

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

In the matter of the Application of Southern)	
Missouri Gas Company, L. P. d/b/a Southern)	
Missouri Natural Gas for a certificate)	
of public convenience and necessity)	
authorizing it to construct, install, own, operate,)	Case No. GA-2007-0168
control, manage and maintain a natural gas)	
distribution system to provide gas service in)	
Branson, Branson West, Reed's Spring)	
and Hollister, Missouri.)	

FIRST AMENDED APPLICATION

COMES NOW Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas, ("SMNG" or "Applicant"), by and through its counsel, and for its Application pursuant to Section 393.170, RSMo 2000,¹ and 4 CSR 240-2.060(1) and 4 CSR 240-3.205 for a certificate of public convenience and necessity, respectfully states as follows:

1. Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas, a Missouri limited partnership, ("SMNG") owns and operates a natural gas transmission and distribution system located in southern Missouri which serves approximately 7,500 residential, commercial and industrial customers. SMGC is a "gas corporation" and "public utility" under the jurisdiction of the Missouri Public Service Commission, pursuant to Chapters 386 and 393, RSMo. 2000. The Company's street and mailing address is: 301 E. 17th Street, Mountain Grove, Missouri 65711. The Company's telephone number is: (417) 926-7533.

¹All statutory references are to Revised Statutes of Missouri 2000, unless otherwise indicated.

2. All correspondence, pleadings, orders, and documents in this proceeding should be addressed to:

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Fischer & Dority, P.C.
101 Madison Street--Suite 400
Jefferson City, Missouri 65101
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3. Copies of SMNG's Certificate Of Good Standing from the Missouri Secretary of State and its Fictitious Name Registration were previously filed in Case No. GA-2007-0212 and GN-2006-0203, respectively, and are incorporated herein by reference.

4. As explained in the Motion To Substitute Parties filed in this proceeding by SMNG on June 29, 2007, SMNG and Alliance Gas Energy Corporation ("AGE") entered into an Asset Purchase Agreement (dated June 29, 2007) under which SMNG acquired the assets of Alliance Gas Energy, including the assignment of the Branson and Hollister, Missouri

Franchises, needed to provide natural gas service in the Branson and Hollister, Missouri area.² As a result, AGE's interest in this proceeding has been effectively transferred to SMNG, and the Commission on July 11, 2007, granted SMNG's motion for substitution of party.

5. Attached hereto and marked as Appendix A are maps of the location of the proposed service area. Attached hereto and marked as Appendix B is a metes and bounds legal description of the proposed boundaries of the certificated area.

6. Attached hereto as Appendix C is SMNG's Feasibility Study and a summary of the plans and specifications for the project including the estimated cost of construction. SMNG's plans for financing this project were previously filed on December 8, 2006, with the SMNG Application in Case No. GF-2007-0215 and are incorporated herein by reference.

7. A list of ten persons residing in or who are landowners within the proposed service area was previously included in the AGE Application filed on October 26, 2006, and is incorporated herein by reference.

8. As explained in the original Application filed by AGE on October 26, 2006, AGE obtained a franchise from the City of Branson, Missouri to provide natural gas service to customers in Branson, Missouri which was included in the AGE Application filed on October 26, 2006, and is incorporated herein by reference. This franchise has been assigned to SMNG, pursuant to the Asset Purchase Agreement dated June 29, 2007. On July 23, 2007, the City Council of Branson, Missouri approved the assignment of the Branson Franchise to SMNG. A copy of this governmental approval is contained Appendix D. In addition, SMNG is seeking to obtain approval of the assignment of the Hollister franchise from the municipal authorities, and

² AGE originally requested a certificate of convenience and necessity to serve the Reed's Spring municipality. However, SMNG does not intend to pursue this request, and hereby withdraws the request for a certificate of convenience and necessity to serve Reed's Spring, Missouri.

this approval will be filed upon receipt. SMNG is continuing to seek a franchise from the municipality of Branson West, Missouri. A copy of the franchise will be provided to the Commission upon receipt. Approval to use the right-of-way of the respective counties in the proposed service area is also being sought, and will be provided upon receipt. SMNG does not believe it will not require any additional franchises or permits from municipalities, counties, or other governmental 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.

