

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

In the Matter of the Application of Alliance Gas)
Energy Corporation for a Certificate of Convenience)
and Necessity Authorizing it to Construct, Install,)
Own, Operate, Control, Manage and Maintain a)
Natural Gas Distribution System and to Provide Gas)
Service in Branson, Branson West, Reed's Spring)
and Hollister, Missouri)

Case No. GA-2007-0168

STATUS REPORT AND RESPONSE TO MOTION FOR SUBSTITUTION OF PARTY

COMES NOW the Staff of the Missouri Public Service Commission and provides its Status Report as directed by the Commission, and further provides its response to the *Motion for Substitution of Party* filed by Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas ("SMNG") on June 29, 2007:

1. On October 26, 2006, Alliance Gas Energy Corporation filed an application for a certificate of convenience and necessity to construct, own and operate a natural gas distribution utility to serve portions of Taney and Stone counties. As previously reported, Staff has requested additional information in order to complete its review and analysis of the company's application, but has not yet received all the information it needs to complete its review.

2. Subsequently, on June 29, 2007, SMNG moved to substitute itself for the applicant, Alliance Gas Energy Corporation, as assignee under the terms of an Asset Purchase Agreement also submitted as part of its Motion.

3. At this time, Staff has no fundamental objection to SMNG's Motion. However, SMNG, like Alliance Gas Energy Corporation before them, and as permitted by the Commission's rule at 4 CSR 240-3.205 (2),¹ has not filed:

(A) A legal description of the area to be certificated (4 CSR 240-3.205(1)(A) 3.);

¹ "If any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought."

(B) A plat drawn to a scale of one-half inch (1/2") to the mile on maps comparable to county highway maps issued by the Missouri Department of Transportation or a plat drawn to a scale of two thousand feet (2,000') to the inch (4 CSR 240-3.205(1)(A) 4.);

(C) A feasibility study containing plans and specifications for the utility system and estimated cost of the construction of the utility system during the first three (3) years of construction; plans for financing; proposed rates and charges and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations (4 CSR 240-3.205(1)(A) 5.);

(D) A description of the route of construction and a list of all electric and telephone lines of regulated and nonregulated utilities, railroad tracks or any underground facility, as defined in section 319.015, RSMo, which the proposed construction will cross (4 CSR 240-3.205(1)(B) 1.);

(E) The plans and specifications for the complete construction project and estimated cost of the construction project or a statement of the reasons the information is currently unavailable and a date when it will be furnished; (4 CSR 240-3.205(1)(B) 2.); and

(F) Plans for financing (4 CSR 240-3.205(1)(B) 3.).

4. Staff recommends that if the Commission grants SMNG's *Motion for Substitution of Party*, that the Commission require SMNG to adhere to all requirements of an applicant as if they were the original applicant. The requirements should all be imposed on SMNG because if the Commission ultimately grants the certificate of necessity initially sought by Alliance Gas Energy Corporation, SMNG will be the entity who will receive it and the record created in this case should support a grant to that entity.

5. Staff also suggests that the next status report in this matter should come from the company because Staff cannot predict when the company will supply the additional information required before Staff can make its recommendation. Thus, Staff recommends the Commission direct SMNG to submit a status report on when they plan to comply with providing all the rule-required information, and indicate that Staff need not return to filing monthly status reports until that time has arrived.

6. Further, if the Commission grants the *Motion for Substitution of Party*, in order to create the most clear and coherent record possible, Staff recommends that the Commission direct Alliance Gas Energy Corporation and SMNG to indicate which previous filings in this matter remain pertinent to the application.

7. Additionally, to alleviate future confusion, Staff recommends that if the Commission grants the *Motion for Substitution of Party*, that the Commission modify the caption of this case to accommodate the change in parties and substitute “Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas” for “Alliance Gas Energy Corporation” in the caption.

WHEREFORE, Staff submits this status report as directed by the Commission and response to the recent *Motion for Substitution of Party*.

Respectfully submitted,

/s/ David A. Meyer

David A. Meyer

Senior Counsel

Missouri Bar No. 46620

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360

Jefferson City, MO 65102

(573) 751-8706 (Telephone)

(573) 751-9285 (Fax)

david.meyer@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 9th day of July 2007.

/s/ David A. Meyer