EXHIBIT

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Issue(s):	Energy Efficiency Programs
	SFV Rate Design
Witness:	Ryan Kind
Type of Exhibit:	Surrebuttal
Sponsoring Party:	Public Counsel
Case Number:	GR-2009-0355
Date Testimony Prepared:	October 14, 2009

SURREBUTTAL TESTIMONY

OF

RYAN KIND

Submitted on Behalf of
the Office of the Public Counsel

MISSOURI GAS ENERGY

Case No. GR-2009-0355

October 14, 2009

OPC Exhibit No. 77
Case No(s). GR-2009-0355
Date 10-26-09 Rptr KF

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Tariff Sheets Designed to Increase Rates for Gas Service in the Company's Missouri Service Area.	))))	Case No. GR-2009-0355

AFFIDAVIT OF RYAN KIND

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Ryan Kind, of lawful age and being first duly sworn, deposes and states:

1. My name is Ryan Kind. I am a Chief Utility Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Ryan Kind

Ryan Kind

Subscribed and sworn to me this 14th day of October, 2009.

JERENE A. BUCKMAN
My Commission Expires
August 23, 2013
Cole County
Commission #09754037

Jerene A. Buckman

Jerene A. Buckman
Notary Public

My Commission expires August 23, 2013.

SURREBUTTAL TESTIMONY

OF

RYAN KIND

MISSOURI GAS ENERGY

CASE NO. GR-2009-0355

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. Ryan Kind, Chief Energy Economist, Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102.

Q. ARE YOU THE SAME RYAN KIND THAT HAS PREVIOUSLY FILED DIRECT AND REBUTTAL TESTIMONY IN THIS CASE?

A. Yes.

Q. DOES MGE WITNESS ROBERT HACK ADDRESS WHETHER MGE'S WILLINGNESS TO VOLUNTARILY CONTINUE ADMINISTERING RESIDENTIAL ENERGY EFFICIENCY PROGRAMS IS DEPENDENT ON HOW THE COMMISSION DECIDES RESIDENTIAL RATE DESIGN ISSUES IN THIS CASE?

A. Yes. At line 14 on page 2 of his rebuttal testimony, Mr. Hack states:

> Finally, Ms. Meisenheimer's assertion ignores the fact that under a volumetric-reliant rate design like that recommended by Ms. Meisenheimer, MGE would be unwilling to administer the high efficiency gas appliance incentive programs that it has undertaken since 2007.

Q. WHAT IS PUBLIC COUNSEL'S RESPONSE TO THE ASSERTION OF MR. HACK THAT MGE WOULD TERMINATE THE RESIDENTIAL HIGH EFFICIENCY APPLIANCE PROGRAMS

THAT IT HAS UNDERTAKEN SINCE 2007 IF THE COMMISSION RETURNS TO A VOLUMETRIC RATE DESIGN STRUCTURE?

A. Extraordinary statements such as this help to remind us of the reasons for which public utility monopolies such as MGE have been subject to regulation by state utility commissions for many decades. Public Counsel believes that the Commission should order MGE to continue all of its existing residential energy efficiency programs regardless of the residential rate design that results from this case. As my rebuttal testimony explained at line 16 on page 8, OPC recommends using a lost margin revenue recovery mechanism (LMRRM) to provide recovery to MGE of the margin rate revenues that the Company does not receive due to the usage reductions that are directly attributable to MGE's SGS and Residential energy efficiency programs.

Q. DID MGE WITNESS HACK ASSERT THAT MGE WOULD CEASE ALL OF ITS RESIDENTIAL ENERGY EFFICIENCY PROGRAMS IF THE COMMISSION DECIDES TO RETURN TO A VOLUMETRIC RATE DESIGN FOR THE COMPANY'S RESIDENTIAL CUSTOMERS?

A. No. Mr. Hack only stated that MGE would discontinue its "high efficiency gas appliance programs that it has undertaken since 2007." The programs that would not be affected by Mr. Hack's threatened program terminations include MGE's low income weatherization program and MGE's Home Performance with Energy Star program. The Home Performance with Energy Star program offers customers rebates for making investments in energy efficiency building shell measures such as insulation and air infiltration measures but does not include rebates for high efficiency gas appliances.

Q. DO ANY OTHER MGE WITNESSES ADDRESS WHETHER THE COMPANY WOULD BE WILLING TO CONTINUE ITS EXISTING RESIDENTIAL ENERGY EFFICIENCY PROGRAMS IF THE CURRENT SFV RESIDENTIAL RATE STRUCTURE IS NO LONGER IN PLACE?

A. Yes, at line 8 on page 2 of his testimony, MGE witness David Hendershot states:

> MGE would not **voluntarily** pursue the residential energy efficiency programs that it has undertaken since 2007 if its current residential rate structure (SFV) is eliminated. [Emphasis added]

Q. WHY DO YOU BELIEVE MR. HENDERSHOT QUALIFIED MGE'S CLAIM THAT WITHOUT CONTINUATION OF THE SFV RESIDENTIAL RATE DESIGN RESIDENTIAL EFFICIENCY PROGRAMS WOULD BE DISCONTINUED, BY SAYING THE COMPANY WOULD NOT "VOLUNTARILY" CONTINUE TO OFFER RESIDENTIAL ENERGY EFFICIENCY PROGRAMS?

A. MGE probably recognizes that the Commission could order the Company to continue offering its residential energy efficiency programs **without** continuation of the SFV rate design for residential customers.

Q. IS MGE'S POSITION IN THIS CASE REGARDING SFV RATE DESIGN BEING A PREREQUISITE FOR ITS WILLINGNESS TO OFFER ENERGY EFFICIENCY PROGRAMS CONSISTENT WITH THE CIRCUMSTANCES UNDER WHICH OTHER SOUTHERN UNION COMPANY (SU) REGULATED LOCAL DISTRIBUTION COMPANIES PROVIDE ENERGY EFFICIENCY SERVICES?

