

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

In the matter of the Application of Alliance)	
Gas Energy Corporation 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)	
Branson, Branson West, Reed's Spring)	
and Hollister, Missouri.)	

APPLICATION

COMES NOW Alliance Gas Energy Corporation, a Delaware corporation, ("AGE" or "Applicant"), by and through its counsel, and for its Application pursuant to Section 393.170, RSMo 2000,¹ and 4 CSR 240-2.060(1) and 4 CSR 240-3.205 for a certificate of public convenience and necessity, respectfully states as follows:

1. Applicant is Alliance Gas Energy Corporation a Delaware corporation ("AGE") with its principal office located at:

Alliance Gas Energy Corporation
2580 State Highway 165
Branson, Missouri 65616.

A copy of AGE's Certificate To Transact Business As A Foreign Corporation from the Missouri Secretary of State is attached as Appendix A and is incorporated herein by reference.

2. AGE has obtained a franchise from the City of Branson, Missouri to provide natural gas service to customers in Branson, Missouri. In addition, AGE is seeking to obtain

¹All statutory references are to Revised Statutes of Missouri 2000, unless otherwise indicated.

7. Applicant currently has an approved franchise with the City of Branson, a copy of which is attached as Appendix F. Applicant is also in the process of seeking franchises for Branson West, Reed's Spring and Hollister, Missouri, which will be provided upon receipt. Except as specified herein, Applicant will not require any additional 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.

8. Applicant proposes to use the rates and regulations for natural gas service contained in its proposed tariff which is attached as Appendix G (to be late-filed).

9. There is no same or similar utility service, regulated or nonregulated, available in the area requested.

10. The granting of this Application is required by the public convenience and necessity since natural gas service is not presently available in the proposed certificated area, and the availability of natural gas to Branson, Branson West, Reed's Spring, and Hollister, Missouri will promote the public interest since natural gas is an economical, safe, and reliable source of energy for residential, commercial, industry, municipal and other customers.

11. The Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates which has occurred within three (3) years of the date of the Application

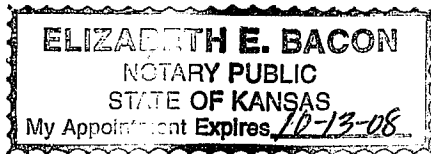
12. The Applicant has no annual report or assessment fees that are overdue.

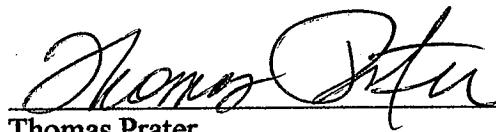
WHEREFORE, Alliance Gas Energy Corporation respectfully requests an order from the Commission granting it a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a system for the provision of natural gas service to the

VERIFICATION

STATE OF KANSAS)
)
COUNTY OF JOHNSON *Wy*) ss.

Thomas Prater, being first duly sworn, on his oath and in his capacity as President of Alliance Gas Energy Corporation states that he is authorized to execute this Application on behalf of Alliance Gas Energy Corporation and has knowledge of the matters stated herein, and that said matters are true and correct to the best of his knowledge and belief.




Thomas Prater

Subscribed and sworn to before me this 25 day of October, 2006.


Notary Public

My Commission Expires: 10-13-08

APPENDIX A

ALLIANCE GAS ENERGY CORPORATION'S
CERTIFICATE TO TRANSACT BUSINESS AS A FOREIGN CORPORATION
ISSUED BY THE MISSOURI SECRETARY OF STATE

State of Missouri



Robin Carnahan
Secretary of State

CERTIFICATE OF AUTHORITY

WHEREAS,

ALLIANCE GAS ENERGY CORPORATION

using in Missouri the name

ALLIANCE GAS ENERGY CORPORATION
F00701641

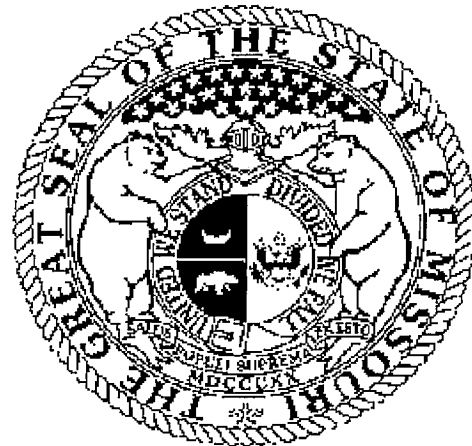
has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of Delaware.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 5th day of December, 2005.

Robin Carnahan

Secretary of State



APPENDIX B
MAPS OF PROPOSED SERVICE AREA
(TO BE LATE-FILED)

APPENDIX C

METES AND BOUNDS DESCRIPTION OF PROPOSED SERVICE AREA

(TO BE LATE-FILED)

APPENDIX D
FEASIBILITY STUDY (TO BE LATE FILED)

APPENDIX E

LIST OF TEN (10) LANDOWNERS IN PROPOSED SERVICE AREA

APPENDIX F

APPROVED FRANCHISE OF THE CITY OF BRANSON, MISSOURI

AN ORDINANCE AMENDING AN AGREEMENT BETWEEN ALLIANCE GAS ENERGY, INC. AND THE CITY OF BRANSON GRANTING ALLIANCE GAS ENERGY, INC., THE RIGHT AND PRIVILEGE AND FRANCHISE FOR THE LAYING OF GAS MAINS ALONG THE STREETS, AVENUES, ALLEYS, ROADS AND HIGHWAYS AND OTHER PUBLIC PLACES OF THE CITY, FOR THE PURPOSE OF DISTRIBUTING AND SELLING NATURAL GAS TO THE INHABITANTS OF SAID CITY AND TO OTHERS, AND ALSO THE NON-EXCLUSIVE RIGHT TO LAY PIPE LINES IN THE STREETS, ALLEYS, AVENUES, HIGHWAYS, ROADS AND OTHER PUBLIC PLACES AND GROUNDS OF SAID CITY FOR THE PURPOSE OF CONVEYING NATURAL GAS THROUGH AND IN SAID CITY FOR THE DISTRIBUTION OF NATURAL GAS TO THE INHABITANTS OF SAID CITY, AND TO OTHERS BEYOND THE LIMITS OF SAID CITY, FOR DOMESTIC, COMMERCIAL AND INDUSTRIAL PURPOSES, AND PROVIDING THE REGULATION OF SAID GAS DISTRIBUTION SYSTEM, AND OTHER PURPOSES.

