

**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, 2013.

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 Newton County, Missouri, as an Expansion of its Existing Certified Area)
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) **File No. GA-2013-0483**
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**ORDER GRANTING CERTIFICATE
OF CONVENIENCE AND NECESSITY
AND DIRECTING COMPANY TO FILE TARIFF**

Issue Date: June 19, 2013

Effective Date: June 29, 2013

Background

On April 30, 2013, Southern Union Company, d/b/a Missouri Gas Energy filed an application with the Missouri Public Service Commission requesting authority to construct and operate a gas system and provide gas service to customers in Newton County as an expansion of its existing certificated area. On April 30, the Commission issued notice of the application setting May 30 as the deadline for requests to intervene. There were no such requests. On June 7, the Staff of the Commission filed a recommendation to approve the application and grant the company a certificate of convenience and necessity.

Staff Recommendation

Staff recommends that the Commission approve the application and grant the requested certificate to MGE. In support of its recommendation, Staff states the following:

1. That MGE is willing and able to provide the requested service under existing tariff provisions;
2. Extending gas service would not jeopardize natural gas service to the company's existing customers;
3. No interveners have objected to the certificate request;
4. MGE anticipates using customary state highway, railroad, and county rights of way;
5. The requested service area is expected to develop a new customer; and
6. No new franchises are required.

Staff also recommends that MGE file, within 30 days of the Commission's order, revised tariff sheets reflecting this certificate.

In its Memorandum, Staff further explains that MOARK, LLC, a farming operation, has requested service from MGE. The proposed area of service is adjacent to MGE's service area. Other than the use of customary highway, railroad, and county rights of way, the project will not require any new franchises. In order to provide service, MGE will need to extend its distribution main 3,520 feet into the requested sections and install 730 feet of service line from the distribution main to the prospective customer. The total cost of the project will be \$59,217.

Discussion

The Commission may grant a certificate of convenience and necessity to a gas corporation upon determining that such grant of authority is "necessary or convenient for the public service."¹ The Commission has relied on the following criteria in making this determination:

1. There must be a need for the service;
2. The applicant must be qualified to provide the proposed service;

¹ Section 393.170, RSMo 2000.

3. The applicant must have the financial ability to provide the service;
4. The applicant's proposal must be economically feasible; and
5. The service must promote the public interest.²

Based on the verified application and the verified Staff Recommendation and Memorandum, the Commission finds that granting MGE a Certificate of Convenience and Necessity meets the above-listed criteria and is therefore necessary and convenient for the public service.

The law requires the Commission to make this determination "after due hearing."³ There was no request for an evidentiary hearing. The requirement for a hearing is met when the opportunity for hearing is provided and no party requests the opportunity to present evidence.⁴ The Commission therefore need not hold an evidentiary hearing.

Having found that granting this certificate is necessary and convenient for the public service, the Commission will grant the request relief. As recommended by Staff, the Commission will also direct MGE to file, within 30 days of the effective date of this order, revised tariff sheets consistent with this grant of authority.

THE COMMISSION ORDERS THAT:

1. Southern Union Company, d/b/a Missouri Gas Energy, is granted a Certificate of Convenience and Necessity to construct, install, own, operate, control, manage and maintain a natural gas distribution system to provide gas service in Newton County Missouri, as an expansion of its existing service area.

² *In re Tartan Energy Company*, 2 Mo. P.S.C. 173, 177 (1994).

³ Section 393.170.3, RSMo 2000.

⁴ *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm'n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

2. Southern Union Company, d/b/a Missouri Gas Energy, shall file in this case file, within 30 days of the effective date of this order, revised tariff sheets reflecting the grant of authority in this order.

3. This order shall become effective on June 29, 2013.

BY THE COMMISSION

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris Woodruff
Secretary

R. Kenney, Chm., Jarrett and
W. Kenney, CC., concur.
Stoll, C., absent.

Jones, Senior Regulatory Law Judge