A. No. SU's other local distribution company (LDC), New England Gas Company (NEG), offers a broad range of energy efficiency programs to its customers but collects a portion of its margin costs through a volumetric rate for residential customers and has a residential customer charge of $9.00 per month. NEG also has a mechanism in place that allows it to recover margin revenues that are lost due to the energy efficiency programs that it offers to its customers. The NEG mechanism calculates these lost margins in a manner similar to the long margin revenue recovery mechanism (LMRRM) that I proposed for MGE on pages 8 and 9 of my rebuttal testimony.

Q. CAN YOU PROVIDE MORE INFORMATION ON THE CORPORATE STRUCTURE OF SU AND ITS LDC, MGE AND NEG?

A. Yes. According to the Southern Union Company 10-K (Annual Report) for the year ending 12/31/08:

> Through Southern Union's regulated utility operations, Missouri Gas Energy and the Massachusetts operations of New England Gas Company, the Company serves natural gas end-user customers in Missouri and Massachusetts, respectively.

The Southern Union Company website (http://www.southernunionco.com/) describes MGE and NEG as "operating divisions." While SU operates its Missouri LDC under the fictitious name of MGE, SU is the corporate entity that is subject to regulation by the PSC because MGE is not a separate subsidiary of SU but is instead just one division of the same corporation that operates under the name MGE in Missouri and NEG in Massachusetts.

Q. SINCE MGE AND NEG ARE BOTH PART OF THE SAME CORPORATION, SU, DOES SU APPEAR TO HAVE DIFFERENT ENERGY EFFICIENCY POLICIES IN PLACE FOR ITS OPERATIONS IN DIFFERENT STATES?

A. Yes. Southern Union is currently offering residential energy conservation programs to its Massachusetts customers without a SFV rate design but SU employees Rob Hack and David Hendershot have both stated that SU is unwilling to voluntarily do so in Missouri.

Q. WHAT ENERGY EFFICIENCY PROGRAMS DOES NEG OFFER TO ITS RESIDENTIAL CUSTOMERS?

A. The NEG website (http://www.negasco.com/) indicates (See Attachment 1) that the measures for which NEG offers rebates in its Massachusetts energy efficiency programs include:

- Attic and Wall Insulation
- Air Sealing
- ENERGY STAR® labeled Thermostats
- Water Conservation Devices
- High-Efficiency Heating and Water Heating
- Infrared Heating
- High-Efficiency Furnace
- Thermostat; and
- Energy Efficient Windows

Q. WHAT RATE DESIGN DOES NEG CURRENTLY HAVE IN PLACE FOR ITS RESIDENTIAL CUSTOMERS?

A. The NEG website (http://www.negasco.com/) indicates (See Attachments 2, 3, and 4) that NEG's current margin (base) rates for its residential customers consist of a $9.00 per month customer charge (except for low income customers which pay lower customer charges) and volumetric rates that vary by season and by type of residential customer. The only NEG residential customers that do not pay a volumetric base rate are residential low income heating customers.

The residential customer charge amounts and volumetric rates for NEG appear on Attachment 3 (Peak Rates) and Attachment 4 (Off-Peak Rates) which are both PDF files that were downloaded from the NEG website by clicking on the links on Attachment 2 (also from NEG's website) that are labeled "Winter Rates (Revised 02/02/09)" and "Summer Rates (Revised 07/01/09)".

Q. YOU STATED EARLIER IN THIS TESTIMONY THAT THE NEG HAS A MECHANISM TO OFFSET LOST MARGINS ASSOCIATED WITH UTILITY ENERGY EFFICIENCY PROGRAMS THAT CALCULATES THESE LOST MARGINS IN A MANNER SIMILAR TO THE LOST MARGIN REVENUE RECOVERY MECHANISM (LMRRM) THAT OPC HAS PROPOSED FOR MGE. PLEASE PROVIDE MORE DETAILS ABOUT THE NEG LOST MARGIN RECOVERY MECHANISM.

A. The NEG lost margin recovery mechanism is part of NEG's Local Distribution Adjustment Clause (LDAC). A copy of the LDAC was downloaded as a PDF file from the NEG website and is attached as Attachment 5. This PDF file was downloaded by clicking on the link on Attachment 2 titled "Local Distribution Adjustment Clause (Revised 02/02/09)".

The table of contents on page 1 of Attachment 5 shows that the "Conservation Charge for LDAC" is in Section 1.05 which begins on page 3 of this attachment. The formula shown on page 3 under 1.05 (D) indicates that the "LMr" term is used in calculating CCr (the Conservation Charge Factor). On page 4 of Attachment 5, the "LMr" terms is defined as:

> DSM lost margins from residential customers as a result of the implementation of DSM measures, calculated by identifying total volumes of gas saved as a result of DSM measures, times the margin that would have been earned on these volumes.

The LMr term describes a methodology for calculating lost margin revenues that is essentially the same as the lost margin calculation method that I described on pages 8 and 9 of my rebuttal testimony: Under the NEG approach to returning lost margin revenues to the LDC, the revenues would be returned each year as part of the LDAC while under the OPC proposal described in my rebuttal testimony, these lost margins would be reflected in future margin rates. The amount of lost margins reflected in future margin rates would take into account the time value of money for any differences between the time periods when the margins were lost and the time period when these margins were returned to MGE through a deferral mechanism that results in an upward adjustment in margin rates when they are re-set in a full rate case.

Q. LET'S RETURN TO THE REBUTTAL TESTIMONY OF MGE WITNESS DAVID HENDERSHOT. HAS HE ADDRESSED THE FAILURE IN HIS DIRECT TESTIMONY TO PROVIDE ANY DETAILS ON THE NEW PROPOSED SGS ENERGY EFFICIENCY PROGRAMS?

A. Mr. Hendershot has attempted to address this failure in his rebuttal testimony by providing a list of energy efficiency measures that may be considered. Unfortunately, providing cost effective energy efficiency programs to customers requires much more than just coming up with a list of measures that might be included in programs. Offering cost effective programs requires market research, cost-benefit analysis, and the development of program designs and delivery mechanisms for delivering programs to customers.