WHEREAS, the City of Branson has ascertained and hereby declares that there is no natural gas for either domestic, commercial or industrial enterprises within said City; and

WHEREAS, there is a need for an adequate supply of natural gas for the health and welfare of the City; and

WHEREAS, it is necessary to begin the construction of pipe lines and a natural gas distribution system within said City, in order that natural gas may be made available for the citizens of Branson, Missouri, and all users of natural gas as soon as practical; and

WHEREAS, on April 6, 2004 an election was held wherein the question of granting a Franchise to Ozark Natural Gas, (assignor) was placed before the registered voters of the City of Branson; and

WHEREAS, said franchise was granted by a vote of 330 yes and 182 no; and

WHEREAS, on March 14, 2004, Ozark Natural Gas assigned the agreement to Alliance Gas Energy, Inc.; and

WHEREAS, Alliance desires that certain terms of the agreement be amended.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF BRANSON, MISSOURI, THAT:

Section 1: The City of Branson, subject to the terms, conditions and stipulations mentioned in this ordinance, consents and grants the non-exclusive right, permission and franchise as is hereby given to Alliance Gas Energy, Inc. the, the non-exclusive right to lay, construct, equip, operate, repair and maintain a system of gas mains, pipes, conduits, and feeders for the purpose of supplying and distributing natural gas for light, fuel, power, and heat and for any other purpose, to the residents or

inhabitants of the said City; and further the non-exclusive right to lay, construct, operate and maintain a system of gas mains, pipe lines, pipe conduits and feeders and the necessary attachments, connections, fixtures and appurtenances for the purpose of conveying, conducting, or distributing natural gas from any point beyond said City limits in order to enable the said Grantee to distribute and sell natural gas to the said City and to the residents or inhabitants thereof, and to others.

Section 2: The Grantee herein is expressly given the non-exclusive permit subject to the approval of the City of plans showing specific locations, to use the streets, avenues, roads, highways, alleys, sidewalks and other public places, as now laid out, or hereafter to be established for the purpose of laying gas mains, pipe lines, conduits and feeders, and the necessary attachments, fixtures, connections, and appurtenances for the purpose of conveying or conducting natural gas in and to any point within the said City and to operate and maintain a system of pipe lines, pipes, conduits, feeders and the necessary attachments, connections, fixtures and appurtenances for the distribution of natural gas within said City and to serve the said City, the residents and inhabitants thereof, and others; provided, however, that where alleys are accessible for laying mains and pipes, the City shall have the right to require that the mains and pipes be laid in the alleys instead of the streets, and plans for the laying and construction of said mains and lines must be submitted to the Board of Aldermen or to a specifically appointed representative thereof, and no construction may begin until final written approval of said plans is obtained.

Section 3: Subject to the provision in Section 2 hereof, the main pipes of the Grantee may be laid in the highways, roads, streets, avenues, alleys and other public places as now laid out or as the same shall hereafter be established, and when laid in highways, roads, avenues, streets, alleys, and other public places the same shall be laid in accordance with the lines and grades now established or hereafter to be established by the City, provided that such main pipes and service pipes be laid at the minimum depth of eighteen inches below the grade of streets, alleys or ditches. All construction shall meet the requirements of the State of Missouri, the Building and Construction Codes of the City of Branson, now in existence or as amended, and the Natural Gas Pipeline Safety Act of the federal government, including the latest amendments.

Section 4: Semi-annually, and on the 1st day of July, and the 1st day of January, the Grantee shall provide to the City of Branson, at least two (2) copies of completely revised and updated system maps showing the exact location of all lines currently installed within the City of Branson. The City of Branson has established a mapping system for its sewer and water lines and the Grantee shall utilize the same computer system and mapping program for their gas line locations so that any changes and improvements can be quickly and readily reflected upon the overall city mapping system. The City shall provide to the Grantee its water and sewer line maps and locations at any reasonable time.

Section 5: It is provided that in the opening and filling of all openings by the Grantee, it shall re-lay the pavements and do all other work necessary to provide the complete restoration of the streets, sidewalks or grounds to the condition equally as good prior to such disturbance, and shall restore said streets, sidewalks or grounds in accordance with the "CITY OF BRANSON'S TECHNICAL SPECIFICATIONS, INCLUDING ANY AMENDMENTS", and when the Grantee shall open any ground in said City for the purpose of laying any gas pipe or for any other purpose whatsoever, the Grantee shall open no more space at any one time or at any one place, nor keep

the same open any longer than is necessary to properly execute the work for which same shall have been opened, and it is especially required that in all cases where work requires the exercise of skill, as the laying or re-laying of pavements or sidewalks, the Grantee shall employ skilled workmen familiar with the execution of such work. The re-laying or refilling of the sidewalks and pavements, all of the repair and replacement of pavement, sidewalks, and other grounds disturbed for the laying of the said pipes, shall be at the sole expense of the Grantee. Whenever any ditch or trench shall have been opened by Grantee, it will proceed with all reasonable diligence and continuous work to complete said work and close said ditch or trench without delay. The City of Branson must approve all work when completed and if restoration does not meet the City's standards, Grantee will immediately remove and replace all said work in accordance with the requirements herein specified. Nothing in this ordinance shall grant to Grantee the right or permission to enter upon private property or perform work upon private property without the prior written consent of the owner thereof. Prior to cutting across any property owner's driveway, on public property, Grantee must notify the owner and provide alternate routes for said owner during said cut.

Section 6: Nothing in this franchise shall be construed as to in any manner abridge the right of the City to pass and enforce the necessary police regulations for the purpose of protecting the citizens of said City and their property and the property of the Grantee. Grantee shall comply with all construction permitting processes of the City of Branson, including any fees and charges for issuing such permits. Grantee shall be required to post bond for its construction work or other written assurance acceptable to Branson's City Attorney.

