

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

In the Matter of the Application of Missouri)
Gas Utility, Inc., for a Certificate of)
Convenience and Necessity Authorizing it to)
Construct, Install, Own, Operate, Control,)
Manage and Maintain a Natural Gas)
Transmission Line and a Distribution System)
to Provide Gas Service in Pettis and Benton)
Counties, Missouri, as a New Certificated)
Area.)

Case No. GA-2009-0264

STAFF RECOMMENDATION

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

1. On January 14, 2009, Missouri Gas Utility, Inc. (MGU or Company) filed the above-captioned case seeking a certificate of convenience and necessity (CCN) authorizing the Company to provide natural gas sales and transportation service to customers in the cities of Green Ridge, Cole Camp, Lincoln, and Warsaw, Missouri, and various unincorporated areas located in Pettis and Benton counties, and a transmission line certificate from the tap on the Southern Star Central Pipeline running approximately 2.5 miles to its requested general service area.

2. On January 21, 2009, the Commission issued its *Order Directing Notice and Setting Date For Submission of Intervention Requests* to no later than February 9, 2009. No parties have applied for intervention in this case.

3. On March 12, 2009, the Staff filed its first status report informing the Commission that it was continuing to gather information from MGU. In its March 24, 2009 Order Directing Filing, the Commission ordered Staff to file either its recommendation concerning MGU's application or a further status report not later than April 17, 2009.

4. Section 393.170 RSMo requires the Commission to address the question of approving the service territory of public utilities and whether the provision of that service is necessary or convenient. Commission Rule 4 CSR 240-3.205(1)(E) requires applicants to state "The facts showing that the granting of the application is required by the public convenience and necessity." The term "necessity" means the additional service would be an improvement justifying its costs.¹ Furthermore, the Commission's allocation of service territory must be done on the basis of public interest.²

5. The Staff has reviewed MGU's application in the above-captioned case and submits its Recommendation in Staff's Memorandum attached hereto as Appendix A, with supporting depreciation schedule labeled Appendix B, and incorporated herein by reference. Staff's review of this Application has taken into consideration the information provided by MGU in its responses to Staff data requests, its feasibility studies and other materials. Based on this information, and for reasons more fully explained in Staff's Memorandum, Commission approval of MGU's Application, subject to the conditions described in Staff's Memorandum, is required by public convenience and necessity and is in the public interest. Therefore, Staff recommends the Commission grant MGU a CCN to provide natural gas sales and transportation service to customers in the cities of Green Ridge, Cole Camp, Lincoln, and Warsaw, Missouri, and various unincorporated areas located in Pettis and Benton counties, and a transmission line

¹ *State ex rel. Intercon Gas, Inc. v. Public Service Com'n of Missouri*, (1993), 848 S.W.2d 593.

² *State ex rel. Consumers Public Service Co. v. Public Service Commission*, (1944), 180 S.W.2d 40, 352 Mo. 905.

certificate from the tap on the Southern Star Central Pipeline running to its requested general service area.

WHEREFORE, for the above stated reasons, Staff respectfully recommends the Commission grant Missouri Gas Utility, Inc. a certificate of convenience and necessity to provide gas distribution service to its requested areas in Pettis and Benton counties, and a transmission line certificate from its tap on the Southern Star Central Pipeline running to its requested general service area, subject to the conditions described in Staff's Memorandum.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
email: bob.berlin@psc.mo.gov

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 31st day of March 2009.

/s/ Robert S. Berlin