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June 15, 2000

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
JUN 15 2000
Missouri Public
Service Commission


RE: Southern Union Company/Valley Resources, Inc.
Case No. GM-2000-502

Dear Mr. Roberts:

Enclosed for filing in the above referenced case, please find the original and 8 copies of **Public Counsel's Recommendation**. Please "file stamp" the extra enclosed copy and return it to this office. I have on this date mailed, faxed, or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Sincerely,


Douglas E. Micheel
Senior Public Counsel

DEM:kh

cc: Counsel of record

Enclosure

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

FILED²
JUN 15 2000

In the matter of Southern Union Company)
for authority to acquire the common stock)
of and to merge with Valley Resources, Inc.,)
and, in connection therewith certain other)
related transactions.)

Case No. GM-2000-502

Missouri Public
Service Commission

PUBLIC COUNSEL'S RECOMMENDATION

COMES NOW, the Office of the Public Counsel ("Public Counsel") and for its recommendation in the above-referenced proceeding states as follows:

1. On or about February 17, 2000 Southern Union Company ("SUC") filed its Application for authority to acquire the common stock of and to merge with Valley Resources, Inc. ("VRI"), and, in connection therewith, certain other related transactions.

2. The Commission on or about February 23, 2000 issued its Order establishing time for filing recommendations directing that recommendations regarding approval or rejection of the application filed by SUC be filed by Public Counsel no later than June 15, 2000.

3. On or about May 22, 2000 SUC filed its Amended Application in this proceeding adding additional customer service criteria to the commitment set forth in paragraph 19 of its initial Application and reaffirming all the other commitments contained in its initial application.

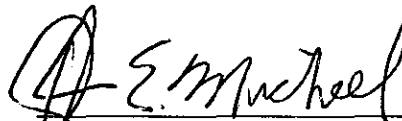
4. Public Counsel does not oppose the granting of SUC's application provided that the Commission adopt all of the conditions set forth in the initial Application and in SUC's Amended Application filed on May 22, 2000.

WHEREFORE, Public Counsel requests the Commission approve Southern Union Company's Application for authority to acquire the common stock of and to merge with Valley Resources, Inc. in this matter with all the conditions contained in its Application and Amended Application.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

BY:



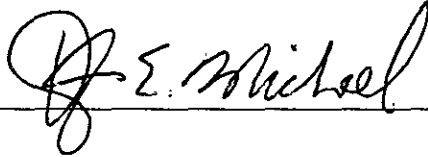
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been faxed, mailed or hand-delivered to the following counsel of record on this 15th day of June, 2000:

Denny Frey
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

Paul Boudreau/James C. Swearengen
Brydon, Swearengen & England PC
P. O. Box 456
Jefferson City, Missouri 65102



J. E. Michael