Grantee shall at all times keep and display the necessary danger signals and proper guards around all excavations and obstructions including, but not limited to, all barricades, cones and flagmen in accordance with the latest Missouri Highway & Transportation Department Manual on work zone traffic safety and also comply with all City of Branson requirements on work zone traffic safety, and shall keep sufficient space in good condition for the travel of vehicles on at least one side of all excavations and obstructions, and shall as soon as practicable restore all openings of the highway, road, street, avenue, alley and other public places to a condition equally as good as before said openings or obstructions were made.

Section 7: The Grantee shall do no injury to any highway, road, street, avenue, alley, lane, bridge, stream or water course, park or public place, or in any manner disturb or interfere unnecessarily with any electric lines or with any public or private sewer or drainage system, or water lines, now or hereinafter laid or constructed by the City or by any authorized person or corporation. Whenever because of public necessity or welfare, the City engages in any public improvement construction project on any property owned by the City or dedicated wholly or in part for public use, and a portion of Grantee's plant system interferes with or obstructs such public improvement project, Grantee shall, as soon as reasonably possible after written request from the City, alter, reset, or relocate at its own expense such portions of Grantee's plant system located on such property for which the sole legal basis for occupancy is this franchise ordinance; provided, however, that where the City acquires additional property or right-of-way over Grantee's existing plant system, such alteration, resetting or relocation shall be at the expense of the City. The Grantee shall fully indemnify and save harmless the City from any and all claims for damages for which said City shall or might be made or become liable by reason of the granting of this franchise, or any negligence or carelessness on the part of said Grantee, or because of any act or

omission of the Grantee in the construction and operation of its system of mains and pipes.

Section 8: The Grantee shall supply natural gas under the terms and conditions herein specified to all applicants for natural gas or service, when said applicants occupy premises on or abutting the streets, avenues, or other public places in which such gas mains or conduits are laid.

The Grantee shall have the right to make and enforce a written agreement with all applicants for natural gas; and to establish the rates to be charged for natural gas, according to Section 12 thereof and fixing the terms and conditions upon which natural gas is to be served, all in accordance with tariffs, rules and regulations approved and governed by the Missouri Public Service Commission. All such contractors are to conform with the state and federal laws and regulations governing same.

Section 9: (a) Service Line Extensions

- (i.) The Grantee will furnish meters, regulators and accessories at no cost to measure the consumption of gas by the customer. The Grantee also will furnish at no cost a portion of the service extending from the main distribution tap to the service meter.
- (ii.) For residential or commercial applicants, the Grantee will furnish, at its own expense, an average of 125 feet of service line per meter from right-of-way line to owner's access point. Applicants requiring the installation of pipe over 125 feet will be required to pay in advance non-refundable aid-to-construction charges equal to \$3.00 per foot.
- (iii.) Service lines placed for the industrial applicants (as defined by the tariff) will be installed and billed on an individual case basis depending on the economic feasibility of the extension.
- (iv.) All parts and portions of service line and main distribution line extensions shall remain the property of the Grantee.

(b) Main Distribution Line Extensions

- (i.) When at the request of residential or commercial applicant(s), it is necessary to extend a main distribution line, the Grantee will furnish, at its own expense, an average of 200 feet of main distribution pipe per service meter.
- (ii.) For extensions in excess of the 200 feet per meter, the Grantee will require an advance deposit from the applicant(s) an amount equal to \$12.50 per foot. The Grantee will refund with interest a prorated share of the extension deposit to the participating customer(s) for each additional customer connected to the extension within a five (5) year period. After five (5) years, the Grantee will refund any unrefunded deposits above the actual cost of the extension installation.
- (iii.) Where an applicant along the extension refuses to participate in the extension, and within three (3) years after completion of the extension, the applicant will be considered in redetermining the cost of the original

extension, the applicant then will be required to make a deposit on the prorated share of the extension as specified in (ii) above.

- (iv.) Customers with aid-to-construction deposits held by the Grantee and discontinuing service within the five (5) year period will not be eligible for deposit refunds.
- (v.) Distribution line extensions placed for industrial customers (as defined by the tariff) will be installed and billed on an individual case basis depending on the economic feasibility of the extension.

(c) Main Distribution Line Extensions to Undeveloped Subdivisions, Trailer Parks and Industrial Parks

- (i.) Before the Grantee will consider extending a main distribution line to undeveloped areas, i.e., subdivisions, trailer parks, industrial parks, the developer(s) must present to the Grantee a subdivided plat specifying the size and number of building lots and all planned streets, roads, alleys and available easements. Furthermore, the Grantee will require the developer(s) to provide a copy of the property deed(s) and evidence that they meet all local and/or county zoning requirements. The Grantee reserves the right to develop a forecast and make a decision regarding construction of the main based on the feasibility of the project.
- (ii.) The Grantee will install distribution main lines in planned streets, roads, alleys and rights-of-way along the shortest practical route provided that the applicable right-of-way agreement(s) and other conditions are satisfactory.
- (iii.) For extensions of main distribution lines into undeveloped subdivisions and trailer parks, the Grantee will require an advance deposit from the developer(s) an amount equal to the estimated cost of constructing such facilities.

Section 10: The Grantee shall furnish promptly to the proper authorities any and all information which may be required by them in regard to the size, location, or depths of any of the pipes, mains, conduits or service pipes, in any form whatsoever, and any other information in regard to its occupation of roads, highways, streets, avenues or public grounds of said City. Whenever the word Grantee occurs in this ordinance, it shall mean and it shall be understood to be Alliance Gas Energy, Inc., and wherever the words "authorities" or "property authorities" occur in this franchise they shall mean and shall be understood to mean the authorized officer or officers, committee or board representing the City of Branson or Grantor, and/or such state or federal authority, having jurisdiction over the installation and operation of natural Gas Distribution Systems.

Section 11: This franchise shall take effect and continue and remain in force for a period of twenty (20) years, from and after the date of the first service of natural gas to a user within the City limits of said City of Branson.

