BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the application of Summit Natural)	
Gas of Missouri, Inc., for a certificate of)	
convenience and necessity authorizing it to)	
construct, install, own, operate, control, manage)	File No
and maintain a distribution system to provide gas)	
service in Benton, Morgan, Camden and Miller)	
Counties in Missouri as a certificated area)	

APPLICATION

COMES NOW Summit Natural Gas of Missouri, Inc. (formerly known as Missouri Gas Utility, Inc.) (SNGMO or Applicant), by and through its counsel, and as its Application pursuant to §393.170, RSMo (2000), 4 CSR 240-2.060 and 4 CSR 240-3.205, for a certificate of convenience and necessity (CCN) for a service area, respectfully states as follows:

BACKGROUND

Missouri Gas Utility, Inc. (MGU) previously applied for, and was granted effective November 30, 2009, a CCN for a similar certificated area (File No. GA-2010-0012). The project was delayed due to a significant increase in the total cost of the project. The increase was due to changes in the costs for material and labor, as well as additional required quantities of polyethylene pipe.

Section 393.170.3, RSMo states, in part as follows: "Unless exercised within a period of two years from the grant thereof, authority conferred by such certificate of convenience and necessity issued by the Commission shall be null and void." Given this provision and the change in circumstances both as to costs and MGU's structure due to its recent merger with Southern Missouri Natural Gas, L.P., SNGMO is hereby reapplying for a certificate to provide natural gas service in the identified areas.

<u>APPLICANT</u>

SNGMO's principal office is located at 7810 Shaffer Parkway, Suite 120,
Littleton, CO 80127.

2. SNGMO is a corporation duly incorporated under the laws of the State of Colorado. A copy of a certificate from the Missouri Secretary of State that SNGMO is authorized to do business in Missouri as a foreign corporation is attached as **Appendix D**. Other than cases that have been docketed at the Commission, SNGMO has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court within the past three (3) years that involve customer service or rates. SNGMO has no annual report or assessment fees that are overdue.

3. SNGMO conducts the business of a "gas corporation" and provides natural gas service in the Missouri counties of Harrison, Daviess, Caldwell, Dallas, Greene, Pettis, Polk, Webster, Laclede Wright, Douglas, Texas, Howell, Stone, Taney and Lawrence subject to the jurisdiction of the Missouri Public Service Commission (Commission). All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

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SUMMARY

- 4. SNGMO proposes to install a natural gas distribution system to provide natural gas sales and transportation service in Camdenton, Osage Beach, Hurricane Deck, Linn Creek, Sunrise Beach, and the Village of Four Seasons all of which are located in Camden County, Gravois Mills and Laurie, which are located in Morgan County, and Lake Ozark which is located in Miller County. This system would also provide service in certain unincorporated portions of Benton and Morgan Counties, and in portions of unincorporated Camden County.
- 5. SNGMO will utilize a 6" steel main line to bring gas to this area. This line will begin at a tee on the existing SNGMO line in Section 20, Township 42 North, Range 22 West. This line will then proceed east south-east along private right-of-way for a distance of 25.6 miles, then continue south-east along private right-of-way for a distance of 5.28 miles, then south/southwest along private right-of-way for a distance of 4.23 miles. The line will then be directionally bored underneath the Lake of the Ozarks adjacent to the Hurricane Deck Bridge on State Highway 5 for a distance of 0.4 miles. South of the bridge, the line will follow the State Highway 5 right-of-way for a distance of .63 miles to the south-west, then turn to the south-east and re-enter private right-of-way and proceed 2.4 miles to the north end of the Niangua Arm Bridge on State Highway 5. The line will be directionally bored underneath the Lake of the Ozarks adjacent to the Niangua Arm Bridge for a distance of 0.4 miles. South of that bridge, the line will continue in the Old State Highway 5 right-of-way for 0.5 miles, then turn south-east and proceed for 6.3 miles through private right-of-way to a terminus at a point along State Highway 54 approximately 1.5 miles east of Camdenton.

AREA CERTIFICATE

6. For the length of the 6" steel main line in Benton County, SNGMO is requesting an order from the Commission granting it a certificate of convenience and necessity (CCN) in the sections within 1.5 miles of the line where it lays. The Company has surveyed this area and believes that during initial construction, which is planned to take two years, and in subsequent expansion over the following three years, all the sections in this area will be served with natural gas. SNGMO has determined that either potential commercial or residential customers exist within these sections in sufficient quantity to justify building and operating a line to provide service. The Company stands ready, if necessary, to serve any potential customers in these sections, under the terms of its Main Extension tariff, as set forth on Sheets 72 – 76.

