

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 24th day of
July, 2009.

In the Matter of Missouri Gas Energy's Application
for a Determination of Certain Matters Pertaining to
its Safety Line Replacement Program.

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Case No. GO-2002-48

**ORDER APPROVING THREE-MONTH EXTENSION OF TIME TO
REPLACE MAINS AND SERVICE LINES AT MALANG MOBILE HOME
PARK**

Issue Date: July 24, 2009

Effective Date: August 3, 2009

Missouri Gas Energy (MGE) filed a motion on June 29, 2009, requesting a three-month extension of time to replace the natural gas mains and service lines through which the company provides service to the Malang Mobile Home Park (f/k/a Heistland Mobile Home Park) near Joplin, Missouri. The origins of this case go back to 1990, when MGE's predecessor in interest began a substantial infrastructure replacement project known as the Safety Line Replacement Program (SLRP). In 2001, MGE filed an application asking the Commission to amend two aspects of the SLRP, one of which concerned master metered mobile home parks.

A master metered mobile home park is one in which MGE has a master meter on the property, but the distribution lines behind the meter and the meters for the individual lots are owned by the property owner. The SLRP required MGE to replace the pipe behind the meter in these mobile home park distribution systems, while billing the mobile home park

owner for a part of the cost of doing so. In an order issued in this case on May 16, 2002, the Commission ordered MGE to complete the replacement work by June 30, 2006.

In 2001, MGE identified sixteen mobile home parks in which the distribution lines would need to be replaced. By 2005, MGE had replaced the mains and service lines in all but two of those mobile home parks: the Finley River Mobile Home Park in Ozark, Missouri, and the Heistland Mobile Home Park near Joplin, Missouri. MGE indicated both mobile home parks were likely to close in the near future and as a result, it would be a waste of the company's resources, as well as an unreasonable expense for the owners of the mobile home parks, if the company were to replace the distribution lines in those circumstances. On December 22, 2005, the Commission amended MGE's SLRP to allow the company until June 30, 2008, to replace the mains and service lines for the Finley River and Heistland mobile home parks. As part of that order, the Commission also required MGE to undertake two leak surveys per year at the two mobile home parks and file annual leak survey reports with the Commission.

As expected, Finley River closed and MGE abandoned all service lines to that mobile home park in September 2006. However, Heistland, now renamed the Malang Mobile Home Park, has continued to exist. MGE's leak surveys of the property have not found any leaks on the distribution system in the mobile home park.

On May 27, 2008, MGE filed a motion indicating Malang was sold to a new owner in January 2008. The new owner reportedly had listed the property for sale for commercial development and did not plan to operate the property as a mobile home park for an extended length of time. At that time, the mobile home park had 8 active meters, 2 inactive meters, and 25 empty risers.

MGE asked the Commission to extend the requirement that MGE replace the mains and service lines at Malang until June 30, 2010, anticipating that the mobile home park would cease operation before that time. However, in its June 12, 2008, order approving an extension, the Commission allowed the company only a one-year extension; ordering MGE to complete the replacement of the distribution lines by June 30, 2009.

MGE's June 29, 2009, motion for a three-month extension explains that it has been unable to replace the distribution lines at the mobile home park by the ordered deadline. According to MGE, the owner of the trailer park has refused to agree to pay his share of the replacement cost. Instead, the owner claims he will convert the mobile home park to all-electric service by the end of the year. Currently, the mobile home park has 7 active gas meters, 3 inactive meters, and 22 empty gas risers. MGE proposes to extend the deadline for replacement until September 30, 2009, to allow the owner to proceed with the conversion to electricity. If the owner fails to convert to electricity by that time, MGE would consider discontinuing service to the mobile home park.

The Commission's Staff filed a recommendation regarding MGE's motion for three-month extension on July 9, 2009. Staff supports MGE's motion for an extension to September 30, 2009. Staff also recommends the Commission order MGE to conduct another enhanced leak survey before September 30 and report the results to Staff. Finally, Staff advises the Commission to order MGE to discontinue service to the mobile home park on September 30, 2009, if the service line replacement has not been completed at that time.

The Commission has considered MGE's motion, along with Staff's recommendations, and finds the motion, as modified by Staff's recommendation, to be

reasonable. Neither MGE, nor the Commission, can force the owner of the mobile home park to pay for the installation of new mains and service lines on his property. However, if the mobile home park is to receive natural gas service from MGE it must receive that gas through mains and service lines that are safe. That is the reason the Commission required MGE to undertake a line replacement program. If the owner of the mobile home park is not willing to pay the required part of the cost of making those safety improvements, then the mobile home park can no longer receive natural gas service.

The Commission is mindful that the residents of the mobile home park may be inconvenienced by a discontinuance of natural gas service. The Commission will grant MGE's request for a three-month extension so that those residents will have time to switch to all-electric service. The additional leak survey MGE shall conduct before September 30 should be sufficient to protect the residents of the mobile home park while they make the transition to electric service. However, the Commission believes the owner of the mobile home park will not seriously prepare for a gas shut-off until a firm deadline for action is established. Therefore, the Commission will follow Staff's recommendation and order MGE to discontinue service to the mobile home park on September 30 if the service line replacement has not been completed at that time.

THE COMMISSION ORDERS THAT:

1. Missouri Gas Energy's Safety Line Replacement Program is amended to provide that the company's obligation to replace the mains and service lines for the Malang Mobile Home Park (f/k/a Heistland Mobile Home Park) is deferred from June 30, 2009, to September 30, 2009.

2. Missouri Gas Energy shall conduct an enhanced leak survey at Malang Mobile Home Park before September 30, 2009, and submit the results of that survey to Staff.

3. Missouri Gas Energy shall cease providing natural gas service to Malang Mobile Home Park on September 30, 2009 if the required service line replacement has not been completed at that time.

4. This order shall become effective on August 3, 2009.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. Reed', is written over the printed name.

Steven C. Reed
Secretary

(S E A L)

Clayton, Chm., Davis, Jarrett,
and Gunn, CC., concur.

Woodruff, Deputy Chief Regulatory Law Judge