Section 12: Be it further stipulated that the Grantee, shall have twenty-four (24) months from the final approval of the Public Service Commission, State of Missouri, granting a Certificate of Convenience and Necessity to Alliance Gas Energy, Inc., and

not longer, in which to begin the actual laying of pipe lines and laterals for the distribution of natural gas in said City and shall furnish gas to those so promised, within two (2) years of the date beginning construction of the gas distribution system in Branson. A failure on the part of the Grantee, to comply with the foregoing provisions of this section as to the time in which to begin the work shall render null and void this ordinance; it is further provided, however, that upon a showing by the Grantee, that the actual construction in said City has been delayed due to the Grantee's inability to secure necessary pipe or other materials, or due to acts of God, the period allowed above shall be automatically extended for an additional period as required by the delay.

Grantee shall apply for a Certificate of Convenience and Necessity to the Public Service Commission, State of Missouri, or such other governmental agency as required by law granting such rights within two (2) years of the approval and ratification by the voters of the City of Branson of this ordinance and failure to do so within two years will render this ordinance null and void.

Notwithstanding such, Grantee shall have the duty to serve all applicants within the City limits as required by the Public Service Commission of Missouri.

Section 13: Be it further ordained, that the rates charged and the service rendered for domestic, commercial and industrial consumption of natural gas shall be reasonable and as approved by the Public Service Commission or the Commission or other Regulatory Body then having jurisdiction over rates of public utilities having jurisdiction in the State of Missouri.

Section 14: Deleted.

Section 15: It is hereby agreed that Grantee shall pay an annual franchise fee to the City of Branson, for the rights and privileges granted above, all based upon the gross receipts received for the sale or transport or transportation of natural gas into or within the City limits of said City, exclusive of taxes, from the period and date that the first customer is served natural gas, as follows:

1 st year	Zero
2nd year	2% of sales
3rd year (and thereafter)	5% of sales

It is agreed that the City may excuse from such fees any new enterprise or industry as the City so determines.

Grantee shall provide to the City of Branson a quarter-annual written report of gross sales and transportation receipts and detail the number of customers served, and provide quarter-annual payments of the then due franchise fees.

Section 16: Upon commencement of construction, Grantee shall maintain all hazard and liability insurance required in an amount of not less than \$1,000,000; and the City will be named as co-insured under any and all of said policies. Grantee shall file all required proofs of insurance with the Branson City Clerk and said proofs shall be filed prior to commencement of construction. Grantee shall keep all insurance coverages in full force and effect until excused from doing so by City. A failure to maintain

insurance by Grantee shall be a material breach of this Agreement and entitle City to terminate this contract and recover all incidental damages incurred due to this breach.

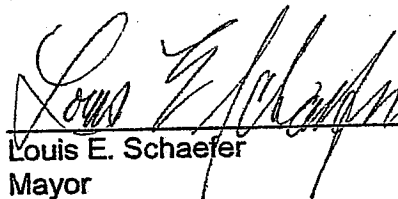
Section 17: This ordinance shall take effect and be in force from and after its passage and approval provided that written acceptance by Alliance Gas Energy, Inc., shall be filed with the Clerk of the City of Branson, its acceptance as provided in Section 13 thereof.

Section 18: If any section, paragraph, subdivision, clause, phrase, or provision of this ordinance shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this ordinance as a whole, or any remaining parts or provisions, other than the part so decided to be invalid or unconstitutional.

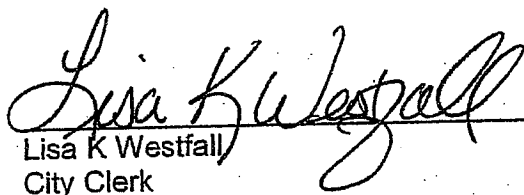
Section 19: This ordinance shall be in full force and effect upon its passage and approval.

Read, this first time on this 14th day of March, 2005.

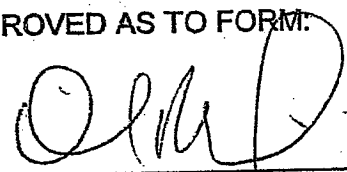
Read, this second time, passed and truly agreed to by the Board of Aldermen of City of Branson, Missouri this 28th day of March, 2005.


Louis E. Schaefer
Mayor

ATTEST:


Lisa K Westfall
City Clerk

APPROVED AS TO FORM:


Daniel R. Wichmer
City Attorney

BILL NO. 3228

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 2005-035 BETWEEN ALLIANCE GAS ENERGY, INC. AND THE CITY OF BRANSON GRANTING ALLIANCE GAS ENERGY, INC. AN EXTENSION TO COMPLETE APPLICATION PROCESS.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF BRANSON, AS FOLLOWS:

Section 1: That Ordinance No. 2005-035, Section 12, is hereby amended to allow an additional 6 months to complete the application process for a Certificate of Convenience and Necessity to the Public Service Commission, State of Missouri, or such other governmental agency as required by law granting such rights by revising Section 12, which shall hereafter read as follows:

Section 12: Be it further stipulated that the Grantee, shall have twenty-four (24) months from the final approval of the Public Service Commission, State of Missouri, granting a Certificate of Convenience and Necessity to Alliance Gas Energy, Inc., and not longer, in which to begin the actual laying of pipe lines and laterals for the distribution of natural gas in said City and shall furnish gas to those so promised, within two (2) years of the date beginning construction of the gas distribution system in Branson. A failure on the part of the Grantee, to comply with the foregoing provisions of this section as to the time in which to begin the work shall render null and void this ordinance; it is further provided, however, that upon a showing by the Grantee, that the actual construction in said City has been delayed due to the Grantee's inability to secure necessary pipe or other materials, or due to acts of God, the period allowed above shall be automatically extended for an additional period as required by the delay.

Grantee shall apply for a Certificate of Convenience and Necessity to the Public Service Commission, State of Missouri, or such other governmental agency as required by law granting such rights ~~within two (2) years of the approval and ratification by the voters of the City of Branson of this ordinance and failure to do so within two (2) years will render this ordinance null and void.~~ on or before November 1, 2006.

Notwithstanding such, Grantee shall have the duty to serve all applicants within the City limits as required by the Public Service Commission of Missouri.

