

**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,) File No. _____
control, manage and maintain a natural gas)
distribution system to provide gas service in)
Lawrence County, Missouri, as an expansion of its)
existing certified area.)

APPLICATION

COMES NOW Southern Union Company, d/b/a Missouri Gas Energy (MGE or Applicant), by and through its counsel, and as its Application pursuant to §393.170, RSMo, 4 CSR 240-2.060 and 4 CSR 240-3.205, for a certificate of public convenience and necessity, respectfully states as follows to the Missouri Public Service Commission (Commission):

1. MGE is a division of Southern Union Company which is duly incorporated under the laws of the State of Delaware and conducts business in Missouri under the fictitious name of Missouri Gas Energy. MGE’s principal office and place of business is located at 3420 Broadway, Kansas City, Missouri 64111. A copy of a certificate from the Missouri Secretary of State that Southern Union Company is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GM-2003-0238 and is incorporated herein by reference. A copy of a certificate from the Missouri Secretary of State that Missouri Gas Energy is a registered fictitious name of Southern Union Company was submitted in Case No. GM-2003-0238 and is incorporated herein by reference.

2. Other than cases that have been docketed at the Commission, MGE has no pending action or final unsatisfied judgments against it from any state or federal agency or court within the

past three (3) years that involve customer service. MGE has no annual report or assessment fees that are overdue. MGE currently conducts business as a “gas corporation” and provides natural gas service to approximately 500,000 customers in the Missouri counties of Andrew, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Pettis, Platte, Ray, Saline, Stone, and Vernon, subject to the jurisdiction of the Missouri Public Service Commission as provided by law.

3. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

Michael R. Noack
Director, Pricing & Regulatory Affairs
Missouri Gas Energy
3420 Broadway
Kansas City, Missouri 64111
Telephone: (816) 360-5560
Facsimile: (816) 360-5536
Email: Mike.Noack@sug.com

4. With this application, MGE is requesting a certificate to provide gas in Section 24, Township 28 North, Range 27 West and Section 19, Township 28 North, Range 26 West. These are sections where MGE currently does not hold a certificate for natural gas service from the Commission. MGE has facilities in Section 19, Township 28 North, Range 26 West and currently serves approximately 6 small commercial customers and 20 active residential customers. Section 24, Township 28 North, Range 27 West is an area where residents have contacted MGE with an interest in switching their propane service to natural gas service. Currently 16 of the 29 propane customers in the subdivision have expressed an interest in receiving natural gas service.

5. Attached hereto and marked as **Appendix A** are maps of the locations of the proposed service areas. MGE already has a certificate from the Commission to serve sections

adjacent to the requested sections, in addition to several other sections surrounding the city of Mt. Vernon in Lawrence County.

6. The metes and bounds legal descriptions of the proposed certificated areas in Lawrence County are as follows:

Section 19, Township 28 North, Range 26 West in Lawrence County, Missouri; and,
Section 24, Township 28 North, Range 27 West in Lawrence County, Missouri.

7. Attached hereto and marked as **Appendix B** are copies of the work orders and description of the plans and specifications for the Section 19 project including the estimated cost of construction and the customer contributions required. No external financing was required for construction related to this area. Customer contributions of \$2,156 for a car wash and convenience store was collected at the time of construction in 1998 and an additional customer contribution of \$24,206 was collected in July 2000 for the main extension to a new subdivision. Construction methods followed MGE's customary standards and the rules of the Commission.

Included in Appendix B is a copy of an estimated work order with a description of the plans and specifications for the project including the estimated cost of construction to extend the line to potential customers wanting to switch from propane to natural gas in Section 24. The revenue portion of the feasibility study cannot be completed at this time because it is not yet known how many customers will ultimately want to switch and what, if any, contribution might be required by the customers switching. No external financing is anticipated for construction related to this Section. Construction methods will follow MGE's customary standards and the rules of the Commission.

8. Attached hereto and marked as **Appendix C** are two lists of eleven persons residing within or who are landowners within one mile of Section 19, Township 28 North, Range 26 West and Section 24, Township 28 North, Range 27 West.

9. Applicant will not require any franchises or permits from municipalities, counties, or other authorities in connection with the proposed construction other than the usual and customary state highway, railroad and county road permits which will be obtained prior to construction. The requested certificated areas are within the vicinity of Mount Vernon, Missouri. MGE already holds a franchise from Mount Vernon.

10. Applicant proposes to use its existing rates and regulations for natural gas service contained in its tariff, as the same may change from time to time pursuant to law, in serving the proposed area.

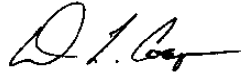
11. The area in which MGE is seeking to be certificated hereby is expected to develop and require natural gas service. Service from another natural gas supplier is not available at the present time. Since MGE has the ability to provide service in this area by construction of additions to existing facilities, MGE believes that potential new customers should be afforded the opportunity to take service from MGE if they so desire, pursuant to MGE's extension rule. These facts support a finding that the granting of the application is required by the public convenience and necessity.

12. No gas transmission lines are required to be constructed as a part of this application.

WHEREFORE, Applicant requests an order from the Commission granting it a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a system for the provision of natural gas service to the public pursuant to its approved rates, rules

and regulations, in Section 24, Township 28 North, Range 27 West and Section 19, Township 28 North, Range 26 West in Lawrence County, Missouri.

Respectfully submitted,



Dean L. Cooper MBE #36592
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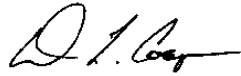
ATTORNEYS FOR MISSOURI GAS ENERGY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 12th day of November, 2012:

Kevin Thompson
Office of the General Counsel
Governor Office Building
Jefferson City, MO 65101
kevin.thompson@psc.mo.gov

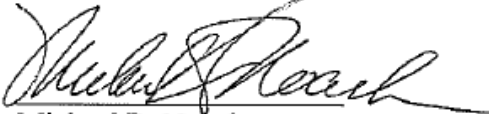
Marc Poston
Office of the Public Counsel
Governor Office Building
Jefferson City, MO 65101
marc.poston@ded.mo.gov



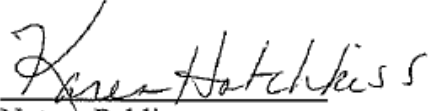
VERIFICATION

STATE OF MISSOURI)
)
COUNTY OF JACKSON) ss

I, Michael R. Noack, of lawful age, state that I am Director of Pricing and Regulatory Affairs for Missouri Gas Energy, a division of Southern Union Company; that I have read the above and foregoing document; that the statements contained therein are true and correct to the best of my information, knowledge and belief; and, that I am authorized to make this statement on behalf of Missouri Gas Energy.


Michael R. Noack

Subscribed and sworn to before me this 12 day of November, 2012.


Notary Public

My Commission Expires: 10/5/13

KAREN HOTCHKISS
Notary Public - Notary Seal
State of Missouri
Commissioned for Platte County
My Commission Expires: Oct. 05, 2013
COMMISSION #05975741