I sent MGE Data Request (DR) Nos. 2203 and 2204 to determine if the Company had done any work in developing SGS energy efficiency programs beyond compiling the list of measures that appears in lines 15 through 24 on page four of Mr. Hendershot's testimony. MGE's responses to these DRs indicates that neither Southern Union Company nor its MGE division have any done any work in developing SGS energy efficiency programs beyond compiling this list of measures. OPC DR 2203 requested MGE to provide any cost effectiveness analysis of the listed measures that had been performed by or for SU or its MGE division and MGE's response (See Attachment 6) indicated that no such analysis had been "completed". OPC DR No. 2204 stated:

> At line 13 on page four of his rebuttal testimony, David Hendershot states that "the [SGS] incentives would include but would not be limited to the following Energy Star qualified appliances." For each of the appliances listed in lines 15 through 24 on page four of Mr. Hendershot's testimony, please provide copies of all documents created in the last two

> years by or for Southern Union Company or its division, MGE, that contain energy efficiency program cost effectiveness analysis, program designs or program implementations plans pertaining to these appliances. If no such documents exist, please provide a statement to that effect.

MGE's response to OPC DR No. 2204 (See Attachment 7) contained no documents and stated:

> An SGS energy efficiency program cost effectiveness analysis has not been completed. MGE will do further research to quantify costs and savings and will do a benefit cost analysis prior to filing the tariff utilizing program funds if the program is accepted in the rate case. The company has chosen to utilize the DOE Energy Star program for purposes of identifying qualified energy efficiency appliances.

Q. HOW DO YOU INTERPRET MGE'S FAILURE TO PROVIDE A SINGLE DOCUMENT IN ITS RESPONSE TO OPC DR NO. 2204?

A. There are two reasons why this may have occurred; MGE either (1) failed to provide the SU and MGE documents that would be responsive to this request or (2) neither SU nor its MGE division possess any documents created within the last two years that "contain energy efficiency program cost effectiveness analysis, program designs or program implementations plans pertaining to these appliances."

Q. IN THEIR REBUTTAL TESTIMONIES, MGE WITNESS HENDERSHOT AND STAFF WITNESSES ANNE ROSS AND HENRY WARREN RECOMMEND CONTINUING THE MGE ENERGY EFFICIENCY COLLABORATIVE BUT CHANGING IT FROM A DECISION-MAKING BODY TO AN ADVISORY BODY. WHAT IS YOUR RESPONSE TO THESE RECOMMENDATIONS?

A. I do not believe that the development of MGE SGS energy efficiency programs should be left to the discretion of MGE with only advice from Staff, DNR and OPC given the total lack of MGE experience and knowledge in developing programs for SGS customers that is demonstrated by MGE's response to OPC DR No. 2004.

Q. AT LINES 8 – 11 OF HER REBUTTAL TESTIMONY, STAFF WITNESS ANNE ROSS REMARKS THAT THE MGE ENERGY EFFICIENCY COLLABORATIVE EXPERIENCED "GRIDLOCK" BECAUSE "A SINGLE MEMBER'S OPPOSITION WOULD STOP A PROGRAM". DID YOU EXPERIENCE THE SAME "GRIDLOCK" THAT MS. ROSS REFERS TO IN YOUR PARTICIPATION IN THE MGE ENERGY EFFICIENCY COLLABORATIVE?

A. No. I have worked in energy efficiency collaborative and advisory groups for nearly all of Missouri's regulated gas and electric utilities and did not observe that the MGE collaborative had any extraordinary problems in the development of new programs. To the contrary, I was pleased to see that all other collaborative members were eventually supportive of the new programs that I suggested for (1) the provision of rebates for energy efficient furnaces and (2) a Home Performance with Energy Star program jointly delivered with KCPL.

In response to Ms. Ross's testimony about collaborative "gridlock", I sent DR Nos. 2201 – 2204 to Staff witness Ross to try and obtain additional information about her perception that "gridlock" was a problem in the MGE energy efficiency collaborative. Responses to those DRs are now overdue and I reserve the right to file supplemental surrebuttal testimony regarding this issue once those overdue responses are provided.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

New England Gas Company

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Conservation Programs

Rebate Programs

- Massachusetts Customers

Residential Energy Efficiency Programs

MassSAVE - Home Energy Solutions

Take action now and save up to 30 percent of your home's energy needs for years to come.

Here's how:

MassSAVE.

Residential customers can receive valuable information on saving energy. MassSAVE will send a trained energy efficiency specialist and provide you with a customized plan to reduce your energy costs and also improve your family's comfort.

What's best is that the Company allows for sharing a portion of the cost to purchase and install certain qualified conversation measures. Examples of such measures include:

- Attic and Wall Insulation
- Air Sealing
- ENERGY STAR® labeled Thermostats
- Water Conservation Devices

New England Gas Company will pay up to 50% of the total cost (up to $1,500) of purchasing and installing the measures.

This incentive applies to homeowners, renters and landlords. Income eligible and fuel assistance customers may qualify for these programs at no cost.

MassSAVE also offers the HEAT Program, a loan program for qualified customers. Visit http://www.masssave.com/ or call for more information.

Also take advantage of our other rebate offers through GasNetworks!

If you would like more information about the program, please call (800) 632-5947 or click here MassSAVE Brochure

High Efficiency Natural Gas Technology Rebate Offers from New England Gas

Please click and download the rebate forms from GasNetworks®.

High-Efficiency Heating and Water Heating Rebate Form
Infrared Heating Rebate Form
High-Efficiency Furnace Rebate Form
Thermostat Rebate Form
Energy Efficient Windows Rebate Form

New England Gas Company

Rates

Check here to see if you are on the right rate for your type of home/usage:

Terms and Conditions ***(Revised 02/02/09)***

Massachusetts Residential Assistance Adjustment Clause ***(Updated 4/27/06)***

Seasonal Cost of Gas Adjustment Clause ***(Revised 02/02/09)***

Local Distribution Adjustment Clause ***(Revised 02/02/09)***

Approved Rate Classifications ***(Revised 07/01/09)***

Winter Rates *(Revised 02/02/09)*

Peak Transportation Rates *(Revised 02/02/09)*

Summer Rates *(Revised 07/01/09)*

Off-Peak Transportation Rates *(Revised 07/01/09)*

New England Gas Company

Sales Service Rates - Peak
Effective February 2, 2009

Rate	Description		Base rate +	GAF +	LDAF=	Variable Rate	Customer Charge +	ECS	Fixed = Charge (per month)
R-1	Residential rate - Non Heating								
	ALL	Therms	$0.3652	$1.2594	$0.1193	$1.3787	$9.00	$0.16	$9.16
R-2	Residential low income rate - Non Heating								
	ALL	Therms	$0.2057	$1.2594	$0.1193	$1.3787	$5.07	$0.16	$5.23
R-3	Residential rate - Heating								
	ALL	Therms	$0.3315	$1.2594	$0.1408	$1.4002	$9.00	$0.16	$9.16
R-4	Residential low income rate - Heating								
	ALL	Therms	$0.0000	$1.2594	$0.1408	$1.4002	$3.95	$0.16	$4.11
G-41	Com & Ind rate - Low annual use, Low load factor								
	ALL	Therms	$0.2705	$1.2594	$0.0803	$1.3397	$20.00	$0.16	$20.16
G-42	Com & Ind rate - Medium annual use, Low load factor								
	ALL	Therms	$0.2557	$1.2594	$0.0803	$1.3397	$30.00	$0.16	$30.16
G-43	Com & Ind rate - High annual use, Low load factor								
	ALL	Therms	$0.1708	$1.2594	$0.1193	$1.3787	$700.00	$0.16	$700.16
G-51	Com & Ind rate - Low annual use, High load factor								
	ALL	Therms	$0.2929	$1.2594	$0.0803	$1.3397	$20.00	$0.16	$20.16
G-52	Com & Ind rate - Medium annual use, High load factor								
	ALL	Therms	$0.2723	$1.2594	$0.0803	$1.3397	$30.00	$0.16	$30.16

Rate	Description		GAF	LDAF	Demand Rate	Customer Charge +	ECS	Fixed = Charge (per month)
G-53	Com & Ind rate - High annual use, High load factor							
	Monthly Contract Demand		$1.2594	$0.1193	$2.1431	$700.00	$0.16	$700.16

Customer Charge includes cost of reading, billing and accounting.

"GAF" (Gas Adjustment Factor)	$1.2594
Fixed Price Option	$1.3619

"ECS" Monthly Energy Conservation Service charge 1/1/09 = $0.16

Local Distribution Adjustment Factors (LDAF):

R-1	$0.1193
R-2	$0.1193
R-3	$0.1408
R-4	$0.1408
G-41 & 51	$0.0803
G-42 & 52	$0.0803
G-43 & 53	$0.1193

Attachment 3

New England Gas Company

Sales Service Rates - Off-Peak
Effective July 1, 2009

Rate	Description		Base rate +	GAF +	LDAF=	Variable Rate	Customer Charge +	ECS	Fixed = Charge (per month)
R-1	**Residential rate - Non Heating**								
	ALL	Therms	$0.3396	$0.7839	$0.1193	$0.9032	$9.00	$0.16	**$9.16**
R-2	**Residential low income rate - Non Heating**								
	ALL	Therms	$0.1918	$0.7839	$0.1193	$0.9032	$5.07	$0.16	**$5.23**
R-3	**Residential rate - Heating**								
	ALL	Therms	$0.2601	$0.7839	$0.1408	$0.9247	$9.00	$0.16	**$9.16**
R-4	**Residential low income rate - Heating**								
	ALL	Therms	$0.0000	$0.7839	$0.1408	$0.9247	$3.95	$0.16	**$4.11**
G-41	**Com & Ind rate - Low annual use, Low load factor**								
	ALL	Therms	$0.1783	$0.7839	$0.0803	$0.8642	$20.00	$0.16	**$20.16**
G-42	**Com & Ind rate - Medium annual use, Low load factor**								
	ALL	Therms	$0.1709	$0.7839	$0.0803	$0.8642	$30.00	$0.16	**$30.16**
G-43	**Com & Ind rate - High annual use, Low load factor**								
	ALL	Therms	$0.1142	$0.7839	$0.1193	$0.9032	$700.00	$0.16	**$700.16**
G-51	**Com & Ind rate - Low annual use, High load factor**								
	ALL	Therms	$0.2132	$0.7839	$0.0803	$0.8642	$20.00	$0.16	**$20.16**
G-52	**Com & Ind rate - Medium annual use, High load factor**								
	ALL	Therms	$0.1950	$0.7839	$0.0803	$0.8642	$30.00	$0.16	**$30.16**

Rate	Description			Demand Rate	Customer Charge +	ECS	Fixed = Charge (per month)
G-53	**Com & Ind rate - High annual use, High load factor**						
	Monthly Contract Demand		$0.1193	$1.5350	$700.00	$0.16	**$700.16**

Customer Charge includes cost of reading, billing and accounting.

"GAF" (Gas Adjustment Factor)	$0.7839
Fixed Price Option	$0.7839

"ECS" Monthly Energy Conservation Service charge 7/1/09 =

Fall River service territory	$	0.16
North Attleboro service territory	$	0.10

Local Distribution Adjustment Factors (LDAF)	
R-1	$0.1193
R-2	$0.1193
R-3	$0.1408
R-4	$0.1408
G-41 & 51	$0.0803
G-42 & 52	$0.0803
G-43 & 53	$0.1193

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

Section

1.01: Purpose

The Local Distribution Adjustment Clause ("LDAC") establishes the procedures that allow the New England Gas Company (the "Company"), which is subject to the jurisdiction of the Massachusetts Department of Public Utilities (the "Department"), to adjust on an annual basis, its rates to recover Demand Side Management ("DSM") costs, environmental response costs, Residential Assistance Adjustment Factor ("RAAF") costs, and Pension and Post Retirement Benefits Other than Pensions ("PBOP"), as well as to return to firm ratepayers balancing penalties and a portion of non-core distribution margins allocated to firm distribution services. Any costs recovered through the application of this LDAC shall be identified and explained in the Company's annual filing as outlined in Section 1.14.

1.02: Applicability

This LDAC shall be applicable to all of the Company's firm Customers. As stated in Section 1.15, the application of the clause may, for good cause shown, be modified by the Department.