NOTE: LANGUAGE WHICH IS UNDERLINED HAS BEEN ADDED AND LANGUAGE WHICH IS ~~STRICKEN~~ HAS BEEN DELETED.

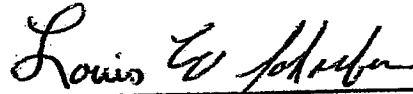
Section 2: Severability Clause. If any section, subsection, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or major sections, sentences, clauses or phrases be declared invalid.

Section 3: Savings Clause. Nothing in this ordinance hereby adopted shall be construed to affect any suit or proceeding now pending in any court or any rights acquired or liability incurred nor any cause or causes of action accrued or existing, under any act or ordinance repealed hereby, nor shall any right or remedy of any character be lost, impaired, or affected by this ordinance.

Section 4: This ordinance shall be in full force and effect from and after its passage and approval.

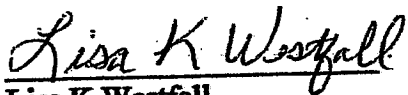
Read, this first time on this 27th day of April, 2006.

Read, this second time by passed and truly agreed to by the Board of Aldermen of the City of Branson, Missouri, on this 27th day of April, 2006.



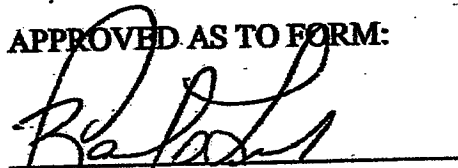
Louis E. Schaefer
Mayor

ATTEST:



Lisa K. Westfall
City Clerk

APPROVED AS TO FORM:



Paul D. Link
City Attorney

EXXEN 556-6502

**CERTIFICATION OF ELECTION RESULTS
BY COUNTY CLERK
(FOR PROPOSITIONS AND QUESTIONS)**

To: The City of Branson

The following is an Official Certificate of Election Results of the General Municipal Election held in Taney County, Missouri, on April 6, 2004, upon the following:

CITY OF BRANSON ANNEXATION QUESTION

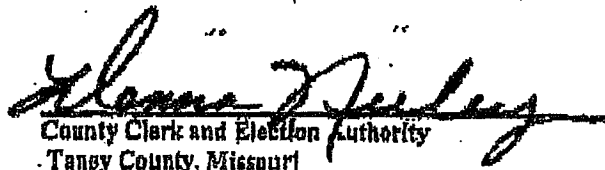
Shall Ordinance No. 2004-023 of the City of Branson, Missouri, granting to Ozark Natural Gas, its successors and assigns, the right and franchise for a period of twenty (20) years to use the streets, alleys, and other public grounds and ways in the City of Branson for the construction, installation, and operation of a natural gas transmission and distribution system to provide natural gas service to the City, and providing for a franchise fee on the company which will be passed through to natural gas customers, be approved and ratified?

QUESTION	VOTES RECEIVED
YES	330
NO	182

CERTIFICATE OF ELECTION RESULTS

I, Donna Neeley, County Clerk and Election Authority of Taney County, Missouri, do hereby certify that the foregoing is a full and accurate return of all votes cast at said election as certified to me by the duly qualified and acting judges of said election.

Certified this 8th day of April, 2004.


County Clerk and Election Authority
Taney County, Missouri

AN ORDINANCE OF THE BOARD OF ALDERMEN OF THE CITY OF BRANSON, GRANTING TO OZARK NATURAL GAS, THE RIGHT AND PRIVILEGE AND FRANCHISE FOR THE LAYING OF GAS MAINS ALONG THE STREETS, AVENUES, ALLEYS, ROADS AND HIGHWAYS AND OTHER PUBLIC PLACES OF THE CITY, FOR THE PURPOSE OF DISTRIBUTING AND SELLING NATURAL GAS TO THE INHABITANTS OF SAID CITY AND TO OTHERS, AND ALSO THE NON-EXCLUSIVE RIGHT TO LAY PIPE LINES IN THE STREETS, ALLEYS, AVENUES, HIGHWAYS, ROADS AND OTHER PUBLIC PLACES AND GROUNDS OF SAID CITY FOR THE PURPOSE OF CONVEYING NATURAL GAS THROUGH AND IN SAID CITY FOR THE DISTRIBUTION OF NATURAL GAS TO THE INHABITANTS OF SAID CITY, AND TO OTHERS BEYOND THE LIMITS OF SAID CITY, FOR DOMESTIC, COMMERCIAL AND INDUSTRIAL PURPOSES, AND PROVIDING THE REGULATION OF SAID GAS DISTRIBUTION SYSTEM, AND OTHER PURPOSES; AND CALLING FOR AN ELECTION TO RATIFY SAME, AND PROVIDING FOR NOTICE THEREOF.

WHEREAS, the City of Branson has ascertained and hereby declares that there is no natural gas for either domestic, commercial or industrial enterprises within said City; and

WHEREAS, there is a need for an adequate supply of natural gas for the health and welfare of the City; and

WHEREAS, it is necessary to begin the construction of pipe lines and a natural gas distribution system within said City, in order that natural gas may be made available for the citizens of Branson, Missouri, and all users of natural gas as soon as practical.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF BRANSON, MISSOURI, THAT:

Section 1: The City of Branson, subject to the terms, conditions and stipulations mentioned in this ordinance, consents and grants the non-exclusive right, permission and franchise as is hereby given to the Ozark Natural Gas, the non-exclusive right to lay, construct, equip, operate, repair and maintain a system of gas mains, pipes, conduits, and feeders for the purpose of supplying and distributing natural gas for light, fuel, power, and heat and for any other purpose, to the residents or inhabitants of the said City; and further the non-exclusive right to lay, construct, operate and maintain a system of gas mains, pipe lines, pipe conduits and feeders and the necessary attachments, connections, fixtures and appurtenances for the purpose of conveying, conducting, or distributing natural gas from any point beyond said City limits in order to enable the said Grantee to distribute and sell natural gas to the said City and to the residents or inhabitants thereof, and to others.

