs) providing service in the same Section or Community?

9 A. Yes, the Commission's Gas Safety Department has a preference that there
10 should be only one LDC in a community to avoid confusion among emergency
11 responders. This would be a concern if MGE serves the Seven Bridges Subdivision in
12 Section 12 which is located less than one mile south on Platte County Road N of the
13 Copper Ridge Subdivision in Section 12 which is served by EDG.

14 There is less concern with the homes served by MGE at the end of Oakmont
15 Drive in Section 12 because Prairie Creek provides a natural barrier between the
16 Oakmont Subdivision which is west of I-435 and east of Prairie Creek, and the Copper
17 Ridge and Seven Bridges subdivisions in Section 12 south of Platte City along County
18 Road N which are on the east side of Prairie Creek (Schedules 8 and 9).

19 **6. Franchise and Annexation Agreements**

20 Q. Does EDG have a franchise agreement with Platte City?

21 A. Yes, it signed a franchise agreement with Platte City in June 2006.

22 Q. Does MGE have a franchise agreement with Platte City?

23 A. No, it does not.

Rebuttal Testimony of
Henry E. Warren

1 Q. Do Platte City and Kansas City have an annexation agreement?

2 A. Yes, they signed an annexation agreement in 1972. The effect of the
3 agreement is shown in Schedule 7. South of Platte City, the eastern boundary of Kansas
4 City is I-435 and the northern boundary is a small distance south of County Road D
5 (120th Street).

6 Q. What are the potential consequences of this annexation agreement for gas
7 service and gas safety?

8 A. If the areas inside the Platte City planning area west of I-435 that are
9 certificated to MGE would ever become part of Platte City, there would possibly be some
10 safety concerns because there would be two gas providers in the same community.
11 However, Missouri laws concerning annexation have changed since this agreement was
12 signed, so the likelihood of annexation of the area south of Platte City in Schedule 7 is
13 uncertain because the residents in these areas may not be in favor of annexation.

14 **7. Staff Recommendation**

15 Q. What are your recommendations based on your rebuttal testimony?

16 A. Because of MGE tariff sheets containing locations where they do not have
17 a CCN to serve customers, the Commission should order MGE to revise their tariff sheets
18 to conform to the areas they have received a CCN to serve customers.

19 Tariff sheets 6.15 and 8 in the MGE tariff need to be revised to conform to
20 Commission orders in Case No. 12,632. Only Sections in Platte County around the MCI
21 Airport contained in the Commission Order should be listed for natural gas distribution.
22 Sections which contain the MGE LSL west of Section 7 T52R34 should be designated
23 only as authorized for the MGE LSL and not for gas distribution to customers located

Rebuttal Testimony of
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1 within those Sections. Any sections not authorized in Case No. 12,632 for distribution or
2 for the MGE LSL in the vicinity of Platte City and the MCI Airport should be removed
3 from the Index and Map of certificated areas. Staff acknowledges that MGE does have a
4 CCN from the Commission to serve other areas in southern and northern Platte County.

5 Because MGE is serving a few customers along the MGE LSL, any customer that
6 EDG does not want to extend service lines to serve should remain as an MGE customer.
7 The application of MGE to serve Sections 13 and 14 of T52R35W is deficient because
8 these sections can only be served by the MGE LSL and MGE is not specifically
9 authorized to serve these sections by the MGE LSL and MGE has not applied to serve
10 these sections using the MGE LSL. MGE should determine if it is using the MGE LSL
11 to serve any customers in sections where it has a CCN but not authorized in Case No.
12 12,632 to serve with the MGE LSL. If it is using the MGE LSL to serve any customers
13 in this circumstance it should apply to the Commission for authorization to serve those
14 sections with the MGE LSL.