1.03: Local Distribution Adjustment Factor ("LDAF")

The annual LDAF per therm shall comprise a Rate Category specific Conservation Charge ("CC"), the Remediation Adjustment Factor ("RAF"), the Residential Assistance

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

Adjustment Factor ("RAAF"), the Pension and PBOP Expense Factor ("PEF"), the Balancing Penalty Credit Factor ("BPCF"), and the Annual Non-Core Distribution Credit Factor ("NCCF"), calculated according to the following formula:

$$LDAF = CC + RAF + RAAF + PEF - BPCF - NCCF$$

1.04: General Definitions

The following terms shall be as defined in this section, unless the context requires otherwise:

(1) Base Period for the purpose of the Residential Assistance Adjustment Clause ("RAAF") is the twelve-month period ended the prior June 30.

(2) Distribution Company or Company is the New England Gas Company.

(3) Forecast Period for estimating the discount revenues for the Residential Assistance Adjustment Factor is July 1 through June 30 of each year.

(4) Off-Peak Season is the complementary summer season as designated by the company.

(5) Peak Season is the winter heating season as designated by the company and approved by the Department.

(6) Rate Category is the rate schedule pursuant to which the Company offers service to a unique group of Customers, or a group of two or more rate schedules pursuant to which the Company offers services to similarly situated groups of Customers, as follows:

Residential Non Heat:	Rates R-1, R-2, T-1, T-2
Residential Heating	Rates R-3, R-4,T-3, T-4
Commercial/Industrial	Rates G-41, G-42, G-43, G-51, G-52, G-53, T-41, T-42, T-43, T-51, T-52, T-53, G-0, G-1, G-2, G-3, TG-0, TG-1, TG-2, TG-3

(7) Therm is an amount of gas having a thermal content of 100,000 Btus.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

1.05: Conservation Charge for LDAC

(A) Purpose

This provision establishes the procedures that allow the Company, subject to the jurisdiction of the Department, to adjust on an annual basis, the Conservation Charge to recover from firm ratepayers DSM Program Costs and associated expenditures.

(B) Applicability

Conservation Charge ("CC") shall be determined annually by the Company separately for each Rate Category subject to review and approval by the Department. The Conservation Charge shall be incorporated within the calculation of the LDAF for each Rate Category as set forth in Section 1.03.

(C) Calculation of Conservation Charges

The Company will determine the amount of Conservation Expenditures for each Rate Category subject to this rate schedule to be collected over the twelve-month period commencing November 1st of each year. The total of such Conservation Expenditures plus any prior period Reconciling Adjustment plus Lost Margins plus Incentives shall be divided by each rate category's firm throughput as forecast by the Company for the same annual period. The resulting Conservation Charge shall be incorporated within the calculation of the LDAF's applied to firm Customers during each such twelve-month period commencing with the Peak Season.

(D) Conservation Charge Factor

The Conservation Charge Factor for residential heating customers (R-3, R-4) (CCr) shall be calculated at the beginning of each Season according to the following formula:

$$CCr = \frac{PCr + LMr + Rr}{R{:}Vol}$$

where:

PCr: DSM program costs for residential customers as approved by the Department.

LMr: DSM lost margins from residential customers as as a result of the implementation of DSM measures, calculated by identifying total volumes of gas saved as a result of DSM measures, times the margin that would have been earned on these volumes.

Rr: DSM residential reconciliation adjustment - Account 175.60 balance, inclusive of the associated Account 175.60 interest, as outlined in Section 1.11.

R:Vol: Forecasted residential annual throughput volumes to which the DSMr applies.

The Conservation Charge Factor for commercial and industrial customers (G-41, T-41, G-42, T-42, G-51, G-52, G-0, G-1, G-2) (CCci) shall be calculated at the beginning of each season according to the following formula:

$$CCci = \frac{PCci + LMci + Rci}{CI: Vol}$$

where:

PCci: DSM program costs for commercial and industrial customers as approved by the Department.

LMci: DSM lost margins from commercial and industrial customers as as as a result of the implementation of DSM measures, calculated by identifying total volumes of gas saved as a result of DSM measures, times the margin that would have been earned on these volumes.

Rci: DSM C&I reconciliation adjustment - Account 175.61 balance, inclusive of the associated Account 175.61 interest, as outlined in Section 1.11.

CI:Vol: Forecasted C&I annual throughput volumes to which CCci applies.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

1.06: Environmental Response Costs Allowable for LDAC

(A) Purpose

This provision establishes the procedures that allow the Company, subject to the jurisdiction of the Department, to adjust on an annual basis, the Remediation Adjustment Charge to recover from firm ratepayers the allowable environmental response costs.

(B) Applicability

The Remediation Adjustment Charge shall be applied to firm throughput of the Company, subject to the review and approval by the Department.

(C) Calculation of Remediation Adjustment Costs

All environmental response costs associated with manufactured gas plants, adjusted for deferred tax benefits, and one half of the expenses incurred by the Company in pursuing insurance and third party claims, less one half of any recoveries received by the Company as a result of such claims. Any insurance or third party recoveries to be passed back to ratepayers through the clause will be net of any insurance or third party expenses not collected from ratepayers.

The total annual charge to the Company's ratepayers for Environmental Response Costs during any Remediation Cost Recovery Year shall not exceed five (5) percent of the Company's total revenues from firm gas sales during the preceding calendar year. If this limitation results in the Company recovering less than the amount that would otherwise be recovered in a particular Remediation Cost Recovery Year, then beginning with the date upon which the annual charge would have been effective, carrying costs shall accrue to the Company upon the unrecovered portion of the Remediation costs that otherwise would have been allowable. Carrying costs shall accrue through the Remediation Cost Recovery Year in which such amount, together with any accumulated carrying costs, is actually recovered by the Company from its ratepayers and shall accrue at the pre-tax weighted cost of capital rate as approved in the Company's most recent rate proceeding.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

(D) <u>Remediation Adjustment Factor</u>

The RAF consists of one-seventh of the actual Environmental Response Costs incurred by the company in any calendar year for each year until fully amortized, less a deferred tax benefit, plus one-half of insurance and third-party expenses for the calendar year, less one-half of the insurance and third-party recoveries for the calendar year, plus the prior year's RAF reconciliation adjustment. This amount is then divided by the Company's forecast of total firm throughput volumes for the upcoming year.

