

**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 Convenience and)
Necessity Authorizing it to Construct, Install,)
Own, Operate, Control, Manage and Maintain)
a Distribution System to Provide Gas Service)
in Lawrence County, Missouri, as a New)
Certificated Area.)

Case No. GA-2011-0367

STAFF RECOMMENDATION

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

1. On May 6, 2011, Missouri Gas Energy (MGE), a division of Southern Union Company filed its Application pursuant to Section 393.170, RSMo (2000), 4 CSR 240-2.060 and 4 CSR 240-3.205 for a certificate of public convenience and necessity (CCN) authorizing it to provide gas distribution service in an adjacent portion of Lawrence County, Missouri.

2. The Staff has thoroughly reviewed MGE's Application and, for reasons more fully explained in Staff's recommendation contained in its Memorandum, attached as "Appendix A" and incorporated herein for all purposes, believes that the granting of this Application is in the public interest because:

- a) MGE will provide requested service under its existing tariff provisions;
- b) Extension of gas service does not jeopardize MGE service to current customers;

- c) No interveners have objected;
- d) MGE anticipates using customary rights of way; and
- e) No new franchises are required.

3. The Staff is aware of two complaint cases pending before the Commission (GC-2011-0100 and GC-2011-0339) that may have an indirect affect on this Application.

WHEREFORE, for the above-stated reasons, Staff respectfully recommends the Commission issue an order 1) granting MGE a CCN to serve the requested area in Lawrence County, Missouri, and 2) directing MGE to file revised tariff sheets including the CCN service area granted by the order within thirty (30) days of the order approving this Application.

Respectfully submitted,

/s/ Robert S. Berlin

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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 2nd day of June 2011.

/s/ Robert S. Berlin