15 On the basis of the existing CCN to serve customers in sections 10, 11, and 12 of
16 T52NR35W, the franchise agreement between EDG and Platte City and the Annexation
17 Agreement between Platte City and Kansas City; I recommend that a CCN be issued to
18 EDG to serve customers in Sections 13, 14, 15, 22, 23, and 24 in T52NR35W, with the
19 exception of two areas on the west side of Sections 12 and 13 where MGE customers are
20 on the ends of streets.. As previously noted, MGE service has incurred into Section 12 at
21 the end of Oakmont Drive and in Section 13 at the end of NW 126th Street. If
22 development continues on 122nd and 123rd Streets there may be another incursion into
23 Section 13 along these streets as they extend west to Prairie Creek (Schedules 8 and 9). It

Rebuttal Testimony of
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1 is reasonable, under these circumstances, to allow Prairie Creek to be the boundary
2 between MGE on the east side and EDG on the west side, and Fox Creek to be the
3 boundary with MGE on the north side and EDG on the south side in Sections 12 and 13
4 (Schedule 9).

5 Q. Does this conclude your direct testimony?

6 A. Yes, it does.

Missouri Gas Energy,
a Division of Southern Union Company

For: All Missouri Service Areas

INDEX OF CERTIFICATED AREAS

TOWNSHIP	RANGE	SECTIONS
PETTIS COUNTY		
T43n	R23w	6,7
T44n	R23w	31
T46n	R23w	11,14,15,22,23
T47n	R22w	13,14,23,24,25,26
T48n	R22w	32
PLATTE COUNTY		
T50n	R33w	4,5,6,7,8,9
T51n	R33w	4,5,6,7,8,9,16,17,18,19,20,21,28,29,30,31,32,33
T51n	R34w	1,2,3,4,5,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36
T51n	R35w	11,12
T52n	R33w	4,5,7,8,9,16,17,18,19,20,21,28,29,30,31,32,33
T52n	R34w	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36
T52n	R35w	1,2,3,4,5,6,7,8,9,10,11,12
T52n	R35w	1,12
T54n	R33w	4,5,6,7,8,9,16,17,18,19,20,21,28
T54n	R34w	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,28,29,30,31,32,33
T54n	R35w	1,2,3,4,5,8,9,10,11,12,13,14,15,16,17,
T55n	R34w	31
T55n	R35w	32,33,34,35,36

DATE OF ISSUE February 21 1997
month day year

DATE EFFECTIVE May 21 1997
month day year

ISSUED BY: Charles B. Hernandez

Director, Pricing & Regulatory Affairs
Missouri Gas Energy
Kansas City, MO. 64111

Missouri Gas Energy The Empire District Gas Co. Case No. GA-2007-0289

Missouri Gas Energy Tariff Sheet No. 6.15 Index of Certificated Areas

Twenty-two Sections appear in MGE tariff (Sheet No. 6.15) for Platte County for which MGE does not have a CCN to serve customers. MGE is serving customers in the Seven Bridges Subdivision in Sections 11 and 12 of T52NR35W.

