

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 26th day
of June, 2007.

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,) **Case No. GA-2007-0421**
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)

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

Issue Date: June 26, 2007

Effective Date: July 6, 2007

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 30, 2007, 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 Sections 11, 12, 13, 14, 22, 23, 24, 25, 26 and 27 in Township 59 North, Range 27 West, as well as Sections 7, 18, 19, and 30 in Township 59 North, Range 26 West, all in Daviess County.

MGU asked to serve that area because Landmark Manufacturing Corp, located in Section 30, Township 59 North, Range 26 West in Daviess County, has requested MGU to

provide it natural gas service. The remaining requested sections are needed to run a natural gas line beginning in Section 9, Township 59 North, Range 27 West, then proceeding east along a county road, various easements, and the right-of-way of U.S. Highway 6, then south for an additional 3 miles along county roads to the Landmark facility.

On May 1, the Commission issued an Order and Notice. In that Order and Notice, the Commission directed interested parties to ask to intervene no later than May 21. The Commission received no intervention requests.

On June 19, 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 customer under current tariff provisions; 2) MGU's service to the new customer would not negatively impact MGU's other customers; 3) no intervenors objected; and 4) no new franchises are required. 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 11, 12, 13, 14, 22, 23, 24, 25, 26 and 27 in Township 59 North, Range 27 West, as well as Sections 7, 18, 19, and 30 in Township 59 North, Range 26 West, all in Daviess County. To serve the new customer, MGU will apply the same rates and regulations as it applies to customers under its current

tariff. Other than a certificate from the Commission, the only permission MGU requires to serve this customer is from state highway, railroad and county road authorities for rights-of-way.

No Commission-regulated gas company supplies natural gas to this section. MGU will need to extend its lines approximately 6.2 miles to serve the new customer, who will pay approximately 20% of the cost through customer contribution.

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. 2006. 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.

¹ Subsection 393.170.3, RSMo 2000.

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 11, 12, 13, 14, 22, 23, 24, 25, 26 and 27 in Township 59 North, Range 27 West, as well as Sections 7, 18, 19, and 30 in Township 59 North, Range 26 West, all in Daviess County, Missouri.
2. The certificate of convenience and necessity referenced in ordered paragraph 1 shall become effective on July 6, 2007.
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 26, 2007.
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 July 6, 2007.

BY THE COMMISSION

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

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Pridgin, Senior Regulatory Law Judge