

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

In the Matter of the Application of)
Southern Union Company, d/b/a Missouri)
Gas Energy, 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 Lawrence County, Missouri, as)
an Expansion of its Existing Area.)

Case No. GA-2013-0270

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Recommendation, states as follows:

1. On November 12, 2012, Missouri Gas Energy (MGE), a division of Southern Union Company filed its Application pursuant to Section 393.170, RSMo (2000), 4 CSR 240-2.060 and 4 CSR 240-3.205 for a certificate of public convenience and necessity (CCN) authorizing it to provide gas distribution service in two sections of Lawrence County, Missouri as an expansion of its existing certificated area: Section 24, Township 28 North, Range 27 West and Section 19, Township 28 North, Range 26 West. (herein referred as "Section 24" and "Section 19")

2. On November 14, 2012, the Commission issued an *Order Directing Notice, Setting Deadline For Intervention Request, and Directing Filing of Staff Recommendation* (Order). The Order set an intervention deadline of November 28th and directed Staff to file its recommendation no later than December 19, 2012.

3. No parties have sought intervention.

4. On December 11, 2012, MGE filed a Motion for Waiver of Commission Rule 4 CSR 240-3.205(1)(A)5 which requires MGE to file "...a feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations." MGE seeks a waiver because its filed feasibility study does not contain the required number of customers and expected revenue and expenses during the first three years of operations.

5. Staff is not opposed to MGE's Motion for Waiver because MGE intends to use its existing facilities to serve Sections 24 and 19 and because of the low cost of the expansion, estimated at \$5,426.55. Staff further addresses this matter in its recommendation contained in its Memorandum, attached as "Appendix A" and incorporated herein.

6. The Staff has thoroughly reviewed MGE's Application and, for reasons more fully explained in Staff's Memorandum, believes that the granting of this Application is in the public interest because:

- a) MGE will provide requested service under its existing tariff provisions;
- b) Extension of gas service does not jeopardize MGE service to current customers;
- c) No interveners have objected;
- d) MGE anticipates using customary rights of way;

- e) The requested service area is expected to bring in new customers,
and
- f) No new franchises are required.

WHEREFORE, for the above-stated reasons, Staff respectfully recommends the Commission issue an order 1) granting MGE a CCN to serve Sections 24 and 19 in Lawrence County, Missouri, and 2) directing MGE to file revised tariff sheets including the CCN service area granted by the order within thirty (30) days of the order approving this Application.

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 or transmitted by facsimile or electronic mail to all counsel of record this 19th day of December 2012.

/s/ Robert S. Berlin