T52NR33W Sections 4, 5

T52NR34W Sections 1-6

T52NR35W Sections 1-12

T52NR36W Sections 1,12

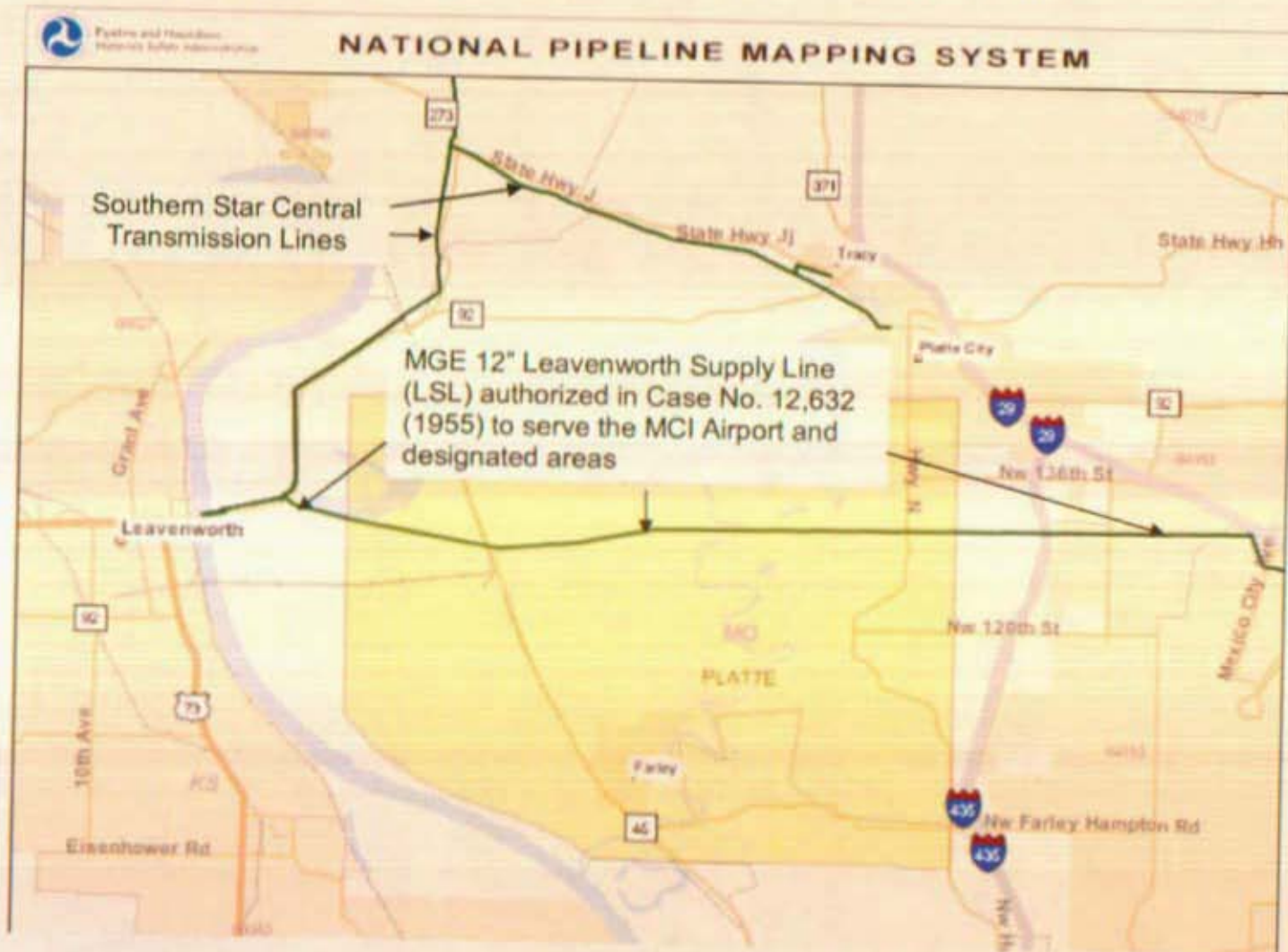
Filed

Missouri Public
Service Commission

Schedule 1

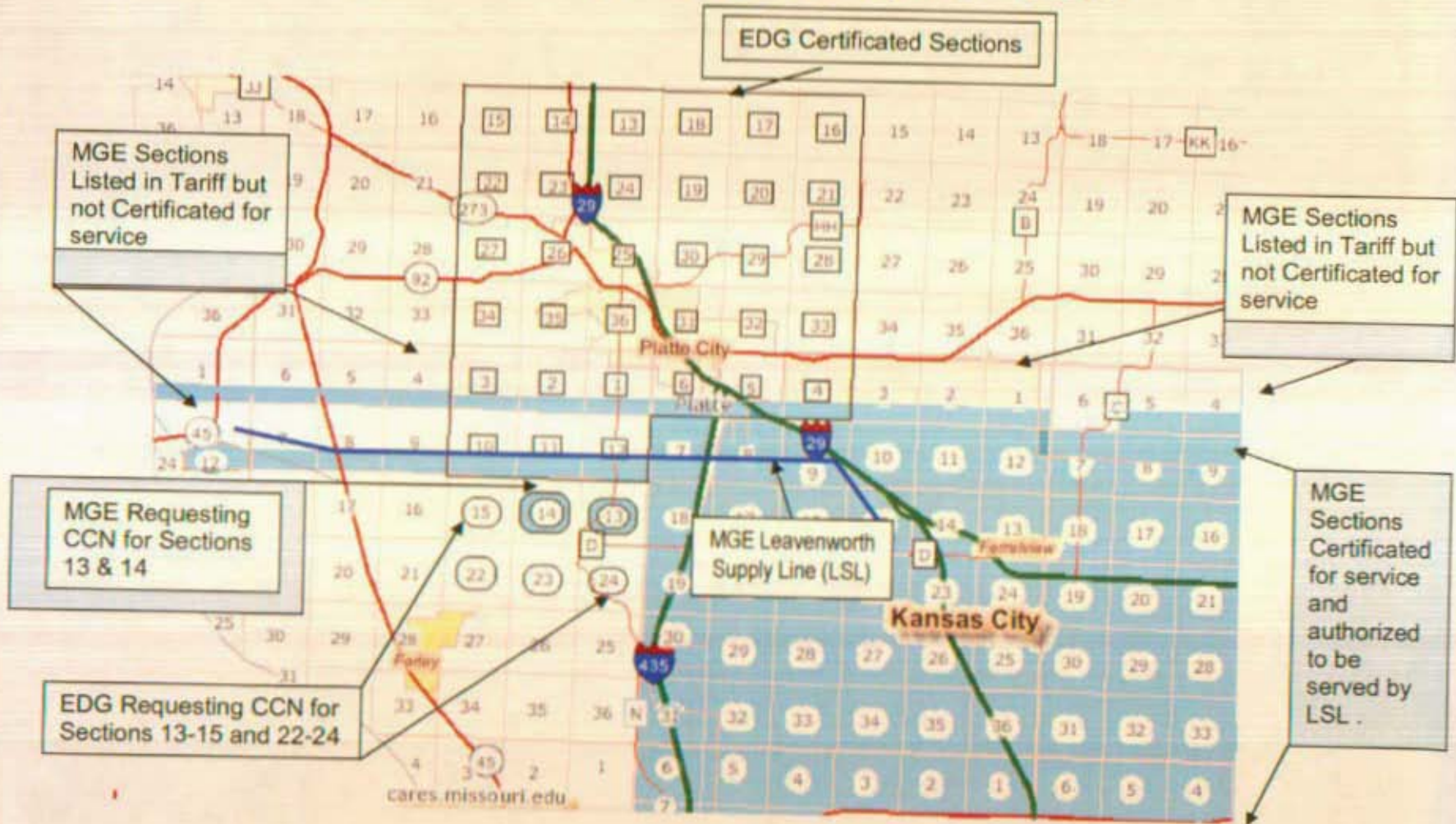
Missouri Gas Energy – The Empire District Gas Co.
Case No. GA-2007-0289

MGE supply line serving the Kansas City International Airport (MCI) and designated areas
and Pipelines serving Platte City and EDG designated areas



