

**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)
Greene County, Missouri, as an expansion of its)
existing certificated area.)

Case No. GA-2004-

APPLICATION

Comes now Missouri Gas Energy, a division of Southern Union Company, ("MGE" or "Applicant"), by and through its counsel, and for its application pursuant to §393.170, RSMo (2000), 4 CSR 240-2.060 and 4 CSR 240-3.205 for a certificate of public convenience and necessity, respectfully states as follows:

1. Applicant is Missouri Gas Energy, a division of Southern Union Company. MGE's principal office is located at 3420 Broadway, Kansas City, Missouri 64111.
2. Southern Union Company is a corporation duly incorporated under the laws of the state of Delaware and conducts business in Missouri under the fictitious name of Missouri Gas Energy. A copy of a certificate from the Missouri Secretary of State that Southern Union Company is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GA- 2001-509 and is incorporated by reference. A copy of a certificate from the Missouri Secretary of State that Missouri Gas Energy is a registered fictitious name of Southern Union Company was submitted in Case No. GA-2001-509 and is incorporated by reference. Other than cases that have been docketed at the Commission, MGE has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court within the

past three (3) years that involve customer service or rates. MGE has no annual report or assessment fees that are overdue.

3. MGE conducts the business of a “gas corporation” and provides natural gas service in the Missouri counties of Andrew, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Cedar, Pettis, Platte, Ray, Saline, Stone, and Vernon, subject to the jurisdiction of the Missouri Public Service Commission (Commission).

4. All correspondence, communications, notices, order and decisions of the Commission with respect to this matter should be sent to:

Michael R. Noack
Manager, Pricing & Regulatory Affairs
Missouri Gas Energy
3420 Broadway
Kansas City, Missouri 64111
Tel: (816) 360-5560
Fax: (816) 360-5536
Email: Mnoack@mgemail.com

Dean L. Cooper, Attorney at Law
Brydon, Swearengen & England P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456
Tel: (573) 635-7166
Fax: (573) 635-3847
Email: Dcooper@Brydonlaw.com

5. Attached hereto and marked as **Appendix A** is a map of the location of the proposed service area that is Section 31, Township 30 North, Range 22 West in Greene County, Missouri. MGE already has a certificate from the Commission to serve section 36 in Township

30 North, Range 23 West which is immediately to the west of the requested section, in addition to numerous other sections in Greene County.

6. Attached hereto and marked as **Appendix B** is a metes and bounds legal description of the proposed boundaries of the certificated area in Greene County, consisting of one (1) section.

7. Attached hereto and marked as **Appendix C** is a feasibility study and description of the plans and specifications for the project including the estimated cost of construction and estimated revenues during the first three years. No external financing is anticipated for construction related to this area. Construction methods will follow MGE's customary standards and the rules of the Commission.

8. Attached hereto and marked as **Appendix D** is a list of ten persons residing in or who are landowners within the proposed service area.

9. Danco Investments, a developer, has requested that MGE provide its proposed residential subdivision with natural gas service. The new subdivision is to be located within Section 31, Township 30 North, Range 22 West, in Willard, Missouri, in Greene County where MGE currently holds the franchise that is attached hereto and marked as **Appendix E**. This is an area where MGE currently does not hold a certificate for gas service from the Commission. MGE has determined that in order to provide natural gas service to this new residential subdivision, the most efficient and economical method would be to extend a 4-inch diameter plastic main approximately 3300 feet into this new area. An additional 5300 feet of 2-inch and 4-inch diameter mains and service lines will need to be added within the new section to serve the subdivision. Because MGE does not have a certificate from the Commission for the area where

these potential new customers who have requested service are located, it is necessary for MGE to obtain the requisite permission from the Commission.

10. Applicant will not require any additional franchises or permits from municipalities, counties, or other authorities in connection with the proposed construction other than the usual and customary state highway, railroad and county road permits which will be obtained prior to construction.

11. Applicant's existing rates and regulations for natural gas service contained in its tariff, as the same may change from time to time pursuant to law, will apply to service in the proposed area.

12. The area in which MGE is seeking to be certificated hereby is expected to develop and require natural gas service. Service from a natural gas supplier is not available in this area at the present time. Since MGE has the franchise and the ability to provide service in this area by construction of additions to existing facilities, MGE believes that potential new customers should be afforded the opportunity to take service from MGE if they so desire, pursuant to MGE's extension rule. These facts support a finding that the granting of the application is required by the public convenience and necessity.

