

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 10<sup>th</sup>  
day of June, 2011.

In the Matter of the Application of Southern Union	)	
Company, d/b/a Missouri Gas Energy, for a Certificate	)	
of Public Convenience and Necessity Authorizing It to	)	
Construct, Install, Own, Operate, Control, Manage and	)	<b><u>File No. GA-2011-0367</u></b>
Maintain a Natural Gas Distribution System to Provide	)	
Gas Service in Lawrence County, Missouri as a	)	
Further Expansion of Its Existing Certified Area	)	

**ORDER GRANTING CERTIFICATE  
OF PUBLIC CONVENIENCE AND NECESSITY**

Issue Date: June 10, 2011

Effective Date: June 20, 2011

**Syllabus:**

This order grants Southern Union Company, d/b/a Missouri Gas Energy ("MGE"), a certificate of convenience and necessity to provide natural gas service in a portion of Lawrence County, Missouri.

**Procedural History:**

On May 6, 2011<sup>1</sup>, Southern Union Company, d/b/a Missouri Gas Energy ("MGE"), applied with the Missouri Public Service Commission, pursuant to Section 393.170, RSMo, requesting that the Commission grant it authority to "construct, install, own, operate, control, manage and maintain a system for the provision of natural gas service to the public pursuant to its approved rates, rules and regulations, in

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<sup>1</sup> Calendar references are to 2011 unless otherwise noted.

Lawrence County, Missouri. MGE asks for a certificate to serve Section 1, Township 26 North, Range 25 West, in Lawrence County, Missouri. MGE states that a developer has requested MGE to provide natural gas service to a new four-plex to be located within that section.

The Commission issued notice of the application on May 10, and allowed potential intervenors until May 30 to request intervention. The Commission received no intervention requests.

On June 2, the Staff of the Commission filed its Recommendation. Staff believes that granting the application would be in the public interest because: 1) MGE is willing and able to serve the new area under current tariff provisions; 2) MGE's service to the new customers would not jeopardize MGE's current customers; 3) no intervenors objected; 4) MGE anticipates using the customary state highway, railroad, and county rights of way, 5) the requested service area has projected growth, and 6) no new franchises are required. Staff recommends that the Commission grant the application.

**Findings of Fact:**

The Commission has reviewed the verified pleadings, which are admitted into evidence, and from those pleadings finds as follows:

MGE is a Delaware corporation in good standing, and has a certificate to do business in Missouri. MGE is a "gas corporation" and provides natural gas service in the Missouri counties of Andrew, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christina, Clay, Clinton, Dade, DeKalb, Greene, Henry, Howard, Jackson, Jasper,

Johnson, Lafayette, Lawrence, McDonald, Moniteau, Pettis, Platte, Ray, Saline, Stone, and Vernon..

MGE's new proposed service area is within Section 1, in Township 26 North, Range 25 West, in Lawrence County. To serve the new area, MGE will apply the same rates and regulations it applies to customers under its current tariff. Other than a certificate from the Commission, the only remaining permission MGE requires to serve this area is from state highway, railroad and county road authorities for rights-of-way. No Commission-regulated gas company supplies natural gas to this area.

The Commission will grant MGE the certificate. The proposed service is in the public interest. The Commission will order MGE to file revised tariff sheets describing the new service area.

#### **Conclusions of Law:**

MGE is a "gas corporation" and a "public utility" as defined in Subsections 386.020(18) and (43), RSMo Supp. 2010. It is subject to the Commission's jurisdiction under to Chapters 386 and 393, RSMo 2000.

A gas corporation may not exercise any right under a franchise unless the Commission gives it a certificate. Also, the Commission may impose such conditions on the certificate as it deems reasonable and necessary.<sup>2</sup>

The Commission concludes that the proposed service area is both necessary and convenient for the public service. Furthermore, the Commission will authorize MGE to construct, install, own, operate, control, manage and maintain a natural gas distribution system as described in its application. The Commission also concludes that

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<sup>2</sup> Subsection 393.170.3, RSMo 2000.

it is reasonable and necessary for MGE to file revised tariff sheets that reflect this new service.

**THE COMMISSION ORDERS THAT:**

1. Southern Union Company, d/b/a Missouri Gas Energy, is granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain a natural gas distribution system in Section 1, Township 26 North, Range 25 West, Lawrence County, Missouri.

2. The certificate of convenience and necessity referenced in ordered paragraph 1 shall become effective on June 20, 2011.

3. Southern Union Company, d/b/a Missouri Gas Energy, shall file with the Commission tariff sheets describing the new service area and gas supply line no later than July 10, 2011.

4. Southern Union Company, d/b/a Missouri Gas Energy, shall not serve the new service area granted in this order before it files the tariff sheets described in ordered paragraph 3.

5. Nothing in this order shall be considered a finding by the Commission of the reasonableness or prudence of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

6. The Commission reserves the right to consider the ratemaking treatment to be afforded the properties herein involved, and the resulting cost of capital, in any later proceeding.

7. This order shall become effective on June 20, 2011.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name of the Secretary.

Steven C. Reed  
Secretary

( S E A L )

Gunn, Chm., Clayton, Davis, Jarrett,  
and Kenney, CC., concur.

Pridgin, Senior Regulatory Law Judge