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February 25, 2000

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General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. GA-2000-422

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Robert V. Franson
Assistant General Counsel
(573) 751-6651
(573) 751-9285 (Fax)

RF/dkf
Enclosure
cc: Counsel of Record

FILED²

FEB 25 2000

Missouri Public
Service Commission

information regarding other utility services available in the area, customer names and addresses, a metes and bounds description of the area to be certificated, a plat and a feasibility study.

3. On February 2, 2000, the Commission issued an Order directing Staff to file its recommendation regarding the waiver.

4. Staff has reviewed the application for waiver of the various requirements of 4 CSR 240-2.060-2.060(2)(F) and finds that the request for a waiver is reasonable and that the requirements are not necessary for the certificate of convenience and necessity (CCN). The requirements are not necessary because the Application merely defines and clarifies SJLP's current service. Staff has also found that all sections in the requested area are adjacent to SJLP's current certificated communities and there is no impact on rates as a result of this certification. For these reasons, Staff recommends that the Commission grant the Company's requested waiver of the aforementioned requirements of 4 CSR 240-2.060(2)(F).

5. Staff has also finished its review and analysis of SJLP's Application for CCN. Based on its review of the subject Application, and its analysis as set forth in the Memorandum attached hereto as Appendix A, pursuant to Section 393.170.3 RSMo 1994, Staff finds that SJLP's request is "necessary or convenient for the public service" because it consolidates and clarifies its certificated area. Therefore, Staff is recommending approval of SJLP's Application.

WHEREFORE, for the reasons set forth in its attached Memorandum, Staff respectfully requests that the Commission issue an Order granting SJLP'S request for a certificate of convenience and necessity.

Respectfully submitted,

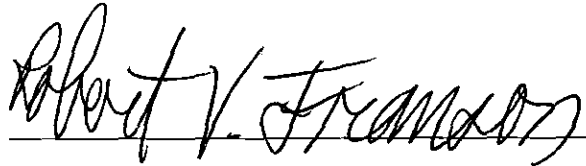
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 25th day of February 2000.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GA-2000-422, St. Joseph Light & Power Company

FROM: Henry E. Warren, Gas Department - Tariffs/Rate Design *HW* *MM* *pm*

Wes Hendrix 2-24-00 *John Amwell 2-25-00* *W 2-25-00*
Utility Operations Division / Date General Counsel's Office / Date

SUBJECT: Staff Recommendation on Application for a Certificate of Public Convenience and Necessity in Andrew, Atchison, Holt, and Nodaway County, Missouri.

DATE: February 24, 2000

On January 14, 2000, St. Joseph Light & Power Company (SJLP or Company) of St. Joseph, Missouri, filed an APPLICATION (Application) requesting the Missouri Public Service Commission (Commission) issue an order and certificate of convenience and necessity (CCN) authorizing the Company to engage in the distribution, transmission and transportation of natural gas, and to construct, install, acquire, 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 a service area which includes portions of the Missouri Counties of Andrew, Atchison, Holt, and Nodaway. On February 2, 2000, the Commission issued an ORDER DIRECTING STAFF REPORT with a recommendation regarding the SJLP request for waiver included in the application no later than February 25, 2000.

In its Application the Company requested that the Commission waive or grant a variance to the following requirements of 4 CSR 240-2.060(2)(F) to provide: 1) other utility services available in the area; 2) names and addresses of residents in the area; 3) metes and bounds description of the area to be certificated; 4) plat of the area; and, 5) feasibility study. The Commission Staff (Staff) finds that the request for a waiver is reasonable and that the requirements are not necessary for the CCN because the Application defines and clarifies its current service area. Staff has found that all sections in the requested area are adjacent to SJLP's current certificated communities, and there is no impact on rates as a result of this certification.

This filing is a result of the ORDER APPROVING STIPULATION AND AGREEMENT (Order) issued in Case No. GR-99-246 by the Commission on August 17, 1999, where SJLP agreed to more clearly define its existing service areas. As part of that UNANIMOUS STIPULATION AND AGREEMENT (Stipulation) SJLP also agreed that it would file a CCN utilizing land sections to cover all its facilities including those that may be beyond the boundaries of currently certificated communities. This filing will help remove any question regarding its authority to provide service in the requested area. By ORDER AND NOTICE OF APPLICATION issued on January 26, 2000, the Commission directed that interested parties wishing to intervene should file an application to do so no later than February 8, 2000. As of the date of this memorandum no intervention requests have been filed.

Staff has reviewed the information contained in this Application. The requested area designated by SJLP as depicted in the maps included in the Company's Application, consists of current communities served and does not include any new communities for which SJLP does not have a current certificate. The Company's rationale for the location of the borders of the requested service areas is based on developing borders approximately two sections beyond the communities and transmission lines currently certificated. SJLP feels that including this additional area would extend by several years the need to apply for another CCN. The Company states that no other natural gas operators serve this area and it is unlikely that any other natural gas operator would desire to serve the area. The Company also notes that its current certificates allow it to serve the communities it now serves as well as an area surrounding the communities. Staff has reviewed the current CCN orders and concurs with the Company's findings of existing language and the likelihood that other gas operators would not be interested in serving the requested area.

In reviewing Appendix 2, Sheet 2, Staff found that in Holt County, Township 63, Range 38; the Sections listed are 24, 35, 36. After discussion with the Company, they concurred that the Sections listed should be 24, 25, 36. On February 24, 2000 the Company filed a Substitute for Sheet 2 of Appendix 2 containing the correct Sections.

Therefore, it is the opinion of Staff that granting the waiver and the certificate requested in the Application, which may result in additional benefits to the public, is not detrimental to existing customers. Staff recommends that the Commission issue an order and certificate of public convenience and necessity authorizing the Company to construct, install, own, operate, control, manage and maintain a natural gas distribution system for the public as listed in Appendix 2, with the Substitute Sheet 2, of the Company's Application in the Missouri Counties of Andrew, Atchison, Holt, and Nodaway as a clarification of its presently certificated area. As stipulated in Case No. GR-99-246 the Company is required to file tariff sheets describing its service areas by July 1, 2000, to comply with the Commission's Order issued on August 17, 1999.

**Service List for
Case No. GA-2000-422
February 25, 2000**

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