13. No gas transmission lines are required to be constructed as a part of this application.

14. The proposed service area is located within the City of Willard, Missouri where MGE currently holds the franchise.

WHEREFORE, Applicant requests an order from the Commission granting it a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a

system for the provision of natural gas service to the public pursuant to its approved rates, rules and regulations, in Section 31, Township 30 North, Range 22 West in Greene County, Missouri.

Respectfully submitted,

/s/ Dean L. Cooper

Dean L. Cooper

MBE #36592

BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456
(573) 635-7166
(573) 635-3847 (facsimile)
Email: Dcooper@Brydonlaw.com

Attorneys for Missouri Gas Energy

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing was served by electronic mail on the following counsel this 2nd day of December 2003.

Office of the General Counsel
Missouri Public Service Commission
Governor State Office Building
Jefferson City, Missouri
gencounsel@psc.state.mo.us

Office of the Public Counsel
Governor State Office Building
Jefferson City, Missouri
opcservice@ded.state.mo.us

/s/ Dean L. Cooper

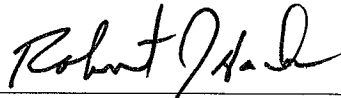
Dean L. Cooper

AFFIDAVIT

STATE OF MISSOURI
COUNTY OF JACKSON

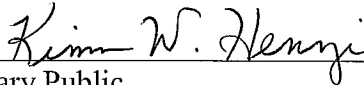
)
) ss
)

I, Robert J. Hack, having been duly sworn upon my oath, state that I am the Vice-President of Missouri Gas Energy, that I am duly authorized to make this affidavit on behalf of Missouri Gas Energy, and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of my information, knowledge and belief.



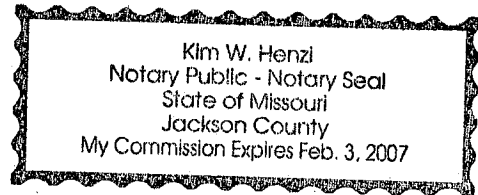
Robert J. Hack

Subscribed and sworn to before me this 2nd day of December 2003.

