

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

In the Matter of the Application of Missouri Gas)	
Energy's Application for a Determination of)	Case No. GO-2002-48
Certain Matters Pertaining to its Safety Line)	
Replacement Program.)	

STAFF'S RECOMMENDATION REGARDING MISSOURI GAS ENERGY'S

MOTION FOR THREE MONTH EXTENSION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and recommends that the Commission grant the request of Missouri Gas Energy ("MGE") in its Motion For Three-Month Extension, filed June 29, 2009. In support thereof, the Staff respectfully states as follows:

1. In an order issued December 22, 2005, in this case, the Commission granted MGE an extension, until June 30, 2008, to replace mains and service lines in two mobile home parks, *i.e.*, Finley River Mobile Home Park and Heistland/Malang Mobile Home Park. Today, only the Heistland/Malang Mobile Home Park still exists.

2. Because the continued existence of the Heistland/Malang Mobile Home Park appeared doubtful, on May 27, 2008, MGE filed a motion requesting a two year extension of the time to complete the replacements. MGE recommended an extension until June 30, 2010.

3. On May 29, 2008, the Commission issued an order directing the Staff to file a Recommendation no later than June 9, 2008.

4. On June 5, 2008, Staff filed its Recommendation Regarding MGE's May 27, 2008 Motion for Extension. Staff recommended the Commission issue its

Order: a) granting MGE's request to extend, until June 30, 2010 (two years), the time for completion of main and service line replacements at Malang Mobile Home Park; and b) directing MGE to continue conducting leakage surveys two times annually with annual reports submitted to the Staff.

5. On June 12, 2008, the Commission issued an Order Approving Extension of Time to Replace Mains and Service Lines at Malang Mobile Home Park. However, the Commission believed a two-year extension was longer than necessary to resolve the question of whether the park will remain open and for that reason the Commission granted MGE only a one-year extension.

6. On February 5, 2009, MGE filed its 2009 Annual Leak Report, which indicated that leak surveys were conducted during 2008 on February 20 and August 6 with no leaks detected during either survey. Attached to the filing was a letter dated January 15, 2009 addressed to Mr. Kevin York informing him of the need to discuss replacement of piping in the Park. After the letter was sent, MGE contacted Mr. York several times and no resolution was reached.

7. On June 29, 2009, MGE filed a *Motion for Three Month Extension*, requesting to extend the current deadline to replace piping in the Malang Mobile Home Park from June 30, 2009 to September 30, 2009. MGE's states that on June 25, 2009, Mr. York indicated he did not want to participate in replacement of the natural gas piping in Malang Mobile Home Park, indicated he wanted to convert his mobile homes to all electric, and estimated that he may be able to complete the conversion by the end of the year.

8. In its filing, MGE suggested if a deadline for conversion is to be ordered by the Commission, the extension should only be until September 30, 2009.

9. If MGE and the Commission are faced with line replacement or discontinuation of natural gas to the few remaining customers, it is preferable to address discontinuation of service before the winter heating season.

10 Therefore, MGE requested that the Commission extend the current deadline for replacements in Malang Mobile Home Park for three months (from June 30 to September 30, 2009). MGE stated it would continue to leak survey the Park as previously ordered and promptly notify the Commission if any leaks are detected.

11. On June 29, 2009, the Staff was ordered to file a recommendation regarding MGE's *Motion for Three Month Extension* by July 9, 2009.

12. As set out in the attachment (Appendix A), Staff believes MGE's request is appropriate, and recommends Commission approval.

WHEREFORE, for the reasons set forth in the attachment (Appendix A), Staff respectfully recommends the Commission issue its Order: a) granting MGE's request to extend, until September 30, 2009, the time for completion of main and service line replacements at Malang Mobile Home Park; and b) directing MGE to continue conducting leakage surveys two times annually as previously ordered.

Respectfully submitted,

/s/ Lera L. Shemwell

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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 9th day of July 2009.

/s/ Lera L. Shemwell