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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 29th  
day of July, 1997.

In the Matter of the Application of )  
Missouri Pipeline Company for Waiver )  
of and Variance from Section 3.1 and )  
3.2 of the Interruptible Provisional )  
Transportation Services Rate Schedule )  
found on P.S.C. Mo. No. 3, Sheets )  
No. 16 and 17. )

Case No. GO-97-285 ✓

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 )  
it to Construct, Install, Own, Operate, )  
Control, Manage and Maintain a Gas )  
Distribution System for the Public in )  
the City of Owensville, Missouri and )  
Certain Other Unincorporated Areas )  
Located in Gasconade County and )  
Crawford County, Missouri. )

Case No. GA-97-132

In the Matter of the Application of )  
Missouri Gas Company, for Permission, )  
Approval, and a Certificate of Public )  
Convenience and Necessity Authorizing )  
it to Construct, Own, Operate, Control, )  
Manage and Maintain a Natural Gas )  
Transmission Pipeline and Related )  
Facilities and to Transport Natural )  
Gas in Portions of Crawford and )  
Gasconade Counties, Missouri. )

Case No. GA-97-133

**ORDER REJECTING TARIFF AND**  
**PROVIDING FOR COMPLIANCE FILING**

The Commission issued its original Report and Order in this  
matter on May 15, 1997, as clarified by the Commission's order of June 19.  
As a part of the original Report and Order the Commission stated the  
following in ordered Paragraph No. 1:

"That the application of UtiliCorp United Inc., d/b/a Missouri  
Public Service, for a certificate of convenience and necessity

to construct, install, own, operate, control and manage a gas distribution system is hereby granted to the extent that the certificate is limited to the corporate limits of the City of Owensville and those areas immediately adjacent to the city limits of Owensville which UtiliCorp United Inc., d/b/a Missouri Public Service, has present plans and intentions of service as part of the Owensville construction project."

In addition, in the Commission's Order Regarding Motion for Clarification of June 19, the Commission ordered UtiliCorp to file compliance tariffs as follows:

"That the Motion for Clarification filed May 27, 1997 by the Staff of the Commission is granted to the extent that UtiliCorp United, Inc. is hereby ordered to file tariffs reflecting the metes and bounds of its service area awarded to it in the original Report and Order in this docket prior to commencing any construction or other activity in that service area, for approval by the Commission."

On July 21, the Staff of the Commission filed a motion to either reject or suspend tariffs filed July 1 by UtiliCorp, alleging that the tariffs failed to comply with either of the above-quoted Commission orders. The Staff states that detailed review of the tariff filing reveals that the metes and bounds descriptions contained in the tariff filing exceed the bounds of the service area as awarded UtiliCorp by the Commission.

On July 24 UtiliCorp filed a response to the Staff motion, which included a map of the current proposed project with three different areas marked. That map is attached to this order and incorporated herein as Attachment A. Area 1 on Attachment A is the service territory originally requested by UtiliCorp. Area 2 is the area as set out in the tariff in question. Area 3 is the area as recommended by the Staff. UtiliCorp maintains that Area 2 is consistent with Commission practice and is a good faith effort to comply with the Commission's original Report and Order.

After review, the Commission agrees with the Staff. The tariffs filed by UtiliCorp expand the service area actually awarded by the Commission. The Commission would also note that, in the hearing of this case, an issue regarding the extent of the service area was fully litigated and decided by the Commission. In the original Report and Order the Commission stated:

2. The Size of the Service Area

In its application in Case No. GA-97-132, UtiliCorp has asked to be certified to serve an area substantially larger than the City of Owensville itself. This area is reflected in Attachment A, appended to this Report And Order. The proposed area, from Rosebud to Bland, is approximately 17 miles long. In testimony, it was clear to the Commission that UtiliCorp has no present plans or intention to provide service to those areas outside the City of Owensville and several adjacent areas. Testimony revealed that UtiliCorp found the area to be one of potential growth and wishes to serve the Bland and Rosebud areas in the future, when such growth makes those areas economical to serve.

The Staff objected to the issuance of the certificate to those areas which UtiliCorp has no present plan to serve. The Staff maintains that issuance of the certificate as requested would lock out other competitors while not necessarily providing gas service to the public.

The Commission agrees with the Staff that it would not be in the public interest to grant a certificate of convenience to a utility for an area that the utility does not presently intend to serve. It is a fundamental concept of utility regulation that the monopoly provider will actually provide safe, efficient and economical service. It is clear from UtiliCorp's own witnesses that no plans or present intention exists to provide service to any area designated in Attachment A, save the City of Owensville itself and several immediately adjacent areas.

Therefore, the Commission finds that the certificate of convenience and necessity will be limited to the city limits of Owensville and only those areas immediately adjacent to the city limits which are now included in the construction plans for this proposed project.

The Commission's original decision and order is clear as to extent of the service area awarded UtiliCorp. The correct service area is

reflected as Area 3 in Attachment A, along with a line certificate for the proposed transportation pipeline extending from the I-44 corridor to Owensville.

Therefore, the tariffs filed July 1 by UtiliCorp are rejected. The Commission will order UtiliCorp to file tariffs in full compliance with this order no later than August 15.

**IT IS THEREFORE ORDERED:**

1. That the tariffs filed July 1, 1997 by UtiliCorp United, Inc., and bearing an effective date of July 31, 1997 are found not to be in compliance with the Commission's Report and Order and are hereby rejected for reasons as set out above.

2. That UtiliCorp United, Inc. is hereby ordered to file tariffs in full compliance with the Commission's order of May 15, 1997, as modified by order of June 19, 1997 and Attachment A to this order, no later than the close of business August 15, 1997.

3. That this order shall become effective on the date hereof.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Cecil I. Wright", written over the printed name.

Cecil I. Wright  
Executive Secretary

(S E A L)

Zobrist, Chm., Crumpton, Drainer,  
Murray, and Lumpe, CC., Concur.

ALJ: Derque