Section 2: The Grantee herein is expressly given the non-exclusive permit subject to the approval of the City of plans showing specific locations, to use the streets, avenues, roads, highways, alleys, sidewalks and other public places, as now laid out, or hereafter to be established for the purpose of laying gas mains, pipe lines, conduits and feeders, and the necessary attachments, fixtures, connections, and appurtenances for the purpose of conveying or conducting natural gas in and to any point within the said City and to operate and maintain a system of pipe lines, pipes, conduits, feeders and the necessary attachments, connections, fixtures and appurtenances for the distribution of natural gas within said City and to serve the said City, the residents and inhabitants thereof, and others; provided, however, that where alleys are accessible for laying mains and pipes, the City shall have the right to require that the mains and pipes be laid in the alleys instead of the streets, and plans for the laying and construction of said mains and lines must be submitted to the Board of Aldermen or to a specifically appointed representative thereof, and no construction may begin until final written approval of said plans is obtained.

Section 3: Subject to the provision in Section 2 hereof, the main pipes of the Grantee may be laid in the highways, roads, streets, avenues, alleys and other public places as now laid out or as the same shall hereafter be established, and when laid in highways, roads, avenues, streets, alleys, and other public places the same shall be laid in accordance with the lines and grades now established or hereafter to be established by the City, provided that such main pipes and service pipes be laid at the minimum depth of eighteen inches below the grade of streets, alleys or ditches. All construction shall meet the requirements of the State of Missouri, the Building and Construction Codes of the City of Branson, now in existence or as amended, and the Natural Gas Pipeline Safety Act of the federal government, including the latest amendments.

Section 4: Semi-annually, and on the 1st day of July, and the 1st day of January, the Grantee shall provide to the City of Branson, at least two (2) copies of completely revised and updated system maps showing the exact location of all lines currently installed within the City of Branson. The City of Branson has established a mapping system for its sewer and water lines and the Grantee shall utilize the same computer system and mapping program for their gas line locations so that any changes and improvements can be quickly and readily reflected upon the overall city mapping system. The City shall provide to the Grantee its water and sewer line maps and locations at any reasonable time.

Section 5: It is provided that in the opening and filling of all openings by the Grantee, it shall re-lay the pavements and do all other work necessary to provide the complete restoration of the streets, sidewalks or grounds to the condition equally as good prior to such disturbance, and shall restore said streets, sidewalks or grounds in accordance with the "CITY OF BRANSON'S TECHNICAL SPECIFICATIONS, INCLUDING ANY AMENDMENTS", and when the Grantee shall open any ground in said City for the purpose of laying any gas pipe or for any other purpose whatsoever, the Grantee shall open no more space at any one time or at any one place, nor keep the same open any longer than is necessary to properly execute the work for which same shall have been opened, and it is especially required that in all cases where work requires the exercise of skill, as the laying or re-laying of pavements or sidewalks, the Grantee shall employ skilled workmen familiar with the execution of such work. The re-laying or refilling of the sidewalks and pavements, all of the repair and replacement of pavement, sidewalks, and other grounds disturbed for the laying of the said pipes, shall be at the sole expense of the Grantee. Whenever any ditch or trench shall have

been opened by Grantee, it will proceed with all reasonable diligence and continuous work to complete said work and close said ditch or trench without delay. The City of Branson must approve all work when completed and if restoration does not meet the City's standards, Grantee will immediately remove and replace all said work in accordance with the requirements herein specified. Nothing in this ordinance shall grant to Grantee the right or permission to enter upon private property or perform work upon private property without the prior written consent of the owner thereof. Prior to cutting across any property owner's driveway, on public property, Grantee must notify the owner and provide alternate routes for said owner during said cut.

Section 6: Nothing in this franchise shall be construed as to in any manner abridge the right of the City to pass and enforce the necessary police regulations for the purpose of protecting the citizens of said City and their property and the property of the Grantee. Grantee shall comply with all construction permitting processes of the City of Branson, including any fees and charges for issuing such permits. Grantee shall be required to post bond for its construction work or other written assurance acceptable to Branson's City Attorney.

Grantee shall at all times keep and display the necessary danger signals and proper guards around all excavations and obstructions including, but not limited to, all barricades, cones and flagmen in accordance with the latest Missouri Highway & Transportation Department Manual on work zone traffic safety and also comply with all City of Branson requirements on work zone traffic safety, and shall keep sufficient space in good condition for the travel of vehicles on at least one side of all excavations and obstructions, and shall as soon as practicable restore all openings of the highway, road, street, avenue, alley and other public places to a condition equally as good as before said openings or obstructions were made.

Section 7: The Grantee shall do no injury to any highway, road, street, avenue, alley, lane, bridge, stream or water course, park or public place, or in any manner disturb or interfere unnecessarily with any electric lines or with any public or private sewer or drainage system, or water lines, now or hereinafter laid or constructed by the City or by any authorized person or corporation. Whenever because of public necessity or welfare, the City engages in any public improvement construction project on any property owned by the City or dedicated wholly or in part for public use, and a portion of Grantee's plant system interferes with or obstructs such public improvement project, Grantee shall, as soon as reasonably possible after written request from the City, alter, reset, or relocate at its own expense such portions of Grantee's plant system located on such property for which the sole legal basis for occupancy is this franchise ordinance; provided, however, that where the City acquires additional property or right-of-way over Grantee's existing plant system, such alteration, resetting or relocation shall be at the expense of the City. The Grantee shall fully indemnify and save harmless the City from any and all claims for damages for which said City shall or might be made or become liable by reason of the granting of this franchise, or any negligence or carelessness on the part of said Grantee, or because of any act or omission of the Grantee in the construction and operation of its system of mains and pipes.

Section 8: The Grantee shall supply natural gas under the terms and conditions herein specified to all applicants for natural gas or service, when said applicants occupy premises on or abutting the streets, avenues, or other public places in which such gas mains or conduits are laid.

The Grantee shall have the right to make and enforce a written agreement with all applicants for natural gas; and to establish the rates to be charged for natural gas, according to Section 12 thereof and fixing the terms and conditions upon which natural gas is to be served, all in accordance with tariffs, rules and regulations approved and governed by the Missouri Public Service Commission. All such contractors are to conform with the state and federal laws and regulations governing same.

