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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 5th
day of January, 1999.

In the Matter of the Application of)
UtiliCorp United Inc., d/b/a Missouri)
Public Service, for Permission,)
Approval, and a Certificate of Public)
Convenience and Necessity Authorizing) Case No. GA-98-509
it to Own, Operate, Control, Manage and)
Maintain a Natural Gas Transmission)
Pipeline and Related Facilities as a Part)
of its Distribution System for the Public,)
in a Portion of Pettis County, Missouri.)

ORDER REGARDING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On May 12, 1998, UtiliCorp United Inc., d/b/a/ Missouri Public Service (MPS or Applicant) filed an application with the Commission requesting authority to own and operate a natural gas transmission pipeline and related facilities, entirely within Pettis County, as a part of its gas distribution system. MPS states that it has entered into an Agreement to Assign and Transfer (the agreement) with Williams Gas Pipeline Central, Inc. (Williams) that will transfer approximately 5.8 miles of pipeline to MPS from Williams. Pursuant to the agreement, approximately eleven of Williams' domestic right-of-way customers (farm tap customers) will become customers of MPS after the transfer. In its application to intervene, Missouri Gas Energy, a division of Southern Union Company (MGE), states that although Williams provides service to these customers pursuant to right-of-way agreements between them and

Williams, MGE actually sells them gas. In orders issued July 13 and August 28, the Commission granted intervention to Williams and MGE.

On November 25, Staff filed its memorandum in which it recommends that the Commission grant MPS a certificate of convenience and necessity to own and operate the pipeline as described in its application. Staff believes that granting the certificate will result in additional benefits to the public and will not be detrimental to existing customers.

Staff also recommends that MPS be granted a certificate of convenience and necessity to serve the farm tap customers. However, Staff states that this recommendation is contingent on MGE filing an application to transfer ownership to MPS of the meters and related equipment that are used to serve the farm tap customers.

The Commission notes that the application did not contain all the material required by 4 CSR 240-2.060(2)(F), including a metes and bounds description of the area in which MPS proposes to operate the pipeline. MPS must either comply with this rule or demonstrate good cause to be granted a waiver from it.

In addition, since MPS apparently did not, at the time of its application¹, contemplate the need for a certificate to serve the farm tap customers, it does not contain all the material required by 4 CSR 240-

¹ In its memorandum, Staff states: "In order to serve the eleven rural residential customers on the pipeline, MPS submitted a letter to Staff on October 23, 1998, agreeing that this area become part of its distribution system through a certificate of public convenience and necessity." Such a letter cannot be the basis for a certificate of convenience and necessity.

2.060(2)(F) for the area in which Staff recommends it be certificated to provide such service. In fact, the application itself does not mention those customers; they are only mentioned in the agreement.

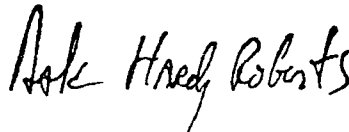
If the Commission were to approve the transfer of the pipeline from Williams to MPS, which includes the transfer of the farm tap customers, without at the same time granting MPS a certificate to serve them, the potential exists for those customers to be without gas service. The Commission cannot find that the public interest will be served by transferring the pipeline from Williams to MPS until such time as it has before it an application for the transfer from MGE to MPS of the facilities used to serve the farm tap customers, as well as MPS's application for a certificate of convenience and necessity to serve them.

IT IS THEREFORE ORDERED:

1. That UtiliCorp United Inc., d/b/a/ Missouri Public Service shall file the information required by 4 CSR 240-2.060(2)(F), or request a waiver for good cause, no later than January 25, 1999.
2. That this order shall become effective on January 15, 1999.

BY THE COMMISSION

(S E A L)



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Lumpe, Ch., Murray, Schemenauer
and Drainer, CC., concur
Crumpton, C., absent

Mills, Deputy Chief Regulatory Law Judge