

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 16<sup>th</sup> day of April, 2014.

In the Matter of the Application of Missouri Gas Energy, )  
a Division of Laclede Gas Company, for a Certificate )  
of Public Convenience and Necessity Authorizing It to )  
Construct, Install, Own, Operate, Control, Manage and ) **File No. GA-2014-0232**  
Maintain a Natural Gas Distribution System to Provide )  
Gas Service in Lawrence County, Missouri, as an )  
Expansion of Its Existing Certified Area )

**ORDER GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY**

Issue Date: April 16, 2014

Effective Date: April 26, 2014

On February 19, 2014, Missouri Gas Energy (“MGE”), a division of Laclede Gas Company, filed an application requesting that the Missouri Public Service Commission (“Commission”) grant it a Certificate of Convenience and Necessity to expand its service territory into Section 9, Township 26 North, Range 28 West in Lawrence County, Missouri.<sup>1</sup> The CCN would permit MGE to provide service to an additional business in that area that has expressed interest in obtaining natural gas service.

The Commission issued notice and set a deadline for intervention requests. No person or entity intervened, and no party requested a hearing. On March 31, 2014, the Commission’s Staff filed its recommendation, which was amended on April 4, 2014, to grant the CCN subject to the following conditions:

1. That MGE record the actual cost of the main line extension that exceeds the customer contribution as plant held for future use in Account 105;

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<sup>1</sup> MGE filed its application pursuant to Section 393.170, RSMo 2000, and Commission Rules 4 CSR 240-2.060 and 3.205.

2. That MGE file revised tariff sheets reflecting the CCN within thirty days of the Commission order approving the application; and
3. That the Commission's order should state that it makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate in any later rate proceeding, including expenditures by MGE.

The Commission directed MGE to respond to the conditions in the Staff recommendation, and MGE has not objected to the recommended conditions.

MGE is a "gas corporation" and a "public utility" as defined in Subsections 386.020(18) and (43), RSMo Supp. 2013. It is subject to the jurisdiction of this Commission under Chapters 386 and 393, RSMo 2000. A gas corporation may not exercise any right under a franchise without first obtaining the permission and approval of this Commission.<sup>2</sup> The Commission may give permission and approval when it has determined after due hearing<sup>3</sup> that such construction or the exercise of such right under a franchise is "necessary or convenient for the public service."<sup>4</sup> The Commission may also impose such conditions as it deems reasonable and necessary upon its grant of permission and approval.<sup>5</sup>

The Commission has articulated the filing requirements for gas utility CCNs in Commission Rule 4 CSR 240-3.205, and the specific criteria to be used when evaluating

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<sup>2</sup> Section 393.170, 1 and 2, RSMo 2000.

<sup>3</sup> The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. No party requested a hearing in this matter; thus, no hearing is necessary. *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).

<sup>4</sup> Section 393.170.3, RSMo 2000.

<sup>5</sup> *Id.*

applications of gas utility CCNs are more clearly set out in the case *In Re Intercon Gas, Inc.*, 30 Mo P.S.C. (N.S.) 554, 561 (1991). The *Intercon* case combined the standards used in several similar certificate cases, and set forth the following criteria: (1) there must be a need for the service; (2) the applicant must be qualified to provide the proposed service; (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.<sup>6</sup>

The Commission's Staff recommended approval of MGE's application because: (1) MGE will provide the requested service under its existing tariff provisions; (2) the extension of gas service does not jeopardize natural gas service to MGE's current customers; (3) no persons have intervened or objected; (4) MGE anticipates using customary rights-of-way; (5) the requested service area is expected to develop new customers; and (6) no new franchises are necessary. MGE's verified application demonstrates a need for natural gas service in the service area identified.

Based on the Commission's independent and impartial review of the verified filings, the Commission determines that MGE has satisfied all necessary criteria for the grant of a CCN. MGE's provision of natural gas service to the service area described is in the public interest and the Commission will grant the request for the certificate. Since MGE has accepted Staff's recommended conditions, and because the Commission finds the conditions to be in the public interest, the Commission will incorporate the conditions into the ordered paragraphs below.

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<sup>6</sup> Report and Order, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994), 1994 WL 762882, \*3 (Mo. P.S.C.).

**THE COMMISSION ORDERS THAT:**

1. Missouri Gas Energy, a division of Laclede Gas Company, is granted a Certificate of Convenience and Necessity to expand its service territory into Section 9, Township 26 North, Range 28 West in Lawrence County, Missouri, as more specifically described in its application and subject to the conditions described in the body of this order.
2. Missouri Gas Energy, a division of Laclede Gas Company, shall record the actual cost of the main line extension that exceeds the customer contribution as plant held for future use in Account 105.
3. Missouri Gas Energy, a division of Laclede Gas Company, shall file revised tariff sheets including the newly certificated service area granted by this order within thirty (30) days of the issue date.
4. This order does not preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate in any later rate proceeding, including expenditures by MGE.
5. This order shall become effective on April 26, 2014.
6. This file may be closed on April 27, 2014.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

R. Kenney, Chm., Stoll, W. Kenney,  
Hall, and Rupp, CC., concur.

Bushmann, Senior Regulatory Law Judge