

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GA-2013-0483, Missouri Gas Energy, a division of Southern Union
Company

FROM: Kim Cox, Energy Unit-Tariff, Safety, Economic and Engineering Analysis
Department.

/s/ Thomas M. Imhoff 6/7/2013 /s/ Sarah Kleithermes 6/7/2013
Energy Unit/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation To Approve Missouri Gas Energy's Application For A
Certificate Of Public Convenience And Necessity

DATE: June 7, 2013

On April 30, 2013, Missouri Gas Energy (MGE or Company), a division of Southern Union Company, filed an APPLICATION (Application) with the Missouri Public Service Commission (Commission). The Application requests that the Commission grant MGE a certificate of public convenience and necessity (CCN) 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 certificated area.

On April 30, 2013, the Commission issued an ORDER DIRECTING NOTICE, SETTING DEADLINE FOR INTERVENTION REQUEST AND DIRECTING STAFF TO FILE A STATUS UPDATE. The order allowed any interveners to file by May 30, 2013, and directed Staff to file a pleading, no later than June 9, 2013, informing the Commission of a date by which Staff will file a recommendation. No parties intervened.

MGE is requesting a CCN for an expansion of its current service area in Newton County (Section 13 and 24, Township 24 North, Range 32 West). MOARK, LLC, a farming operation has requested service from MGE. The requested sections are adjacent to the company's existing certificated area. 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 customer.

The Company will not require any franchises or permits from municipalities, counties, or other authorities other than the usual and customary state highway, railroad, and county road permits which will be obtained prior to construction.

MGE provided the feasibility study, description of the plans and specifications for the project. The total estimated cost of the project is \$24,891.10. Pursuant to MGE's tariff, no customer deposit will be required. MGE requests to use its existing rates and regulations for natural gas

service contained in its tariff.

The Staff has reviewed this Application and for the following reasons is of the opinion that granting this Application would be in the public interest for the following reasons:

1. 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 currently existing customers;
3. No interveners have objected to this certificate request;
4. MGE anticipates using the 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.

Therefore, Staff recommends that MGE be granted a certificate to serve the requested area in Newton County, Missouri. Staff also recommends the Company file revised tariff sheets reflecting this proposed CCN in this case within thirty (30) days of the Commission's Order approving this Application.

The Staff has verified that this company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

**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 Newton County, Missouri, as an)
Expansion of its Existing Certified Area)

Case No. GA-2013-0483

AFFIDAVIT OF KIM COX

STATE OF MISSOURI)
) ss
COUNTY OF COLE)


Kim Cox of lawful age, on oath states: that she participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.



Kim Cox

Subscribed and sworn to before me this 5th day of June, 2013.





Notary Public