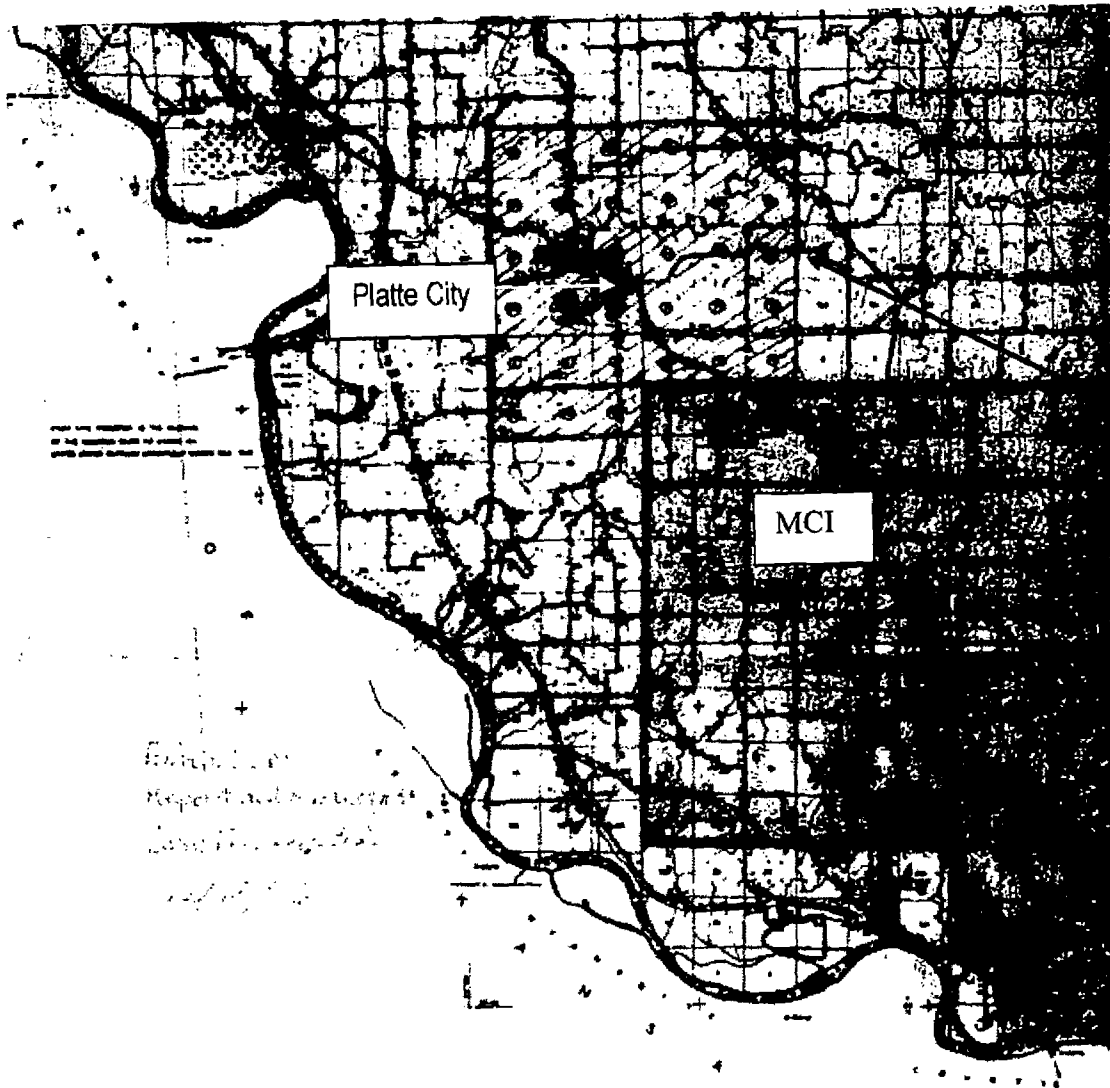
Missouri Gas Energy – The Empire District Gas Co.
Case No. GA-2007-0289

Sections in Platte County Certificated to MGE and EDG for Natural Gas Distribution,
Sections not Certificated to MGE but in tariff, and
Sections Requested in this Case by MGE and EDG



Missouri Gas Energy
The Empire District Gas Co.
Case No. GA-2007-0289

Exhibit A
Report and Order
Case No. 12,632
Dec 18, 1956



Sections assigned to
Predecessor of EDG
around Platte City.

Sections assigned to
Predecessor of MGE
around Kansas City
International Airport (MCI)
and authorized to be served
by LSL.
(Labels for Platte City and
MCI have been added for
clarity.)

**Missouri Gas Energy
The Empire District Gas Co.
Case No. GA-2007-0289**

**Commission Orders Establishing Services and Service Areas around Platte City
and the Kansas City International Airport (MCI)**

Date of Order	Case No.	Company	Service Authorized
24-May-55	12,632	The Gas Service Co. (Mo Gas Energy)	CCN for MGE to serve MCI and Sections in Platte County and ten inch LSL from transmission line from East Leavenworth, Mo, to serve MCI Sections only (Schedules 2, 3, and 4) .
2-Jun-55	12,632	The Gas Service Co. (Mo Gas Energy)	Authorizes increase in LSL from ten inch to twelve inch.
12-Jan-56	13,172	Mo. Public Service Co. (The Empire Dist. Gas Co.)	EDG CCN for Sections around Platte City and Tracy -- defines boudary between EDG Platte City service area and MGE MCI service area (Schedules 3 and 4).
18-Dec-56	12,632	The Gas Service Co. (Mo Gas Energy)	Authorizes the use of the LSL for service to Gladstone in Clay County and Platte Woods in southern Platte County. Exhibit A, map (Schedule 4), shows sections in MGE MCI service area and sections in EDG Platte City service area.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. MO. No. 1 Original Sheet No. 3
 Canceling P.S.C. MO. No. _____ Original Sheet No. _____