The Deferred Tax Benefit is calculated by applying the Effective Tax Rate to the Company's Unamortized Environmental Response Costs to arrive at the deferred tax. The deferred tax is then multiplied by the Tax Adjusted Cost of Capital to arrive at the Deferred Tax Benefit.

The RAF shall be calculated according to the following formula:

$$RAF = \frac{\text{Sum}(ERC / 7) - DTB + ((IE - IR)*0.5) + Rrac}{T{:}Thru}$$

and:

$$DTB = UERC * TR *(CD + (CE / (1-TR)))$$

where:

ERC Environmental Response Costs shall include all costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas plant sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of Massachusetts gas manufacturing facilities.

DTB Deferred Tax Benefit shall be the unamortized portion of actual environmental response costs multiplied by the effective statutory federal and state income tax rate and by the Company's tax adjusted cost of capital as approved in its last rate proceeding.

IE Expenses associated with pursuing Insurance and third-party claims shall include fifty percent of the expenses incurred by the company.

IR Insurance and third-party Recoveries shall include fifty percent of the of any net recoveries or other benefits received by the company as a result of such claims. Any insurance or third party recoveries to be passed back to ratepayers will be net of any insurance or third party expenses not collected from ratepayers.

Rrac Remediation Adjustment Cost Reconciliation Adjustment is the balance in account 175.70 as outlined in Section 1.11.

UERC Unamortized Environmental Response Costs are the portion of the environmental response costs approved for recovery but not yet included in any LDAC recovery calculation..

TR Combined federal and state income tax rate.

CD Weighted cost of debt established in the Company's most recent rate case.

CE Weighted cost of equity established in the Company's most recent rate case.

1.07: Residential Assistance Adjustments Allowable for LDAC

(A) Purpose

This provision establishes the procedures that allow the Company, subject to the jurisdiction of the Department, to adjust on an annual basis, the Residential Assistance Adjustment Factor ("RAAF"). This factor provides the Company with a mechanism for the recovery of lost revenue, based on the actual number of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E 01-106 order, as well as through the Company's HEAT Credit Program ("HEAT") established pursuant to the Company's most recent rate filing, and traditional outreach programs. The RAAF shall be subject to an annual reconciliation/true-up representing the difference between the sum of the actual reduction of revenues due to customer enrollment in the Company's low-income tariffs and the actual net expenses associated with the Company's HEAT during the Prior Year, and the actual recovery of revenues and the actual recovery of revenues through the RAAF during the Prior Year.

(B) Applicability

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

The Residential Assistance Adjustment Factor ("RAAF") shall be applied to all firm sales and firm transportation throughput of the Company subject to the review and approval by the Department.

(C) Calculation of Residential Assistance Recoverable Revenue

Recoverable Revenue for the purpose of the RAAF is the amount of base rate discount in an annual period subsequent to the Baseline Period in excess of the Baseline Revenue. The base rate discount revenue shall be calculated as the difference between the base rate revenue that would have been collected had no low-income discount or HEAT credit existed and actual base rate revenue from the low-income discount and HEAT credit recipients. The Recoverable Revenue shall not be less than zero

(D) Residential Assistance Adjustment Factor

$$RAAFx = \frac{[Custx(DCust\$) + Cust_x(AvgUse)(Duse\$)] + HEAT + RA_{x-1}]}{T: Thru}$$

where:

RAAF The annual Residential Assistance Adjustment Factor.

RA_{x-1} The Reconciliation Adjustment for $Year_{x-1}$ is the balance in account 175.80 as outlined in Section 1.11.

shall be the difference between the actual amount of revenue recovered in $Year_{x-1}$ and the Recoverable Revenue for $Year_{x-1}$. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

$Cust_x$ The estimated number of customers enrolled on the Company's Residential Assistance Rates for $Year_x$.

DCust$ The difference between the non-discounted and discounted customer charge for the applicable rates.

AvgUse	The estimated average weather-normalized therm or ccf usage per customer for the forecast period determined from the historical therm or ccf usage under the Company's Residential Assistance Rates.
DUse$	The difference between the non-discounted and discounted therm or ccf delivery charges for the applicable rates.
HEAT	Those costs related to the administration of HEAT.
T:Thru	Total Throughput is the forecasted firm throughput volumes in therms for twelve consecutive months November to October, inclusive.

1.08: Pension and PBOP Expense Allowable for LDAC

(A) Purpose

The purpose of this provision is to establish a procedure that allows the Company, subject to the jurisdiction of the Department, to adjust, on an annual basis, its rates for the recovery from its firm sales and firm transportation customers of annual Pension and Postretirement Benefits Other than Pensions including any post employment benefits other than pensions ("PBOP") expense as recorded on the Company's books including prepaid amounts.

(B) Applicability

Pension and PBOP Expense Factor ("PEF") shall be applied to all firm sales and firm transportation throughput of the Company subject to the jurisdiction of the Department. Such PEF shall be determined annually by the Company as defined below, subject to review and approval by the Department as provided for in this clause.

(C) Pension and PBOP Expense Allowable

The Company's test year Pension and PBOP Expense established by the Department in the Company's last rate filing shall be deemed Allowable Pension and PBOP Expense, In addition, the difference between the actual Pension and PBOP Expense incurred in future years and the test year amount established by the Department shall also be deemed Allowable Pension and PBOP Expense. Allowable Pension and PBOP Expense shall include the actual pension expense, prepaid pension costs recognized in accordance with the Financial Accounting Standards Board's ("FASB") Statement No. 87 ("FAS

87"), PBOP recognized in accordance with FASB Statement Nos. 106 ("FAS 106"), 112 ("FAS 112") and FASB Statement No. 158 ("FAS 158"), and carrying costs associated with Unamortized Pension Deferral amounts as adjusted for deferred tax benefits for the PriorYear. The Department may allow a shorter amortization period in any year if it deems that such shorter period is appropriate. Allowable Pension and PBOP Expense shall also include prior period reconciliation and deferred amounts.