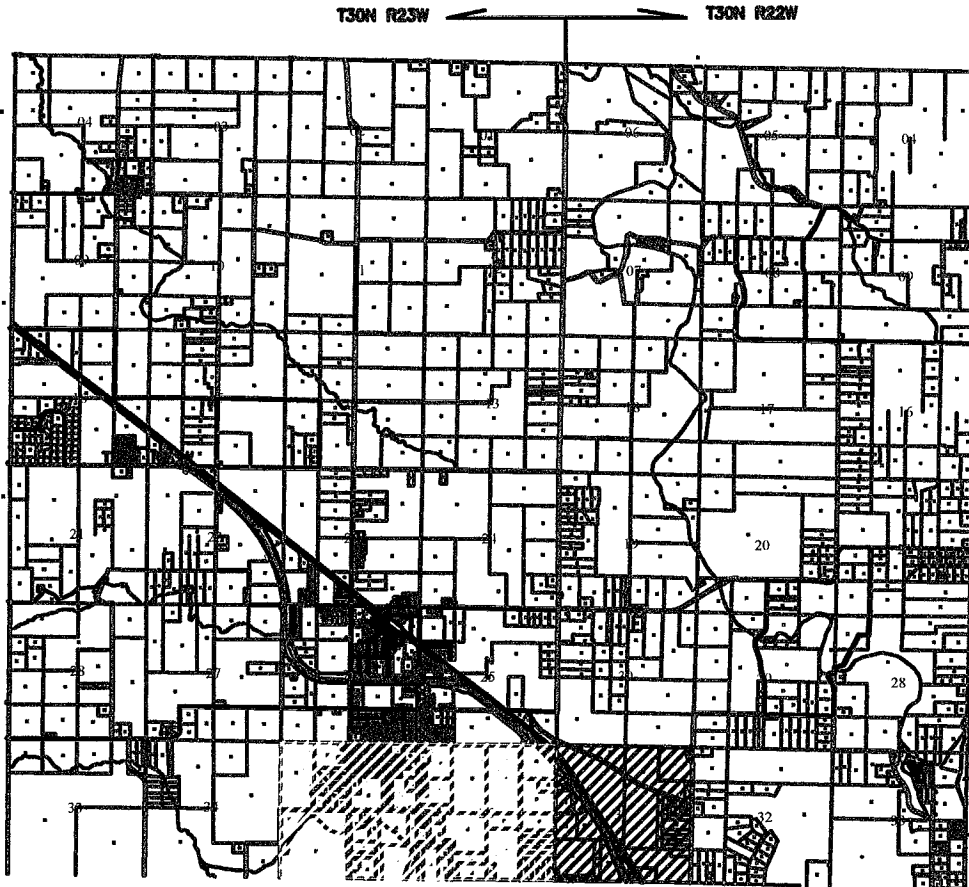



Notary Public

My Commission expires: Feb. 3, 2007



Greene County
Missouri Gas Energy
Certification Request



MGE Proposed Territory 
MGE Existing Territory

CONVERTED TO WEST ZONE

DRAWING NO.: <i>T30N R22W S31</i>				<p>1. THIS DRAWING IS NOT TO BE USED FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN CONSENT OF THE MISSOURI GAS ENERGY COMPANY.</p>	
1					
2					
3					
REV.	DESCRIPTION	DATE	BY	<p><i>Greene County Missouri Gas Energy Certification Request Willard, MO T30N R22W S31</i></p>	
DWN. BY:	DESIGNED BY:	W/R#:			
<i>C. Blake</i>	<i>T. McGill</i>				
DATE:	SCALE:	HQ#:			
<i>11/19/2003</i>	<i>N.T.S.</i>			<p>DISTRICT NO:</p>	
				<p>SHEET NO:</p>	
				<p><i>1 OF 1</i></p>	

Appendix B

MISSOURI GAS ENERGY
APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
Metes And Bounds

COUNTY	TOWNSHIP & RANGE		SECTIONS
GREENE	T 30 N	R 22 W	SEC 31

Missouri Gas Energy
Application of Certificate of Convenience and Necessity
Feasibility Study
Greene County Section 31, T30N, R22W

		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Revenue	(1) \$	3,207.66	\$ 9,852.10	\$ 22,911.85
Expenses				
Operating Expenses		2,722.74	8,362.71	19,448.16
Depreciation		-	-	-
Property Tax		280.93	562.15	842.80
Total Expense		3,003.67	8,924.86	20,290.96

(1) - Rates as approved in GR-2001-292

Customer Charge	120.60	120.60	120.60
Commodity Charge	108.52	108.52	108.52
	229.12	229.12	229.12
No. of Customers	14	43	100
	3,207.66	9,852.10	22,911.85
Total expenses	\$ 96,431,775	\$ 96,431,775	\$ 96,431,775
Customers	495,840	495,840	495,840
O & M Expense	194.48	194.48	194.48
No. of Customers	14	43	100
	2,722.74	8,362.71	19,448.16
Total Investment	\$ 28,093	\$ 56,215	\$ 84,280
Property Tax %	1%	1%	1%
Tax	280.93	562.15	842.80
Depreciable Plant	-	-	-
Deprec Rate	2.27%	2.27%	2.27%
Deprec	-	-	-

Planned Construction:
 3300' - 4" Plastic Main - Off Site
 5300' - 4" & 2" Plastic - On Site

115 Total Residential Lots with a Build Out of 3 to 4 Years

Estimated Customer Advance:
 8600' @ \$9.80/ft \$ 84,280

Work order estimates and on site plans are not available at this time.
 It is projected that customer advances will cover construction costs.
 Construction is set to begin at the end of the first quarter of 2004.

MISSOURI GAS ENERGY
APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
Listing of Landowners

<u>Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Phone No.</u>
Selvidge, Darren Lee	3372 Farm Rd 137 N	Springfield	MO 65803	417-833-4499
Pearl, Jeffrey Kim	5889 Farm Rd 94 W	Springfield	MO 65804	417-742-4288
McCormack, Patrick A	5905 Farm Rd 94 W	Springfield	MO 65805	417-742-4104
Grantham, Roy L	5919 Farm Rd 94 W	Springfield	MO 65806	417-742-2672
Friend, Mark G	5935 Farm Rd 94 W	Springfield	MO 65807	417-742-2012
Dense, Jerry A	5965 Farm Rd 94 W	Springfield	MO 65808	417-742-4208
Gilpin, Robert E	5979 Farm Rd 94 W	Springfield	MO 65809	417-742-9864
Pixler, Gary	5995 Farm Rd 94 W	Springfield	MO 65810	417-742-4879
Dougherty, Jeffrey M	6011 Farm Rd 94 W	Springfield	MO 65811	417-742-2222
West, Darrell M	6025 Farm Rd 94 W	Springfield	MO 65812	417-742-3273

