Exhibit No.:	_____
Issues:	Request for Certification
Witness:	Michael R. Noack
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Missouri Gas Energy
Case No.:	GA-2007-0289
Date Testimony Prepared:	October 2007

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

CASE NO. GA-2007-0289

SURREBUTTAL TESTIMONY OF

MICHAEL R. NOACK

Jefferson City, Missouri

October 2, 2007

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri Gas Energy, a Division of Southern Union Company, for a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Control, Manager and Maintain a Natural Gas Distribution System to Provide Gas Service in Platte County, Missouri, as an Expansion Of its Existing Certified Area	)	Case No. GA-2007-0289

AFFIDAVIT OF MICHAEL R. NOACK

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

Michael R. Noack, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

MICHAEL R. NOACK

Subscribed and sworn to before me this 25th day of SEPTEMBER 2007.

Notary Public

My Commission Expires: Feb 3 2011

KIM W. HENZI
Notary Public – Notary Seal
STATE OF MISSOURI
Jackson County
Commission Number 07424654
My commission expires February 3, 2011

REBUTTAL TESTIMONY OF MICHAEL R. NOACK

CASE NO. GA-2007-0289

OCTOBER 2, 2007

Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Michael R. Noack and my business address is 3420 Broadway, Kansas City, Missouri 64111.

Q. DID YOU SUBMIT DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes, I did.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. In my surrebuttal testimony I will:

1. Address Staff's rebuttal testimony dealing with the MGE's tariff and the concerns regarding MGE rendering service to the customers in the Seven Bridges subdivision.

Q. ACCORDING TO MR. WARREN ON PAGE 2 OF HIS REBUTTAL TESTIMONY, MGE DOES NOT HAVE ANY AUTHORITY TO SERVE CUSTOMERS IN SECTIONS 11 AND 12 OF TOWNSHIP 52N RANGE 35W. DO YOU AGREE WITH THAT STATEMENT?

A. No. MGE has a valid tariff sheet approved with an effective date of May 21, 1997. It is based on this tariff sheet that MGE has constructed facilities to serve customers in the Seven Bridges subdivision in sections 11 and 12 of Township 52N Range 35W in Platte County. In fact as pointed out in my direct testimony, MGE or its predecessor has been serving customers in this general area of Platte County for many years, and in one instance since 1960. Never before has anyone brought this supposedly unauthorized provision of service by MGE or its predecessor to the Commission's attention.

Q. ON PAGE 3 OF HIS TESTIMONY MR. WARREN POINTS OUT THAT OVER 50 YEARS AGO IN CASE NO. 12,632, THE COMMISSION ORDERED THAT THE LEAVENWORTH SUPPLY LINE (LSL) BE RESTRICTED TO SERVING THE AREA SURROUNDING THE KANSAS CITY AIRPORT. ARE THE REASONS FOR THIS RESTRICTION PRESENT TODAY?

A. No. The Commission appears to have restricted the use of the LSL due to the concerns of the city of St. Joseph. St. Joseph intervened in that case because it was served by the same gas pipeline that fed the LSL and the city was concerned about the adequacy of its gas supply.

Today, MGE also serves the St Joseph community and is quite conscious of the supply needs of the city and surrounding areas. As described in MGE's responses to data requests from the Staff, MGE's supply and capacity is adequate to serve the airport, Seven Bridges, the other areas of Platte County around this area where there are customers and also St Joseph, Missouri.

Q. ON PAGE 7 OF HIS REBUTTAL TESTIMONY MR. WARREN RECOMMENDS THAT THE COMMISSION ISSUE A CCN TO EMPIRE IN SECTIONS 13, 14, 15, 22, 23 AND 24. DO YOU AGREE WITH HIS RECOMMENDATION?

A. No. Mr. Warren bases his recommendation on the fact that Empire has a CCN to serve sections 10, 11 and 12; Empire has a franchise agreement with Platte City and the existence of an Annexation Agreement between Platte City and Kansas City. These are not reasons to grant a CCN to Empire. MGE also has a CCN to serve sections 7 and 18 in T52N, R34W which are adjacent to Section 12 where Seven Bridges is currently being built and Section 13, one of the sections where MGE is requesting the CCN. The existence of a franchise agreement with Platte City is not relevant as none of the area requested by Empire's application is within the city limits of Platte City and the majority of the requested sections are not planned for annexation. If necessary, MGE is willing to enter into a franchise agreement with Platte City to serve any customers that are within the city limits. Finally, Mr. Warren himself acknowledges that the likelihood of annexation by Platte City is uncertain. MGE should not be excluded from serving these sections merely because of the possibility of annexation.

Empire has not provided any evidence of future development or requests for services in those sections or that the construction of natural gas facilities in those areas by Empire is either convenient or necessary for the public. Of course, MGE has brought forward evidence, in the form of its contract with a developer to install a gas distribution system in the Seven Bridges subdivision, that construction of natural gas facilities by MGE in sections 13 and 14 is both

convenient and necessary to the public. There has not been any reason shown to grant Empire a CCN in any of the sections Mr. Warren recommends.

Q. DO EITHER HENRY WARREN OR MICHAEL STRAUB MAKE ANY RECOMMENDATIONS REGARDING THE EXISTING SERVICE MGE PROVIDES TO SEVEN BRIDGES?

A. No.

Q. IN LIGHT OF STAFF WITNESS WARREN AND STRAUB'S REBUTTAL TESTIMONY WHICH FOCUSES SOLELY ON A COMMISSION ORDER FROM THE 1950S AND IGNORES SUBSEQUENT COMMISSION ACTION, IN 1998, WHICH RESULTED IN LAWFULLY APPROVED AND EFFECTIVE TARIFF SHEETS THAT INCLUDED THE CONTESTED AREA (SECTIONS 1, 2, 3, 4, 5, 6, 10, 11, 12, 13 AND 14 OF TOWNSHIP 52N, RANGE 35W) AS PART OF MGE'S CERTIFICATED SERVICE AREA, DOES MGE HAVE A PROPOSAL FOR DEALING WITH THE CONTESTED SERVICE AREA THE COMMISSION COULD ADOPT AS A FAIR AND REASONABLE WAY TO RESOLVE THIS MATTER?

A. Yes. MGE would be permitted to continue to serve the customers it currently serves in sections 10, 11 and 12 (including the entirety of the Seven Bridges subdivision in those sections, whether currently built out and served now or not); MGE would also be granted the CCN in sections 13 and 14, which would allow MGE to finish the Seven Bridges subdivision; MGE would revise its current tariff

to reflect the above (i.e., MGE's CCN would be limited areas in sections 10, 11 and 12 of T-52N, R-35W; and sections 13 and 14 requested in our application would be added); and no CCN would be granted to any party for the remaining sections until such time as requests for gas service in those areas are made in the future at which point parties interested in providing that service could apply for a CCN. Empire would retain all of its existing service territory with the exception of those small areas in sections 10, 11 and 12 currently served by MGE (and, consequently, MGE would remove sections 1, 2 and 3 of T-52N, R-35W along with sections 4, 5 and 6 of T-52N, R-34W from the tariff sheets describing its certificated service area).

This proposal allows the Commission to protect the interests of Seven Bridges developers and those customers already served by MGE.

Q. DOES THAT CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does.