(D) Amortization of Pension and PBOP Expense

The Test Year Level of Pension and PBOP Expense shall be established by the Department in the Company's last rate filing. The difference between the actual Pension and PBOP Expense for the Prior Year and the Test Year Level, positive or negative, shall be amortized over a three-year period with one-third of the amount included in the LDAC to be effective for the upcoming year, one-third deferred for one year and one-third deferred for two years. The amortization shall include carrying costs calculated at the Weighted Cost of Capital.

(E) Definitions

PBOP: shall be the Company's postretirement benefits other than pensions including any post-employment benefits other than pesions.

Pension Plan: is a Qualified Pension Plan, as defined by the Employee Information Retirement Security Acto of 1974, as amended from time to time.

Prepaid Amount: is the difference between the actual cash contributions to the Pension Plan and the pension expense amounts recognized in accordance with FAS 87.

Prior Year: is the calendar year previous to the effective date of the proposed PEF.

Pension Deferral: is the difference between the total Test Year Level of Pension and PBOP Expense established by the Department in the Company's most recent rate filings and the actual Pension and PBOP Expenses booked by the Company for each Prior Year.

(F) Pension and PBOP Expense Factor Formula

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

$$PEF = \frac{TYLE + PD + (WCC \times (UPD + APA - DTB)) + RA_{PE}}{T{:}Thru}$$

and:

$$PD = \frac{PD_T + PD_{T1} + PD_{T2}}{3}$$

where:

TYLE	Test Year Level of Pension and PBOP Expense as established by the Department in in the Company's last rate filing.
PD	The total amount of the Pension Deferral to be amortized in the upcoming year.
WCC	Pre-tax Weighted Cost of Capital as set in the Company's most recent rate case.
UPD	The Unamortized Pension Deferral is the amount of the Pension Deferral not yet included in distribution rates. At the beginning of the year, the Unamortized Pension Deferral is the sum of: (1) the Unamortized Pension Deferral at the beginning of the Prior Year; plus (2) the Pension Deferral for the Prior Year; minus (3) the Reconciliation Adjustment for the Prior Year.
APA	The Average Prepaid Amount is one half the sum of: (1) the Prepaid Amount recorded on the Company's books as of the beginning of the Prior Year; and (2) the Prepaid Amount recorded on the Company's books as of the end of the Prior Year.
DTB	Deferred Tax Benefit shall be the sum of the unamortized portion of actual Pension and PBOP Expense not included in rates and the average prepaid amount multiplied by the company's tax adjusted cost of capital as approved in its last rate proceeding.
RA_{PE}	Pension and PBOP Expense Reconciliation Adjustment, inclusive of the associated interest, as outlined in Section 1.11.
T:Thru	Total Throughput is the forecasted firm throughput volumes in therms for twelve consecutive months November to October, inclusive.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

PD The amount of the current year's Pension Deferral.

PD_{T1} The amount of the previous year's Pension Deferral.

PD_{T2} The amount of the second previous year's Pension Deferral.

1.09: Balancing Penalty Credits

(A) Purpose

This provision establishes the procedures that the Company, subject to the jurisdiction of the Department, to adjust on an annual basis, the Balancing Penalty Credit Factor ("BPCF") to return to firm customers the revenues received from balancing penalties collected and paid by transportation customers.

(B) Applicability

The BPCF shall be applied to firm throughput of the Company, subject to the review and approval of the Department.

(C) Balancing Penalty Credit Factor ("BPCF")

The BPCF shall be calculated according to the following formula:

$$BPCF = \frac{BP + BPR}{T{:}Thru}$$

where:

BP Balancing penalty revenues collected and paid by the Company in accordance with its Terms and Conditions.

BPR Balancing penalty reconciliation amounts as outlined in Section 1.11.

T:Thru Total Throughput is the forecasted firm throughput volumes in therms for twelve consecutive months November to October, inclusive.

1.10: Non-Core Distribution Credits

(A) Purpose

This provision establishes the procedures that allow the Company, subject to the jurisdiction of theDepartment, to adjust on annual basis, the Non-Core

Distribution Credit Factor ("NCF"), to return to firm customers their share of non-core distribution transportation margins in excess of the Threshold Level. The Threshold Level is based on a historical twelve-month period ending April 30th of any given year.

(B) Applicability

The Non-Core Distribution Credit shall be applied to firm throughput of the Company, subject to the review and approval of the Department.

(E) Annual Non-Core Distribution Credit Factor

The NCCF shall be calculated according to the following formula:

$$NCCF = \frac{NCM + NCMR}{T{:}Thru}$$

where:

NCM	Non-Core Margin is the difference between the revenue and the marginal cost determined to provide non-core distribution transportation services. If the total credit exceeds the Threshold Level, then seventy-five (75) percent of the credit earned in excess of the Threshold Level will be credited as established in Interruptible Transportation, D.P.U. 93-141-A.
NCMR	Non-core margin reconciliation amounts as outlined in Section 1.11.
T:Thru	Total Throughput is the forecasted firm throughput volumes in therms for twelve consecutive months November to October, inclusive.

1.11: Reconciliation Adjustments

(A) DSM

Account 175.60 shall contain the accumulated difference between DSMr revenues toward DSMr costs as calculated by multiplying the DSMr times monthly residential volumes and DSM costs allowable per formula. Account 175.61 shall contain the accumulated difference between DSMci revenues toward DSMci costs as calculated by multiplying the DSMci times monthly commercial and industrial volumes and DSM costs allowable per formula. Interest shall be calculated on the average monthly balance of the DSM accounts using the Bank of America prime lending rate, then added to each end-of-month balance. The

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

residential DSM reconciliation adjustment shall be taken as the Account 175.60 balance as of a reconciliation date as designated by the Company. The commercial and industrial DSM reconciliation adjustment shall be taken as the Account 175.61 balance as of a reconciliation date as designated by the Company.

(C) Environmental Response Cost

Account 175.70 shall contain the accumulated difference between the revenues toward Environmental Response Costs as calculated by multiplying the RAF times monthly firm throughput volumes and environmental response costs allowable per formula. A RAF Reconciliation Adjustment shall be taken as the Account 175.70 balance as of a reconciliation date designated by the Company.