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Marguerite M. Jenkins
Notary Public

RESOLUTION NO. 860711

APPENDIX E
Page 2 of 7

A RESOLUTION declaring the results of the election held in the City of Willard, Missouri, on the 3rd day of June, 1986, for the purpose of testing the sense of the qualified voters of said City on the question of whether to grant a franchise to The Kansas Power and Light Company, its successors and assigns, to operate a natural gas distribution plant and system in said City as set out in Ordinance No. 860210.

BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF WILLARD, MISSOURI:

THAT pursuant to and in accordance with Ordinance No. 860210, passed and approved on the 10th day of February, 1986, an election was called and held in the City of Willard, Missouri on the 3rd day of June, 1986, for the purpose of testing the sense of the qualified voters of said City on the question set forth in said Ordinance of whether to grant to The Kansas Power and Light Company, its successors and assigns, a franchise to operate a natural gas distribution plant and system in said City;

THAT the County Clerk of Greene County, Missouri has caused the results of said election to be duly certified to the City of Willard as provided by law;

THAT said results of the election have been examined by the Governing Body of said City which has determined therefrom that 205 votes were cast in favor of said question and 38 votes were cast against said question;

THAT it is hereby declared that a majority of the qualified voters voting at said election have expressed their assent to the granting of the franchise and said question is hereby declared to have been decided in the affirmative; and

THAT pursuant to the provisions of said Ordinance, the franchise therein set forth be and it is hereby declared to be in full force and effect as of the date hereof.

THIS RESOLUTION passed and adopted by the Board of Aldermen this 28th day of July, 1986.

Billy J. Wath
Mayor

ATTEST:

Bobbie McQuenter
City Clerk

ORDINANCE NO. 860210

AN ORDINANCE granting to THE KANSAS POWER AND LIGHT COMPANY, a Kansas corporation (also known as KPL Gas Service), operating a gas distribution system in the City of Willard, Missouri, its successors and assigns, a franchise to operate a natural gas distribution plant and system in said City, imposing an occupation and license tax, and relating thereto.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF WILLARD, MISSOURI:

SECTION 1. That there is hereby granted to The Kansas Power and Light Company, a corporation operating a gas distribution system in the City of Willard, Missouri, herein called the Grantee, its successors and assigns, the rights, privileges and franchise, for a period of twenty (20) years from the effective date hereof, to construct, maintain and operate in the present and future streets, alleys, bridges and public places in said City, its gas distribution system as now located, together with the right, privilege and franchise to acquire, construct, maintain and operate therein and thereon such additions and extensions thereto as may be necessary or desirable, all for the purpose of supplying natural gas for all purposes to the inhabitants of said City and consumers in the vicinity thereof.

SECTION 2. All rates established and charges made by Grantee for gas distributed and sold hereunder shall be subject to valid and lawful orders of the Public Service Commission of the State of Missouri, or other competent authority having jurisdiction in the premises, and the sale of gas to consumers shall be governed by the present operating rules, regulations and customs of Grantee and such rules and regulations as may hereafter be prescribed or approved.

SECTION 3. All mains, pipes and services, which shall be laid or installed under this grant, shall be so located and laid so as not to obstruct or interfere with any water pipes, drains, sewers or other structures already installed; and

Grantee shall, in working in connection with such mains, pipes and services, avoid, so far as may be practicable, interfering with the use of any street, alley or public thoroughfare, and where Grantee disturbs the surface of a street, alley or public thoroughfare, it shall at its own expense and in a manner satisfactory to the duly authorized representatives of the City, replace such pavement or surface in substantially as good condition as before said work was commenced.