Section 9: (a) Service Line Extensions

- (i.) The Grantee will furnish meters, regulators and accessories at no cost to measure the consumption of gas by the customer. The Grantee also will furnish at no cost a portion of the service extending from the main distribution tap to the service meter.
- (ii.) For residential or commercial applicants, the Grantee will furnish, at its own expense, an average of 125 feet of service line per meter from right-of-way line to owner's access point. Applicants requiring the installation of pipe over 125 feet will be required to pay in advance non-refundable aid-to-construction charges equal to \$3.00 per foot.
- (iii.) Service lines placed for the industrial applicants (as defined by the tariff) will be installed and billed on an individual case basis depending on the economic feasibility of the extension.
- (iv.) All parts and portions of service line and main distribution line extensions shall remain the property of the Grantee.

(b) Main Distribution Line Extensions

- (i.) When at the request of residential or commercial applicant(s), it is necessary to extend a main distribution line, the Grantee will furnish, at its own expense, an average of 200 feet of main distribution pipe per service meter.
- (ii.) For extensions in excess of the 200 feet per meter, the Grantee will require an advance deposit from the applicant(s) an amount equal to \$12.50 per foot. The Grantee will refund with interest a prorated share of the extension deposit to the participating customer(s) for each additional customer connected to the extension within a five (5) year period. After five (5) years, the Grantee will refund any unrefunded deposits above the actual cost of the extension installation.
- (iii.) Where an applicant along the extension refuses to participate in the extension, and within three (3) years after completion of the extension, the applicant will be considered in redetermining the cost of the original extension, the applicant then will be required to make a deposit on the prorated share of the extension as specified in (ii) above.
- (iv.) Customers with aid-to-construction deposits held by the Grantee and discontinuing service within the five (5) year period will not be eligible for deposit refunds.

- (v.) Distribution line extensions placed for industrial customers (as defined by the tariff) will be installed and billed on an individual case basis depending on the economic feasibility of the extension.

(c) Main Distribution Line Extensions to Undeveloped Subdivisions, Trailer Parks and Industrial Parks

- (i.) Before the Grantee will consider extending a main distribution line to undeveloped areas, i.e., subdivisions, trailer parks, industrial parks, the developer(s) must present to the Grantee a subdivided plat specifying the size and number of building lots and all planned streets, roads, alleys and available easements. Furthermore, the Grantee will require the developer(s) to provide a copy of the property deed(s) and evidence that they meet all local and/or county zoning requirements. The Grantee reserves the right to develop a forecast and make a decision regarding construction of the main based on the
- (ii.) feasibility of the project.
- (iii.) The Grantee will install distribution main lines in planned streets, roads, alleys and rights-of-way along the shortest practical route provided that the applicable right-of-way agreement(s) and other conditions are satisfactory.
- (iv.) For extensions of main distribution lines into undeveloped subdivisions and trailer parks, the Grantee will require an advance deposit from the developer(s) an amount equal to the estimated cost of constructing such facilities.

Section 10: The Grantee shall furnish promptly to the proper authorities any and all information which may be required by them in regard to the size, location, or depths of any of the pipes, mains, conduits or service pipes, in any form whatsoever, and any other information in regard to its occupation of roads, highways, streets, avenues or public grounds of said City. Whenever the word Grantee occurs in this ordinance, it shall mean and it shall be understood to be Ozark Natural Gas, and wherever the words "authorities" or "property authorities" occur in this franchise they shall mean and shall be understood to mean the authorized officer or officers, committee or board representing the City of Branson or Grantor, and/or such state or federal authority, having jurisdiction over the installation and operation of natural Gas Distribution Systems.

Section 11: This franchise shall take effect and continue and remain in force for a period of twenty (20) years, from and after the date of the first service of natural gas to a user within the City limits of said City of Branson.

Section 12: Be it further stipulated that the Grantee, shall have twenty-four (24) months from the final approval of the Public Service Commission, State of Missouri, granting a Certificate of Convenience and Necessity to Ozark Natural Gas, and not longer, in which to begin the actual laying of pipe lines and laterals for the distribution of natural gas in said City and shall furnish gas to those so promised, within two (2) years of the date beginning construction of the gas distribution system in Branson. A failure on the part of the Grantee, to comply with the foregoing provisions of this section as to the time in which to begin the work shall render null and void this ordinance; it is further provided, however, that upon a showing by the Grantee, that the

actual construction in said City has been delayed due to the Grantee's inability to secure necessary pipe or other materials, or due to acts of God, the period allowed above shall be automatically extended for an additional period as required by the delay.

Grantee shall apply for a Certificate of Convenience and Necessity to the Public Service Commission, State of Missouri, or such other governmental agency as required by law granting such rights within one (1) year of the approval and ratification by the voters of the City of Branson of this ordinance and failure to do so within one year will render this ordinance null and void.

Notwithstanding such, Grantee shall have the duty to serve all applicants within the City limits as required by the Public Service Commission of Missouri.

Section 13: Be it further ordained, that the rates charged and the service rendered for domestic, commercial and industrial consumption of natural gas shall be reasonable and as approved by the Public Service Commission or the Commission or other Regulatory Body then having jurisdiction over rates of public utilities having jurisdiction in the State of Missouri.

Section 14: This Ordinance shall take effect and shall be in full force and effect from and after its passage, approval and ratification by a majority of the voters of Branson, Missouri, at an election duly called and held as set out herein.

Section 15: It is hereby agreed that Grantee shall pay an annual franchise fee to the City of Branson, for the rights and privileges granted above, all based upon the gross receipts received for the sale or transport or transportation of natural gas into or within the City limits of said City, exclusive of taxes, from the period and date that the first customer is served natural gas, as follows:

1 st year	Zero
2nd year	2% of sales
3rd year (and thereafter)	5% of sales

It is agreed that the City may excuse from such fees any new enterprise or industry as the City so determines.

Grantee shall provide to the City of Branson a quarter-annual written report of gross sales and transportation receipts and detail the number of customers served, and provide quarter-annual payments of the then due franchise fees.

