

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 7th
day of June, 1991.

In the matter of the application of Greeley Gas)
Company, a Delaware corporation, for an order)
authorizing the merger into it of Greeley Gas) CASE NO. GM-91-355
Company, a Colorado corporation, and Standard)
Gas Supply Corporation, a Colorado corporation.)

ORDER APPROVING MERGER

On May 7, 1991, Greeley Gas Company, a Delaware corporation, filed an application with the Commission seeking approval of a merger of Greeley Gas Company, a Colorado corporation, and Standard Gas Supply Corporation, with Greeley Gas Company, a Delaware corporation, remaining as the survivor in interest. After receiving additional information from the Applicants, the Staff of the Commission, on May 31, 1991, filed its recommendation of approval. Upon consideration of the verified application, the exhibits offered in support thereof, and the recommendation of its Staff, the Commission is of the opinion that a hearing is unnecessary and finds and concludes as follows:

Prior to October 9, 1990, Greeley Gas Company was a corporation organized and existing under the laws of the State of Colorado, with its principal office in Denver, Colorado. It was qualified to do business in the State of Missouri and was engaged in the business of distributing and selling natural gas in the towns of Rich Hill and Hume, under the jurisdiction of this Commission.

The shareholders of Greeley Gas Company also owned Standard Gas Supply Corporation (Standard) a corporation existing under the laws of the State of Colorado, with no operations or assets located in the State of Missouri. Its

principal office was also in Denver, Colorado, and it was not a regulated utility within the meaning of the statutes of Colorado.

On or about October 5, 1990, the shareholders of Greeley Gas Company caused a new corporation named Greeley Gas Company to be organized under the laws of the State of Delaware, pursuant to a Plan of Merger with Greeley-Delaware and Standard, a copy of which is attached to the application as Schedule A. Under the Plan of Merger Greeley Gas Company, the Colorado corporation, and Standard were both merged into Greeley Gas Company, the Delaware corporation, and Greeley Gas Company, the Delaware corporation, would thereafter conduct the business previously conducted by Greeley Gas Company, the Colorado corporation, and Standard.

As a result of the merger there has been no substantive change in the personnel, assets, or operations of Greeley Gas Company in the State of Missouri. In effect, no substantive change other than the state of incorporation has occurred. The stated purpose of the merger was to achieve a more efficient corporate structure under the laws of Delaware, which has more modern corporate and tax laws as compared to those of Colorado. It is anticipated that the merger will present more efficient financing opportunities.

The Staff has reviewed a number of pre- and post-merger documents and statements. The September 30, 1990 balance sheet of Greeley Gas Company shows total assets of \$51,007,142 with the balance sheet of Standard listing total assets of \$984,484. The surviving company's pro forma balance sheet shows the total assets of the merged firms to be \$51,684,777, a figure of \$306,849 less as a result of the pre-merger asset sales and account adjustments between Greeley Gas Company and Standard. As a result of the merger, the Staff has indicated that Greeley Gas Company's ratio of common equity to total capital has increased from 66.47 percent to 67.12 percent. The Company's pre-tax interest coverage has increased from 2.02 times to 2.39 times. It is the Staff's opinion that the merger contemplated by the instant

application will not adversely affect Missouri ratepayers and should be approved. It appears that requirement for approval of the merger was detected only during discussions concerning the issuance by Greeley Gas Company of First Mortgage Bonds pursuant to an order of the Commission issued in Case No. GF-91-282 on March 15, 1991.

In the Commission's opinion the Staff's recommendation should be adopted and the instant authority should be granted.

IT IS THEREFORE ORDERED:

1. That Plan of Merger consummated on or about October 9, 1990, described in Applicants' Schedule A attached to the application, be approved and Greeley Gas Company, a Delaware corporation, is authorized to perform in accordance with the terms of the plan and to perform any and all acts necessary to succeed to the rights, privileges and obligations of the former Greeley Gas Company, a Colorado corporation.

2. All orders of the Commission pertaining to Greeley Gas Company, a Colorado corporation, including the March 15, 1991, order in Case No. GF-91-282, shall apply with equal authority to Greeley Gas Company, the surviving Delaware corporation.

3. That all documents on file with the Commission by Greeley Gas Company, a Colorado corporation, including the Company's tariff, are applicable with equal force to Greeley Gas Company, a Delaware corporation.

4. That this Order shall become effective on June 14, 1991.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, McClure and
Perkins, CC., Concur.
Steinmeier, Chm., and
Rauch, CC., Absent.