

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

In the Matter of the Application of Missouri Gas)
Utility, Inc. 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 natural)
gas service in parts of Harrison, Daviess and)
Caldwell Counties, to acquire the Gallatin and)
Hamilton, Missouri natural gas systems and to)
encumber the acquired assets.)

Case No. GO-2005-0120

MOTION FOR WAIVER

Comes now Missouri Gas Utility, Inc. (MGU or Company), in accordance with Missouri Public Service Commission (“Commission”) Rule 4 CSR 240-2.060 and Rule 4 CSR 240-14.010, and moves the Commission for a waiver from portions of the Commission’s promotional practices rule, for the following reasons:

SUMMARY

MGU seeks a waiver from portions of the Commission promotional practices rule in order to offer to new customers the ability to obtain conversions to natural gas at no initial cost. This program would be similar to the program offered by Fidelity Natural Gas (whose tariffs have been used as the illustrative tariffs attached to the Stipulation and Agreement filed in this case). MGU believes that this requested waiver would ultimately be relevant to an order approving compliance tariffs, *if* the Stipulation and Agreement is approved by the Commission. MGU is filing this motion prior to obtaining approval of that Stipulation and Agreement merely to provide the Commission with notice of this matter.

WAIVER

1. On December 8, 2004, the Staff, Company and Office of the Public Counsel (Public Counsel) filed a Nonunanimous Stipulation and Agreement (Stipulation and Agreement). The remaining parties, Hamilton and Gallatin, Missouri, thereafter stated their non-objection to the Stipulation and Agreement.

2. The Stipulation and Agreement included as illustrative tariffs the Fidelity Natural Gas tariff sheets, as modified by MGU's tariff rates. If the Stipulation and Agreement is approved by the Commission, the parties to that agreement have asked that MGU be ordered to file tariff sheets consistent with those illustrative sheets.

3. MGU desires to implement a program that is included in the Fidelity tariffs that may be considered a "promotional practice."

4. Specifically, the Fidelity tariffs provide that new customers will receive "free" conversions of their homes and appliances to make them suitable for the use of natural gas. MGU would like to be able to offer this program as such no cost conversions have been previously offered by the Cities of Hamilton and Gallatin.

5. Commission Rule 4 CSR 240-14.020(1)(E) and (F) prohibit the provision of "free, or less than cost or value," "wiring, piping, appliances or equipment" or "installation, operation, repair, modification or maintenance of appliances, equipment, wiring or piping."

6. A waiver from these provisions may be granted by the Commission for good cause in accordance with Commission Rules 4 CSR 240-2.060 and Rule 4 CSR 240-14.010.

7. MGU believes that good cause exists for such a waiver. First, such conversions have been previously offered to customers on the Gallatin and Hamilton systems and MGU

would like to be able to treat its future customers in a similar manner as to conversions. Second, as can be seen from the Fidelity tariffs used as illustrative tariffs, conversions for new customers have been used in other natural gas systems in the state of Missouri. Third, for reasons previously presented to the Commission, there is a need to have management in place and to provide that management with tools that will enable the Company to attempt to build the viability of these systems through the addition of customers.

8. Accordingly, MGU requests a waiver from the provisions of Commission Rule 4 CSR 240-14.020(1)(E) and (F) permitting MGU to offer conversions to natural gas in a substantially similar manner to the program contained in the illustrative tariffs attached to the Stipulation and Agreement.

CONDITIONS

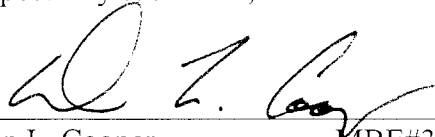
9. Based upon its discussions with the Commission Staff, MGU proposes that the following conditions be applicable to the waiver requested herein, if granted by the Commission:

- MGU will independently track the costs associated with the subject conversions;
- The Commission reserves the right to consider the ratemaking treatment of the conversion costs and any assertions by parties related to these costs for a future rate case (i.e. there is no assurance at this time of recovery or non-recovery); and,
- the waiver will continue until the effective date of the Report and Order in MGU's first general rate proceeding.

WHEREFORE, MGU respectfully requests that the Commission grant the waiver

requested herein.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI GAS UTILITY, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, or sent by electronic mail, on December 13, 2004, to the following:

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