The legal description of the area to be certificated, by county, is as follows:

Benton County		
Township	Range	Sections
39 North	20 West	Sections 1-26, and 36
39 North	21 West	Sections 1-15, and 24
39 North	22 West	Sections 1-4, 10-12
40 North	21 West	Sections 15-22, 27-35
40 North	22 West	Sections 13, 24, 25, and 33-36
41 North	20 West	Sections 5-11, 13-18, 21-26
41 North	21 West	Sections 1-3, 11-12
42 North	21 West	Sections 26-27, 33-36

Camden County		
Township	Range	Sections
37 North	16 West	Sections 3-10
37 North	17 West	Sections 1-4, 10-12
38 North	15 West	Sections 6 and 7
38 North	16 West	Sections 1-23, 26-35
38 North	17 West	Sections 1-36
38 North	18 West	Sections 1-3, 10-14, and 24
39 North	15 West	Sections 6, 17-21, 29-32
39 North	16 West	Sections 1-36
39 North	17 West	Sections 1-36
39 North	18 West	Sections 1-30, 33-36
39 North	19 West	Sections 1-33
40 North	16 West	Sections 15-36
40 North	17 West	Sections 24, 25, 31-36
40 North	18 West	Sections 19, 20, 29-36
40 North	19 West	Sections 4-10, 15, 16, 21-28, 33-36

Miller County		
Township	Range	Sections
39 North	15 West	Sections 4, 5, 8, 9, 16, 17, 21
40 North	15 West	Sections 7-9, 15-22, 27-34
40 North	16 West	Sections 3, 10-15, 22-24
41 North	16 West	Sections 27, 34

Morgan County		
Township	Range	Sections
40 North	16 West	Sections 4-9, 16-18
40 North	17 West	Sections 1-30
40 North	18 West	Sections 1-30
40 North	19 West	Sections 1-6, 9-15, 23-27, 34-36
41 North	16 West	Sections 7, 17-21, 28-33
41 North	17 West	Sections 8-17, 20-29, 32-36
41 North	18 West	Sections 30-35
41 North	19 West	Sections 17-23, 25-36

PROJECT INFORMATION

- 7. The proposed line certificate route and proposed service area are shown on the map attached hereto as **Appendix A**.
- 8. Attached hereto and marked as <u>Appendix B</u> is a feasibility study containing a description of the plans and specifications for the project, to include the estimated cost of construction and an estimate of the number of customers, revenues and expenses during the first three years of construction; proposed rates and charges and an estimate of the number of customers and revenues and expenses during the first three (3) years of operations.
- 9. Due to the increased cost of materials and labor, Applicant is proposing to use the same base rate for this area as was approved by the Commission for the areas certificated in Cases No. GA-2009-0264 and GA-2009-0422, with an additional rate surcharge of \$0.400 per Ccf to account for the cost of construction. A rate analysis is included in the aforementioned feasibility study.
- 10. The Company intends to finance this project by issuing indebtedness. SNGMO will seek Commission approval for this financing through a separate application.
- 11. Construction methods will follow SNGMO's customary standards and the rules of the Commission. SNGMO plans to use the general terms and conditions of service found in the Company's currently approved tariffs.
- 12. Attached hereto and marked as **Appendix C** is a list of ten persons who reside, or own land, within the proposed service area.
- 13. SNGMO has not yet begun to seek commitments from potential customers in the cities or rural areas contained within the CCN requested in this filing. However, SNGMO has

made initial contact with a few commercial customers that have voiced their approval of a natural gas system. SNGMO intends to begin marketing activities in March, 2012.

14. Applicant is working towards obtaining franchises from cities in the proposed certificated area. As the Company determines that additional franchises are necessary or desirous in regard to this project, it will supplement its filing at a later date in accordance with Commission Rule CSR 240-3-205(2).

15. SNGMO will not require any other permits from municipalities, counties, or other 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.

16. The area in which SNGMO is seeking to be certificated hereby is already developed. Service from a natural gas supplier is not available in this area at the present time. The Company has the ability to provide service in this area by construction of new facilities and SNGMO believes that potential new customers should be afforded the opportunity to take service from SNGMO if they so desire. These facts support a finding that a grant of this application is required by the public convenience and necessity.

WHEREFORE, Applicant requests an order from the Commission granting it a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a gas transmission line and a distribution system for the provision of natural gas service to the public pursuant to the proposed rates, and approved rules and regulations, in the Sections listed above in Benton, Morgan, Camden and Miller Counties, in the State of Missouri.

Respectfully submitted,

1. Com

Dean L. Cooper

MBE #36592

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ATTORNEYS FOR SUMMIT NATURAL GAS OF MISSOURI, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 2^{nd} day of March, 2012:

Office of the General Counsel Missouri Public Service Commission Governor State Office Building Jefferson City, Missouri 65101 gencounsel@psc.mo.gov Office of the Public Counsel Governor State Office Building Jefferson City, Missouri 65101 opcservice@ded.mo.gov

Dean L. Cooper