

**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.     )

**2007 ANNUAL LEAK SURVEY REPORT**

COMES NOW Missouri Gas Energy ("MGE"), a division of Southern Union Company, in accordance with the Order Approving Application in this case, and notifies the Missouri Public Service Commission (Commission) as follows:

1.     On December 22, 2005, the Commission issued its Order Approving Application to Amend Safety Line Replacement Program (Order Approving Application) in this case. The Order Approving Application, among other things, directed that "Missouri Gas Energy shall file annual leak survey reports, beginning on January 1, 2007, regarding the leak surveys it makes and any leaks it detects at the Finley River Mobile Home Park and the Heistland Mobile Home Park. The reports shall also indicate what progress is being made toward a resolution of the question of whether these parks will close or whether the mains and service lines will be replaced." MGE provides the following information as its 2007 Annual Report.

2.     Prior to January 30, 2006, a letter was sent to all customers and owners of record at the Finley River Mobile Home Park in Ozark, Missouri and the Heistland Mobile Home Park (the Park is now known as the Malang Mobile Home Park) west of Joplin, informing them of the Commission Order allowing an extension of time from June 30, 2006 until June 30, 2008, to replace Mains and Services in the two parks.

3. MGE also advised these persons that MGE would perform additional leak surveys in form of two leak surveys each calendar year. The surveys were scheduled to be conducted in March and September of each year, until such time as the lines are replaced or abandoned.

4. In August of 2006, all gas meters were removed from the Trailer Park known as the Finley River Mobile Home Park in Ozark, Missouri. On September 8, 2006, MGE abandoned all gas lines serving the Finley River Mobile Home Park thus eliminating a need to replace the lines or to perform leak surveys on the lines in the Park. The City of Ozark has acquired the Finley River property and a decision will be made at some point in the future as to the use of the property. If new customers are acquired, new gas facilities will be installed.

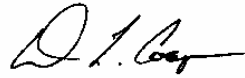
5. On September 12, 2006, a leak survey was conducted at the Malang Trailer Park (formerly known as the Heistland Mobile Home Park). A Class 1 leak was discovered at Route 6a, Box 150 (#4). This leak was immediately reported to the Commission Safety Staff in Jefferson City. A crew responded to the leak discovery and excavated and found a leak in an existing clamp. Tightening the clamp slowed the leak but did not completely repair it. A new clamp was installed to repair the leak. A leak investigation after back filling showed 0% gas in the area. This was also reported to the Commission Safety Staff. A notice concerning the referenced leak was filed in this case on September 25, 2006.

6. There have been no new customers added to the Malang Trailer Park (formerly known as the Heistland Mobile Home Park) and no decision has been made known to MGE as to the long term plans of the current Park owner. Therefore, MGE will continue to monitor the condition of the Park on the established leak survey frequencies.

7. The next scheduled leak survey of the Malang Trailer Park (formerly known as the Heistland Mobile Home Park) will be conducted in March of 2007.

WHEREFORE, MGE respectfully requests that the Commission consider this notice to comply with the Commission's Order Approving Application and, thereafter, issue such orders as the Commission shall find to be reasonable and just.

Respectfully Submitted,



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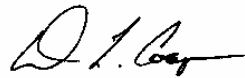
ATTORNEYS FOR MISSOURI GAS ENERGY, A  
DIVISION OF SOUTHERN UNION COMPANY

Certificate of Service

I hereby certify that two, true and correct copies of the above and foregoing document was sent by electronic mail on this 2<sup>nd</sup> day of January, 2007, to:

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Missouri Public Service Commission  
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P.O. Box 360  
Jefferson City, MO 65102

Marc Poston  
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