

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 19th day of
June, 2008.

In the Matter of the Application of Missouri Gas Utility, Inc.,)
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 Daviess County, Missouri, as)
a Further Expansion of Its Existing Certificated Area)

Case No. GA-2008-0322

**ORDER GRANTING CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY**

Issue Date: June 19, 2008

Effective Date: June 29, 2008

Syllabus:

This order grants Missouri Gas Utility, Inc., a certificate of convenience and necessity to provide natural gas service in a portion of Daviess County, Missouri.

Procedural History:

On April 7, 2008, MGU applied for a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain a natural gas distribution system in a portion of Daviess County, Missouri. MGU asked to serve Pattonsburg, Missouri, for which MGU has a franchise agreement. The legal description of the area MGU wishes to serve as listed in the instant application is Sections 5, 6, 7, 8, 18 and 19, in Township 61 North, Range 28 West, and Sections 1, 12, 13, and 24 in Township 61 North, Range 29 West, all in Daviess County.

On April 10, the Commission issued an Order and Notice. In that Order and Notice, the Commission directed interested parties to ask to intervene no later than April 30. The Commission received no intervention requests.

On June 5, the Staff of the Commission filed its Recommendation. Staff believes that granting the application would be in the public interest because: 1) MGU is willing and able to serve the new area under current tariff provisions; 2) MGU's service to the new customers would not jeopardize MGU's current customers; 3) no intervenors objected; 4) MGU has obtained the needed franchise from Pattonsburg, Missouri, and 5) MGU has the supply and capacity to accommodate the additional loads as a result of this addition. Staff recommends that the Commission grant the application.

Findings of Fact:

The Commission has reviewed the verified pleadings, which are admitted into evidence, and from those pleadings finds as follows:

MGU is a Colorado corporation in good standing, and has a certificate to do business in Missouri. MGU is a "gas corporation" and provides natural gas service in the Missouri counties of Harrison, Daviess and Caldwell.

MGU's new proposed service area is Sections 5, 6, 7, 8, 18 and 19, in Township 61 North, Range 28 West, and Sections 1, 12, 13, and 24 in Township 61 North, Range 29 West, all in Daviess County. As of the date of MGU's application, some 80 residential and 12 commercial properties have committed to take service from MGU should the Commission approve MGU's application. To serve the new area, MGU will apply the same rates and regulations it applies to customers under its current tariff. Other than a certificate from the Commission, the only remaining permission MGU requires to serve this

area is from state highway, railroad and county road authorities for rights-of-way; MGU has already secured a franchise from the City of Pattonsburg. No Commission-regulated gas company supplies natural gas to this area.

The Commission will grant MGU the certificate. The proposed service is in the public interest. The Commission will order MGU to file revised tariff sheets describing the new service area.

Conclusions of Law:

MGU is a “gas corporation” and a “public utility” as defined in Subsections 386.020(18) and (42), RSMo Supp. 2007. It is subject to the Commission’s jurisdiction under to Chapters 386 and 393, RSMo 2000.

A gas corporation may not exercise any right under a franchise unless the Commission gives it a certificate. Also, the Commission may impose such conditions on the certificate as it deems reasonable and necessary.¹

The Commission concludes that the proposed service area is both necessary and convenient for the public service. Furthermore, the Commission will authorize MGU to construct, install, own, operate, control, manage and maintain a natural gas distribution system as described in its application. The Commission also concludes that it is reasonable and necessary for MGU to file revised tariff sheets that reflect this new service.

IT IS ORDERED THAT:

1. Missouri Gas Utility, Inc., is granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain a natural gas distribution system in Sections 5, 6, 7, 8, 18 and 19, in Township 61 North, Range 28 West,

¹ Subsection 393.170.3, RSMo 2000.

and Sections 1, 12, 13, and 24 in Township 61 North, Range 29 West, all in Daviess County, Missouri.

2. The certificate of convenience and necessity referenced in ordered paragraph 1 shall become effective on June 29, 2008.

3. Missouri Gas Utility, Inc., shall file with the Commission tariff sheets describing the new service area and gas supply line no later than July 29, 2008.

4. Missouri Gas Utility, Inc., shall not serve the new service area granted in this order before it files the tariff sheets described in paragraph 3.

5. Nothing in this order shall be considered a finding by the Commission of the reasonableness or prudence of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

6. The Commission reserves the right to consider the ratemaking treatment to be afforded the properties herein involved, and the resulting cost of capital, in any later proceeding.

7. This order shall become effective on June 29, 2008.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
Jarrett, and Gunn, CC., concur.

Pridgin, Senior Regulatory Law Judge