SECTION 4. Whenever because of public necessity or welfare the City engages in any public improvement construction project on any property owned by the City or dedicated wholly for public use and a portion of Grantee's plant system interferes with or obstructs such public improvement project, Grantee shall, as soon as reasonably possible after written request from the City, alter, reset, or relocate at its own expense such portions of Grantee's plant system located on such property for which the sole legal basis for occupancy is this franchise ordinance; provided, however, that where the City acquires additional property or right-of-way over Grantee's existing plant system, and thereafter requires Grantee to alter, reset or relocate its system, such alteration, resetting or relocation shall be at the expense of the City.

SECTION 5. Grantee shall not later than the first day of each calendar month in each year, make a report to the Governing Body of the City of Willard of its gross receipts from the sale of gas for domestic and commercial purposes within the corporate limits of said City for the one (1) month period ending on the 1st day of the month next preceding that on which the report is due; and at the time of making such reports, pay into the City treasury a sum equal to three (3%) percent of said gross receipts subsequent to the effective date of this franchise, which shall be charged to the operating expenses of the Company. Domestic and commercial sales shall be considered as sales made other than on special contracts providing for stand-by fuel and interruption of service at any time demands of

domestic and commercial consumers may so require. So long as Grantee shall be required by any regulatory authority having jurisdiction, to separately state the franchise tax increment on its charges for natural gas service rendered under the franchise hereby granted, the term "gross receipts" as used herein shall not include the separately stated tax increment. Said percentage of Grantee's gross receipts is hereby levied and assessed as an occupation and license tax (in lieu of all other occupation, license or other revenue taxes) for the privilege of engaging in the business herein recited during the term hereof; and as a further consideration for this franchise, Grantee agrees to recognize the same as a valid tax and make said payments during such period.

SECTION 6. The franchise herein granted shall be conditioned upon the approval thereof by a majority of the qualified voters of the City of Willard, Missouri, voting at an election for the purpose of testing the sense of the voters on said question. A ballot covering said question shall be submitted to the qualified voters of the City of Willard, Missouri at an election to be held in said City on the ^{3RD} ~~2ND~~ day of ^{JUNE} ~~APRIL~~, 1986.
(gem) (gem)

SECTION 7. The City Clerk shall notify in writing the County Clerk of Greene County, Missouri to conduct said election and to cause legal notice of said election to be published once each week for two consecutive weeks, the first publication occurring in the second week prior to the election and the last publication occurring within one week prior to election and shall provide said County Clerk the name of the agency calling the election, a certified copy of the legal notice to be published and a sample ballot as required by law. The Grantee shall provide the City Clerk with a deposit in the amount to be determined to be equal to the estimated cost of conducting the election which amount the City Clerk shall in turn deposit with the County Clerk not later than the ^{8TH} ~~1ST~~ day of ~~APRIL~~ 1986.
(gem)

day of ~~March~~^{April} (9th), 1986. Any additional cost of the election shall also be paid by the Grantee.

SECTION 8. The ballot to be used in said election shall be in the following form:

"Shall the rights, privileges and franchise to construct, acquire, operate and maintain a gas plant, mains and appurtenances in the streets, alleys, bridges and public places of the City of Willard, Missouri, for the purpose of supplying natural gas to said City and citizens and customers in the vicinity thereof, as provided in Ordinance No. _____, be granted to The Kansas Power and Light Company, its successors and assigns?

YES ☐
NO ☐

INSTRUCTIONS TO VOTERS

If you are in favor of the question, place an X in the box opposite 'YES'.

If you are opposed to the question, place an X in the box opposite 'NO'."

SECTION 9. The election shall be held in those voting places in said City designated by the County Clerk and shall be conducted and the result ascertained by the County Clerk as provided by law.

SECTION 10. Not later than the second Tuesday after the election, the County Clerk shall cause the returns to be certified to the City of Willard as provided by law, and the Governing Body thereof shall determine and by resolution shall declare the result of said election; and if a majority of the qualified voters voting at said election have expressed their assent to the granting of said franchise, said franchise shall become effective immediately, provided that the Grantee shall file its written acceptance of said franchise within thirty (30) days from the date said Governing Body shall have declared the results of said election. The cost of said election shall be paid by the Grantee.

SECTION 11. Ordinance No. 6627 is hereby repealed, such repeal to be effective on the effective date hereof.

Passed by the Board of Aldermen on the 10 day of
February, 1986.

Billy J. Wathen
Mayor

ATTEST:

Boobie McQuetta
City Clerk

Approved this 10th day of February, 1986.

Billy J. Wathen
Mayor