Section 16: Upon commencement of construction, Grantee shall maintain all hazard and liability insurance required in an amount of not less than \$1,000,000; and the City will be named as co-insured under any and all of said policies. Grantee shall file all required proofs of insurance with the Branson City Clerk and said proofs shall be filed prior to commencement of construction. Grantee shall keep all insurance coverages in full force and effect until excused from doing so by City. A failure to maintain insurance by Grantee shall be a material breach of this Agreement and entitle City to terminate this contract and recover all incidental damages incurred due to this breach.

Section 17: This ordinance shall take effect and be in force from and after its passage and approval provided that written acceptance by Ozark Natural Gas, shall be filed with the Clerk of the City of Branson, its acceptance as provided in Section 13 thereof.

Section 18: If any section, paragraph, subdivision, clause, phrase, or provision of this ordinance shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this ordinance as a whole, or any remaining parts or provisions, other than the part so decided to be invalid or unconstitutional.

Section 19: That an election shall be held in said City on the 6th day of April, 2004, for the purpose of ratifying this ordinance. The City Clerk shall be and is hereby ordered and directed to send to the County Clerk of Taney County, Missouri, such notices as are required by law.

The County Clerk is hereby requested to designate voting places in the respective wards or precincts, as follows:

VOTING PLACES

FIRST WARD	COMMUNITY CENTER
SECOND WARD	CITY HALL
THIRD WARD	METHODIST CHURCH

The County Clerk is hereby requested to appoint four (4) judges for each voting place and to designate two (2) of the judges for each voting place as supervisory judges, all such appointments and designations to be done in accordance with the applicable statutes.

The County Clerk is hereby requested to give notice of this election by publication of the notice hereinafter set out, as follows:

TWICE IN THE BRANSON TRI-LAKES DAILY NEWS, A
NEWSPAPER PUBLISHED IN BRANSON, MISSOURI

The first publication of such notice shall occur in the second week prior to the election date, and the second publication thereof shall occur within one week prior to said election date.

That the County Clerk is hereby requested to cause the notices of said election, including a sample ballot, to be printed and published as aforesaid, the notice to be insubstantially the following form, to-wit:

NOTICE OF ELECTION

Pursuant to an Ordinance duly passed by the Board of Aldermen of the City of Branson, Missouri, and approved by the Mayor thereof, being Ordinance No. 2004-023, notice is hereby given that an election will be held in the various wards and voting precincts of said City on Tuesday, the 6th day of April, 2004, for the purpose of voting upon the following proposition, to-wit:

To ratify and approve said Ordinance No. 2004-023 and to grant thereby to Ozark Natural Gas, its successors and assigns, the right to use the streets, avenues, lanes, alleys, and other public grounds and ways in the City of Branson, Missouri, as its limits now exist or may be altered, for the purpose of constructing and maintaining an underground natural gas system, with pipes, meters and other apparatus, equipment and appliances necessary therefore, subject to reasonable supervision of the Board of Aldermen as to the place of burying the pipes for said purposes; and for the purpose of procuring, distributing and selling natural gas to the City and the inhabitants thereof for power, heat and any other purpose under regulation of the Missouri Public Service Commission for a period of twenty (20) years, all as provided in said ordinance.

The polls will be open for said election on said day at each of the voting places prescribed herein from 6:00 o'clock in the forenoon until 7:00 o'clock in the afternoon.

SAMPLE BALLOT CARD

(For use with Automatic Tabulating Equipment)

Shall Ordinance No. 2004-023 of the City of Branson, Missouri, granting to Ozark Natural Gas, its successors and assigns, the right and franchise for a period of twenty (20) years to use the streets, alleys, and other public grounds and ways in the City of Branson for the construction, installation, and operation of a natural gas transmission and distribution system to provide natural gas service to the City, and providing for a franchise fee on the company which will be passed through to natural gas customers, be approved and ratified?

YES

NO

INSTRUCTIONS TO VOTERS:

If you are in favor of the question, punch a hole opposite "YES".

If you are opposed to the question, punch a hole opposite "NO".

This election has been called by the City of Branson upon the order and direction of the Mayor and Board of Aldermen and is being conducted by the County Clerk of Taney County.

Done by the County Clerk of Taney County upon order of the Mayor and Board of Aldermen of the City of Branson, Missouri, by said Ordinance No. 2004-023 duly passed and approved on the _____ day of _____, 2004.

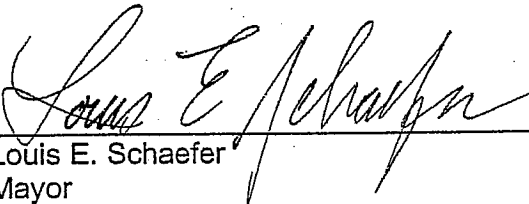
County Clerk

That the County Clerk is hereby requested to provide the necessary poll books, tally sheets, tally books, and other election supplies required by law and further to prepare and have printed ballot cards to be used at said election which may be tabulated by automatic tabulating equipment after being properly voted. Said ballot cards shall be in the form set forth above.

Section 20: The City's proportional cost and expense of the election on April 6, 2004 shall be shared equally by the City of Branson and Ozark Natural Gas.

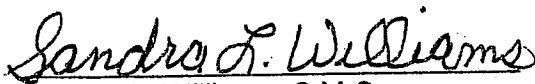
Section 21: This ordinance shall be in full force and effect upon its passage and approval.

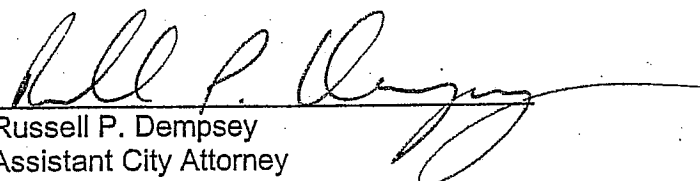
Read this first time and second time unanimously and passed by the Board of Aldermen this 26th day of January, 2004.


Louis E. Schaefer
Mayor

ATTEST:

APPROVED AS TO FORM:


Sandra L. Williams, C.M.C.
City Clerk


Russell P. Dempsey
Assistant City Attorney

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APPENDIX G
PROPOSED TARIFFS
OF ALLIANCE GAS ENERGY CORPORATION
(TO BE LATE-FILED)