AQUILA NETWORKS - MPS and LSP
 KANSAS CITY, MO 64138

FOR All Communities and Rural Areas Receiving
 Natural Gas Service

AUTHORIZED SERVICE TERRITORY
GAS

MPS Southern System			
County	Township	Range	Sections
Cooper	54 North	19 West	3-6
Cooper	46 North	19 West	33, 34
Henry	41 North	25 West	6, 7, 18
Henry	41 North	26 West	1 - 4, 8 - 16
Henry	42 North	25 West	30, 31
Henry	42 North	26 West	25 - 28, 33 - 36
Johnson	44 North	25 West	15 - 22, 27 - 30
LaFayette	50 North	27 West	1 - 5, 8 - 11
LaFayette	51 North	27 West	21 - 28, 32 - 36
Morgan	45 North	19 West	7 - 10, 17, 18
Pettis	45 North	20 West	1 - 20
Pettis	45 North	21 West	1 - 24, 28 - 30
Pettis	45 North	22 West	1, 2, 11 - 14, 24
Pettis	46 North	20 West	30 - 34
Pettis	46 North	21 West	19 - 36
Pettis	46 North	22 West	14 - 16, 20 - 26, 31 - 36
Pettis	46 North	23 West	35, 36
Platte	52 North	34 West	4 - 6
Platte	52 North	35 West	1 - 3, 10 - 12
Platte	53 North	34 West	16 - 21, 28 - 33
Platte	53 North	35 West	6, 7, 13 - 15, 18, 19, 22 - 27, 34 - 36
Platte	53 North	36 West	1 - 3, 10 - 15, 22 - 24
Ray	51 North	27 West	4 - 6, 8 - 10, 15 - 17, 20 - 22
Ray	51 North	28 West	1, 2
Ray	52 North	27 West	18 - 21, 28 - 33
Ray	52 North	28 West	23 - 26, 35, 36
Saline	50 North	20 West	6, 7, 18, 19, 30, 31
Saline	50 North	21 West	1 - 5, 8 - 16, 20 - 29, 32 - 36
Saline	51 North	20 West	31
Saline	51 North	21 West	32, 33, 36
Vernon	All of Vernon County is its entirety		

Missouri Gas Energy
 The Empire District Gas Co.
 Case No. GA-2007-0289

The Empire District Gas Co.
Tariff Sheet No. 3
Authorized Service Territory - Gas

Sections in EDG adopted tariff Sheet No. 3 for which EDG has a CCN to serve customers that are listed in MGE Tariff Sheet No. 6.15. These are consistent with the Commission Orders in Case Nos. 12,632 and 13,172. (See Schedules 3, 4, 5, and 7)

T52NR34W Sections 4-6

T52NR35W Sections 1-3, 10-12

Orders granting the service territory take precedence in any discrepancies between these and the information listed above.
 More detail is available in the orders, and the above should not be relied upon for detailed territory boundaries.