(D) Residential Assistance Adjustment Costs

Account 175.80 shall contain the accumulated difference between revenues toward Residential Assistance Adjustment as calculated by multiplying the RAAF times monthly firm sales and transportation throughput and Residential Assistance Costs allowed, plus carrying charges calculated on the average monthly balance using the Bank of America prime lending rate and then added to the end-of-month balance.

(E) Pensions and PBOP

Account 175.43 shall contain the accumulated difference between revenues toward Pension and PBOP Expense as calculated by multiplying the Pension and PBOP Expense Factor. (PEF) times monthly firm sales and transportation throughput and Pension and PBOP Expense allowed, plus carrying charges calculated on the average monthly balance using the Bank of America prime lending rate and then added to the end-of-month balance.

(F) Balancing Penalty Credits

Account 175.50 shall contain the accumulated difference between the credits toward Balancing Penalty Credits as calculated by multiplying the BPF times firm throughput volumes and the Balancing Penalty Credits allowable, plus carrying charges calculated on the average monthly balance using the Bank of America prime lending rate and then added to the end-of-month balance.

LOCAL DISTRIBUTION ADJUSTMENT CLAUSE

(G) Non-Firm Core Distribution Margins

Account 175.42 shall contain the accumulated difference between the credits toward Non-Core Distribution Margins as calculated by multiplying the NCCF times firm throughput volumes and the Non-Core Distribution Margins allowable, plus carrying charges calculated on the average monthly balance using the Bank of America prime lending rate and then added to the end-of-month balance.

1.12: Effective Date of Local Distribution Adjustment Factor

The date on which the annual Local Distribution Adjustment Factors ("LDAF") become effective will be November 1st of each year.

1.13: Application of LDAF to Bills

The LDAF will be applied to the monthly firm throughput volumes for each Customer in a Rate Category. The annual LDAF for each Rate Category shall be calculated to the nearest hundredth of a cent per therm.

1.14: Information to be Filed with the Department

Information pertaining to the LDAF shall be filed with the Department in accordance with the standardized forms approved by the Department. Required filings include a report, which shall be submitted to the Department at least 45 days before the date on which the new LDAF is to be effective, and an annual RAC filing, which shall be submitted at least 90 days before the date on which the new LDAF is to be effective.

The annual RAC filing will include copies of all bills relating to any environmental response costs and expenses related to insurance and third party recoveries incurred in the preceding calendar year. The annual RAC reconciliation shall be submitted with each Off-Peak Season LDAF filing along with documentation of the RAC reconciliation adjustment calculations.

Additionally, the Company shall file with the Department a complete list by (sub) account of all local distribution costs claimed as recoverable through the LDAC over the previous year, as included in the annual reconciliation. This information shall be submitted with the Peak Season LDAF filing, along with complete documentation of the reconciliation adjustment calculations.

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1.15: Other Rules

The Department may, where appropriate, on petition or on its own motion, grant an exception from the provisions of the applicable regulations and this rate schedule, upon such terms that it may determine to be in the public interest.

At any time, the Department may require the Company to file, or the Company may file with the Department, an amended LDAF. Said filing must be submitted at least ten (10) days before the proposed effective date of the amended LDAF.

The operation of this rate schedule is subject to all powers of suspension and investigation vested in the Department by Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

1.16: Customer Notification

The Company will design a notice, which explains in simple terms to customers the LDAF, the nature of any change in the LDAF, and the manner in which the LDAF is applied to the bill. The Company will submit this notice for approval at the time of each LDAF filing. Upon approval by the Department, the Company shall immediately distribute these notices to all of its customers either through direct mail or with its bills.

MISSOURI GAS ENERGY

A division of Southern Union Company

Office of Public Counsel - Missouri

DATA INFORMATION REQUEST RESPONSE

Case Number: GR-2009-0355

Data Request No 2003

Requested From: Mike Noack

Date Requested: 10/4/2009

Information Requested:

At line 13 on page four of his rebuttal testimony, David Hendershot states that "the [SGS] incentives would include but would not be limited to the following Energy Star qualified appliances." For each of the appliances listed in lines 15 through 24 on page four of Mr. Hendershot's testimony, please provide copies of any energy efficiency program cost effectiveness analysis that has been performed by or for Southern Union Company or its division, MGE.

Requested By: Kind

Information Provided:

An SGS energy efficiency program cost effectiveness analysis has not been completed.

The information provided in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to promptly notify the requesting party if, during the pendency of Case No. GR-2009-0355 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

Prepared By: David Hendershot

Date Response Received:____________ Approved by: Michael Noack

Director, Pricing and Regulatory Affairs

Date: 10/8/09

Attachment 6

MISSOURI GAS ENERGY

A division of Southern Union Company

Office of Public Counsel - Missouri

DATA INFORMATION REQUEST RESPONSE

Case Number: GR-2009-0355

Data Request No 2004

Requested From: Mike Noack

Date Requested: 10/4/2009

Information Requested:

At line 13 on page four of his rebuttal testimony, David Hendershot states that "the [SGS] incentives would include but would not be limited to the following Energy Star qualified appliances." For each of the appliances listed in lines 15 through 24 on page four of Mr. Hendershot's testimony, please provide copies of all documents created in the last two years by or for Southern Union Company or its division, MGE, that contain energy efficiency program cost effectiveness analysis, program designs or program implementations plans pertaining to these appliances. If no such documents exist, please provide a statement to that effect.

Requested By: Kind

Information Provided:

An SGS energy efficiency program cost effectiveness analysis has not been completed. MGE will do further research to quantify costs and savings and will do a benefit cost analysis prior to filing the tariff utilizing program funds if the program is accepted in the rate case. The company has chosen to utilize the DOE Energy Star program for purposes of identifying qualified energy efficiency appliances.

The information provided in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to promptly notify the requesting party if, during the pendency of Case No. GR-2009-0355 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

Prepared By: David Hendershot

Date Response Received:____________

Approved by: [signature] Director, Pricing and Regulatory Affairs

Date: 10/8/09

Attachment 7