

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

In the matter of the application of Missouri Gas)
Energy, a division of Southern Union Company, for)
a certificate of public convenience and necessity)
authorizing it to construct, install, own, operate,) Case No. _____
control, manage and maintain a natural gas)
distribution system to provide gas service in)
Carroll County, Missouri, as an expansion of its)
existing certified area.)

APPLICATION

COMES NOW Missouri Gas Energy, a division of Southern Union Company (“MGE” 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 public convenience and necessity, respectfully states as follows:

1. Applicant is Missouri Gas Energy, a division of Southern Union Company. MGE’s principal office is located at 3420 Broadway, Kansas City, Missouri 64111.
2. Southern Union Company is a corporation duly incorporated under the laws of the State of Delaware and conducts business in Missouri under the fictitious name of Missouri Gas Energy. A copy of a certificate from the Missouri Secretary of State that Southern Union Company is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GA-2001-509 and is incorporated by reference. A copy of a certificate from the Missouri Secretary of State that Missouri Gas Energy is a registered fictitious name of Southern Union Company was submitted in Case No. GA-2001-509 and is incorporated herein by reference. Other than cases that have been docketed at the Commission, MGE 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. MGE has no annual report or assessment fees that are overdue.

3. MGE conducts the business of a “gas corporation” and provides natural gas service in the Missouri counties of Andrew, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Cedar, Pettis, Platte, Ray, Saline, Stone, and Vernon, subject to the jurisdiction of the Missouri Public Service Commission (Commission).

4. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

Michael R. Noack
Director, Pricing & Regulatory Affairs
Missouri Gas Energy
3420 Broadway
Kansas City, Missouri 64111
Telephone: (816) 360-5560
Facsimile: (816) 360-5536
Email: mike.noack@sug.com

5. Owners of Show Me Ethanol Plant have requested that MGE provide natural gas transportation service to an ethanol plant to be built in Carroll County. The sections where MGE is requesting certification are Sections 3 and 7 in Township 52 North, Range 23 West and Sections 34 and 35 in Township 53 North, Range 23 West. This is an area where MGE currently does not hold a certificate for natural gas service from the Commission.

6. Attached hereto and marked as **Appendix A** is a map of the location of the proposed service area that is Sections 3 and 7, Township 52 North, Range 23 West and Sections 34 and 35, Township 53 North, Range 23 West in Carroll County, Missouri. MGE already has a certificate from the Commission to serve adjacent Sections 4, 5, 8 and 9 in Township 52 North, Range 23 West and Sections 28, 29, 30, 31, 32 and 33 in Township 53 North, Range 23 West in Carroll County.

7. Attached hereto and marked as **Appendix B** is a metes and bounds legal description of the proposed boundaries of the certificated area in Carroll County, consisting of four (4) sections.

8. Attached hereto and marked as **Appendix C** is a map and description of the plans for the project including the estimated cost of construction. The project will be financed using internally generated funds guaranteed through a letter of credit from the customer (Show-Me Ethanol) and a contract with the customer guaranteeing a minimum volume threshold for a period of five years. Construction methods will follow MGE's customary standards and the rules of the Commission.

9. Attached hereto and marked as **Appendix D** is a list of ten persons residing in or who are landowners within the proposed sections.

10. Because MGE does not have a certificate from the Commission for the area where the identified customer is located, it is necessary for MGE to obtain the requisite permission from the Commission.

11. Applicant will not require any franchises or 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.

12. Applicant's existing rates and regulations for natural gas service contained in its tariff, as the same may change from time to time pursuant to law, will apply to service in the proposed area.

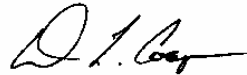
13. The ethanol plant which will be built in the area in which MGE is seeking to be certificated will require natural gas transportation service. Such service is not available in these sections at the present time. Since MGE has the ability to provide transportation service in this area by construction of additions to existing facilities, MGE believes that potential new customers (in this case the Show Me Ethanol Plant) should be afforded the opportunity to take

service from MGE if they so desire, pursuant to MGE's extension rule. These facts support a finding that the granting of the application is required by the public convenience and necessity.

14. No gas transmission lines are required to be constructed as a part of this application.

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 system for the provision of natural gas service to the public pursuant to its approved rates, rules and regulations, in Sections 3 and 7, Township 52 North, Range 23 West and Sections 34 and 35, Township 53 North, Range 23 West in Carroll County, Missouri.

Respectfully submitted,



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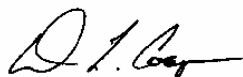
Attorneys for Missouri Gas Energy

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following on this 20th day of September 2007:

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

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Governor State Office Building
Jefferson City, Missouri 65101
opcservice@ded.mo.gov



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