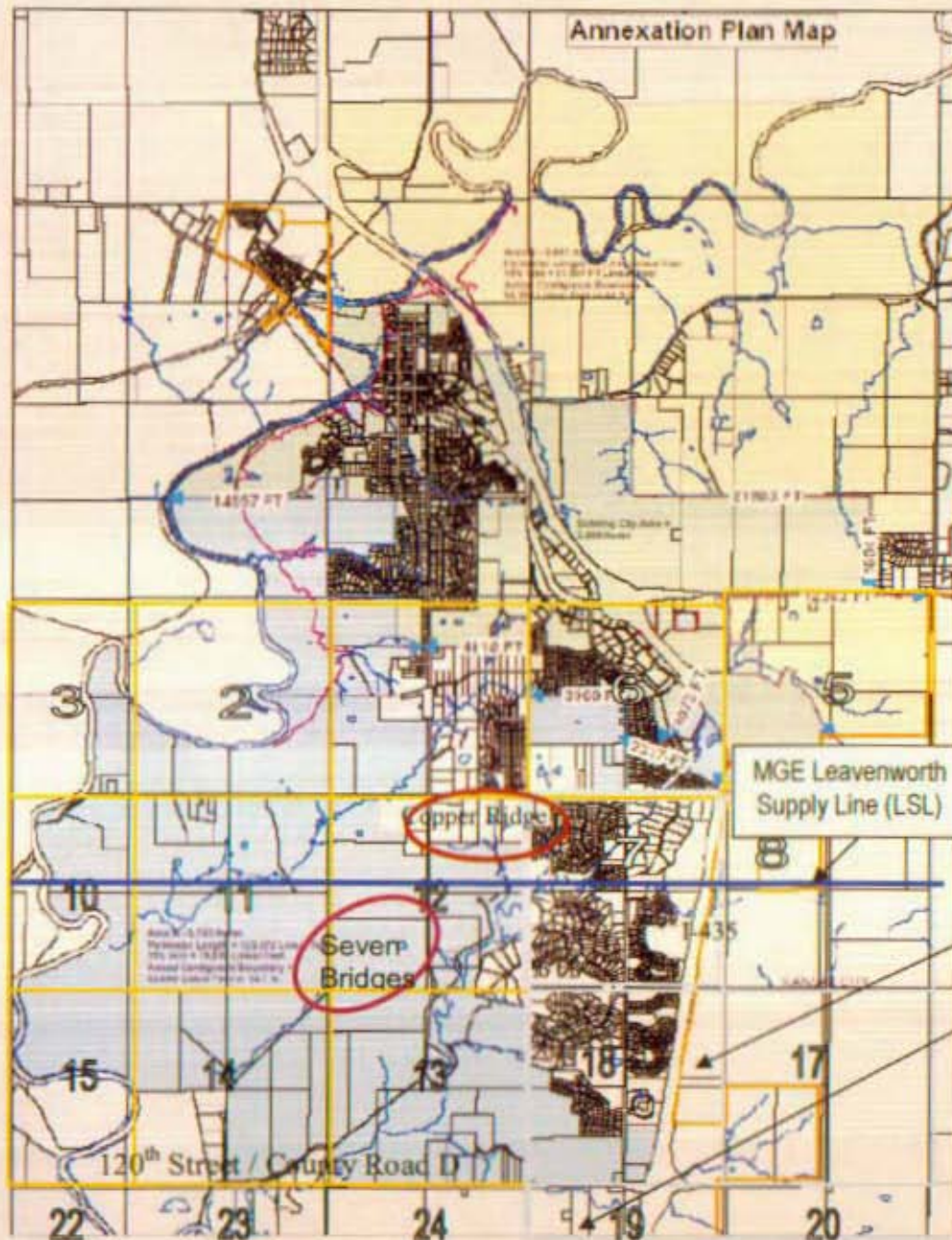
DATE OF ISSUE April 27, 2004
 ISSUED BY Robert Andor, Regulatory Services

EFFECTIVE DATE

~~May 20, 2004~~
 May 1, 2004
FILED
MO PSC

Missouri Gas Energy
The Empire District Gas Co.
Case No. GA-2007-0289

Platte City Annexation Plan Map



- Platte City does not have immediate plans to annex subdivisions west of I-435, but these subdivisions are in their long term land use plans.
- Green area is current area in the city limits of Platte City.
- Blue is area for potential annexation south of Platte City.
- White areas are not planned for annexation.
- Yellow area is for potential annexation north of Platte City.
- Annexation Agreement with Kansas City boundaries in the southern area are I-435 and approximately the upper halves of Sections 22-24 and the upper half of 19 west of I-435.
- Source of Basic Map: *Platte City Missouri Comprehensive Plan 2006*. Additional features have been added and are approximate.

Missouri Gas Energy
The Empire District Gas Co.
Case No. GA-2007-0289

**Satellite view of Platte City and
Area to the South**

- Sections 11, 12, 13, and 14 of
T52N,R35W and adjacent area.
(Additional features have been
added and are approximate)



MGE Leavenworth
Supply Line (LSL)

MGE incursion into Sections 12 and 13
at the end of Oakmont Drive

MGE incursion into Section 13 at the
end of NW 126th Street

Schedule 8

Missouri Gas Energy
The Empire District Gas Co.
Case No. GA-2007-0289

• Topographical Map of Sections 13, 14, and adjacent Sections



MGE incursion into
Sections 12 and 13 at the
end of Oakmont Drive
(Schedule 8)

MGE incursion into
Section 13 at the end of
NW 126th Street
(Schedule 8)