9. Applicant proposes to use its existing approved rates and regulations for natural gas service in the proposed service area. However, Applicant proposes to add a \$2.00 per customer per month to the customer service charge for customers in the proposed service area to recover distribution system costs in the proposed service area. This additional customer service charge is intended to ensure that the expansion into the proposed service area will not be detrimental to SMNG's customers in its existing service area.

10. There is no same or similar utility service, regulated or nonregulated, available in the area requested.

11. The granting of this Application is required by the public convenience and necessity since natural gas service is not presently available in the proposed certificated area, and the availability of natural gas to Branson, Branson West, and Hollister, Missouri will promote the public interest since natural gas is an economical, safe, and reliable source of energy for residential, commercial, industry, municipal and other customers.

12. The Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates which has occurred within three (3) years of the date of the Application.

13. The Applicant has no annual report or assessment fees that are overdue.

WHEREFORE, SMNG respectfully 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 in Branson, Branson West, and Hollister, Missouri, pursuant to its proposed rates, rules, and regulations, as more fully described herein.

Respectfully submitted,

/s/ James M. Fischer

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ATTORNEYS FOR
APPLICANT

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 10th day of August, 2007.

/s/ James M. Fischer

James M. Fischer

VERIFICATION

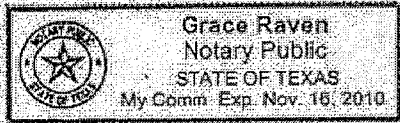
STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

Randal T. Maffett, being first duly sworn, on his oath and in his capacity as managing partner states that he is authorized to execute this Application on behalf of Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas and has knowledge of the matters stated herein, and that said matters are true and correct to the best of his knowledge and belief.



Randal T. Maffett

Subscribed and sworn to before me this 10th day of August, 2007.



Notary Public

My Commission Expires: Nov. 16th 2010

APPENDIX C
FEASIBILITY STUDY
(HIGHLY CONFIDENTIAL)

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control, manage and maintain a natural gas)	
distribution system to provide gas service in)	
Branson, Branson West, Reed's Spring)	
and Hollister, Missouri.)	

SECOND AMENDED APPLICATION

COMES NOW Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas, ("SMNG" or "Applicant"), by and through its counsel, and for its Second Amended Application pursuant to Section 393.170, RSMo 2000,¹ and 4 CSR 240-2.060(1) and 4 CSR 240-3.205 for a certificate of public convenience and necessity, respectfully states as follows:

1. During discussions with the Staff in this proceeding, two errors in the First Amended Application that was filed by SMNG became apparent. This Second Amended Application is intended to correct the First Amended Application filed on August 10th, 2007, by interlineation.

2. Appendix B of the First Amended Application incorrectly stated the metes and bounds legal description of the proposed service area. Attached hereto is a revised Appendix B (HC) which contains the corrected metes and bounds legal description of the proposed service

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area, and is incorporated herein by reference.

3. Paragraph 9 of the First Amended Application contained an incorrect description of the proposed rates that would be utilized in the proposed service area. The following Paragraph 9 corrects that error and is hereby incorporated into the First Amended Application filed on August 10th, 2007:

“9. Applicant proposes to use its existing approved rates and regulations for natural gas service in the proposed service area. However, Applicant proposes to add a \$.20 per Ccf charge in the distribution charges for all usage for all customer classes in the proposed service area to recover distribution system costs in the proposed service area. This additional distribution charge is intended to ensure that the expansion into the proposed service area will not be detrimental to SMNG’s customers in its existing service area.”

WHEREFORE, SMNG respectfully 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 in Branson, Branson West, and Hollister, Missouri, pursuant to its proposed rates, rules, and regulations, as more fully described herein.

Respectfully submitted,

/s/ James M. Fischer /

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ATTORNEYS FOR
APPLICANT

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 5th day of November, 2007.

/s/ James M. Fischer

James M. Fischer

APPENDIX C
FEASIBILITY STUDY
(HIGHLY CONFIDENTIAL)