

**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

STAFF'S POSITION STATEMENTS ON THE ISSUES

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Position Statements on the Issues, states as follows:

In its April 15, 2007, *Order Adopting Procedural Schedule* (Order), the Commission directed the parties to file their position statements not later than October 16, 2007. On October 10, 2007, the Commission issued its *Order Adopting List of Issues, Order of Opening Statements, List and Order of Witnesses and Order of Cross-Examination* which adopted the non-binding issues list that Staff had filed on behalf of the parties on October 5, 2007.

Issue

1. Who has a certificate of convenience and necessity (CCN) to serve T52N, R35W sections 1, 2, 3, 10, 11, and 12 and T52N, R34W sections 4, 5 and 6, all in Platte County, Missouri?

Position: The Empire District Gas Company (EDG) holds a certificate of convenience and necessity to serve T52N, R35W sections 1, 2, 3, **10, 11, and 12**; and

T52N, R34W sections 4, 5 and 6, all in Platte County, Missouri. (Please note, for ease of identification, MGE's line certificate sections are listed in ***bold italics***).

The Missouri Gas Energy Company (MGE) holds a line certificate, but not an area CCN, for its Leavenworth Supply Line (LSL) to transport natural gas through T52N, R35W sections ***10, 11, and 12***.

Issue

2. Should MGE be granted a CCN to serve T52N, R35W sections 13 and 14 in Platte County, Missouri?

Position: No. MGE should not be granted a CCN to serve T52N, R35W sections 13 and 14. EDG has the CCN to serve sections 10, 11, 12, 1, 2, and 3 T52N, R35W, which are just north of section 13 and 14.

Issue

3. Should Empire District Gas (EDG) be granted a CCN to serve T52N, R35W sections 13, 14, 15, 22, 23 and 24, in Platte County, Missouri?

Position: Yes. EDG should be granted a CCN to serve T52N, R35W sections 13, 14, 15, 22, 23 and 24, in Platte County, Missouri, because it is in the public interest to do so.

Issue

4. Has the Commission granted MGE a CCN authorizing MGE to provide natural gas service for Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Township 52 North, Range 35 West; Sections 1, 2, 3, 4, 5 and 6 of Township 52 North, Range 34 West; Sections 1 and 12 of Township 52 North, Range 36 West; and Sections 4, 5 and 6 of Township 52 North, Range 33 West, all in Platte County, Missouri?

Position: The Commission has not granted MGE a CCN authorizing MGE to provide natural gas service for Sections 1, 2, 3, 4, 5, 6, ***7, 8, 9, 10, 11 and 12*** of Township 52 North, Range 35 West; Sections 1, 2, 3, 4, 5 and 6 of Township 52 North,

Range 34 West; Sections 1 and **12** of Township 52 North, Range 36 West; and Sections 4, 5, and 6 of Township 52 North, Range 33 West, all in Platte County, Missouri. (Neither MGE nor EDG claims to have a CCN for section 6, T52N, R33W).

MGE has only been granted a line certificate for its Leavenworth Supply Line to transport natural gas through T52N, R35W sections **7,8,9,10, 11**, and **12**; and T52N, R36W section **12**.

- If the Commission has not granted MGE a CCN authorizing MGE to provide natural gas service in these Sections of land, should the Commission order MGE to correct the service territory descriptions in its existing tariffs by excluding references to these Sections?

Position: Yes. The Commission should order MGE to correct the service territory descriptions in its existing tariff sheets for any service territories identified in this case for which MGE cannot produce a CCN to provide natural gas service.

Issue

5. Has MGE constructed, installed, owned, operated, controlled, managed and/or maintained natural gas distribution facilities (gas plant) and/or provided natural gas service without first obtaining the required authorization from the Commission in Sections 10, 11, 12, 13 and 14 of Township 52 North, Range 35 West, in Platte County, Missouri? If so, what remedy(ies) or relief should the Commission order?

Position: Yes. The Staff has identified that MGE has constructed, installed, owned, operated, controlled, managed and/or maintained natural gas distribution facilities (gas plant) and/or provided natural gas service without first obtaining the required authorization from the Commission in Sections 11, 12, 13 and 14 of Township 52 North, Range 35 West, in Platte County, Missouri.

The Staff has identified 22 sections on MGE Tariff Sheet 6.15 that MGE claims to be in its service area for which MGE cannot provide CCNs authorizing the company to provide service. Accordingly, the Staff recommends the Commission order

MGE to remove the following sections from its tariff sheets: Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Township 52 North, Range 35 West; Sections 1, 2, 3, 4, 5 and 6 of Township 52 North, Range 34 West; Sections 1 and 12 of Township 52 North, Range 36 West; and Sections 4 and 5 of Township 52 North, Range 33 West, all in Platte County, Missouri.

Staff recommends the Commission order MGE to either sell to EDG or to abandon its facilities that MGE built in sections for which it has no CCN's to provide service.

Staff recommends the Commission order MGE and EDG to work together to implement a seamless transition between LDCs such that customers are caused no harm or unnecessary disruption to affect this transition.

Issue

6. Should the Commission order MGE to formally provide notice to EDG of any future contact MGE has with developers in areas adjacent to the EDG service area boundaries in Platte County so that EDG can determine where and when future development is occurring along its boundaries?

Position: Yes. Staff recommends the Commission order MGE *and* EDG to provide formal notice to the other company of any future contact made by it with developers in areas that are adjacent to the MGE / EDG service area boundaries.

WHEREFORE, the Staff submits its position statements on the issues as directed by the Commission.

Respectfully submitted,

/s/ Robert S. Berlin

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record 16th day of October 2007.

/s/ Robert S. Berlin