

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

In the Matter of Missouri Gas Energy's	)	
Proposed Tariff Sheets to Administer	)	<b><u>Case No. GT-2008-0005</u></b>
Natural Gas Conservation Program.	)	File No. JG-2008-0343
	)	

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission (Commission) and for its Recommendation, states as follows:

1. On November 7, 2007, all parties to the MGE Energy Efficiency Collaborative (EEC) met via a telephone conference call. The EEC was established pursuant to the Commission's order approving the stipulation and agreement in GR-2006-0422. The parties discussed and reviewed the water heating system rebate program component of the Natural Gas Conservation Program. The parties reached a unanimous agreement to modify the program eligibility requirements to include new construction, for reasons more fully explained in Staff's Memorandum, attached hereto as Appendix A and incorporated by reference herein.

2. Accordingly, on November 27, 2007, MGE filed tariff sheets to modify the Natural Gas Conservation Program.

3. The Staff has reviewed each of the tariff sheets filed by MGE and has determined these tariff sheets to be in compliance with the Commission's *Report and Order* in Case No. GR-2006-0422.

WHEREFORE, for the foregoing reasons, the Staff recommends the Commission approve the tariff sheets designated P.S.C. MO. No. 1 as filed by MGE on November 27, 2007.

Respectfully submitted,

/s/ **Robert S. Berlin**

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record 20th day of December, 2007.

/s/ **Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GT-2008-0005, File No. JG-2008-0343 Missouri Gas Energy

FROM: Anne Ross, Energy Department - Tariffs/Rate Design

/s/ Thomas M. Imhoff 12/20/07      /s/ Robert S. Berlin 12/20/07  
Energy Department/Date      General Counsel's Office/Date

SUBJECT: Staff Recommendation in Support Of MGE's Natural Gas Conservation Program

DATE: December 19, 2007

### **History**

On March 22, 2007, the Missouri Public Service Commission (Commission) issued its Report and Order (Order) in Case No. GR-2006-0422. This Order approved a natural gas general rate increase for certain customers of Missouri Gas Energy (MGE or Company).

MGE filed tariff sheets on June 1, 2007 to comply with the Order. On June 20, 2007, Staff filed a recommendation that MGE's tariff sheets be rejected.

In its Response to Staff's Recommendation, filed on June 21, 2007, MGE filed a second set of tariff sheets. Staff filed an amended Staff Recommendation on June 25, recommending that the second set of tariffs be approved.

On June 25, 2007, the Office of Public Counsel (OPC) filed a Reply asking that the tariffs be suspended. On June 26, the Commission issued an order suspending the tariffs, and scheduling a pre-hearing conference on July 10, 2007.

On July 3, 2007, MGE filed tariff sheets for the administration of MGE's residential natural gas conservation initiatives, including the efficient water heater rebate program.

On July 9, 2007, the OPC filed its Motion to Suspend Tariff and Motion to Take Administrative Notice

On July 10, 2007, the prehearing conference was held, and the parties reached agreement on the general parameters of the MGE Residential Natural Gas Conservation Initiatives.

On July 16, MGE filed its suggestions in oppositions to OPC's motion of July 9, 2007.

On July 26, 2007, MGE filed a Unanimous Stipulation and Agreement (S & A) detailing the agreements reached regarding the administration of MGE's Residential Natural Gas Conservation Initiatives. This agreement set up the MGE Energy Efficiency Collaborative (EEC), with charter members consisting of representatives of MGE, Commission Staff, Public Counsel and the Department of Natural Resources.

On August 2, 2007, Staff filed a recommendation that the S & A be approved.

On August 7, 2007, the Commission issued an order approving the S & A, and ordering MGE to file tariff sheets identical to those attached to the S & A,

On August 8, MGE filed tariff sheets to comply with the Commission order, along with a request that the tariff sheets be given expedited consideration.

On August 9 the Commission ordered the Staff to file a Staff Recommendation or Status Report no later than August 10.

On August 10, 2007, Staff filed a status report informing the Commission of its intent to file a Recommendation no later than August 14, 2007.

On August 14, the Staff filed a recommendation that the tariff sheets be approved.

On August 15, the tariff became effective.

The EEC met via conference call on November 7, 2007. All parties were represented. The program's original limitation that the Program would only be available to customers replacing their water-heating system was discussed, as well as the possibility of modifying the tariff so that the rebate program was also available to new construction. A unanimous agreement was reached to modify the program eligibility requirements to include new construction.

On November 27, 2007, MGE filed tariff sheets to modify the Natural Gas Conservation Program (Program).

### **Recommendation**

Staff has reviewed each of the tariff sheets, as filed by MGE on November 27, 2007, and is of the opinion that these sheets are in compliance with the Commission's Order in Case No. GR-2006-0422. Therefore, Staff recommends that the set of tariff sheets designated P.S.C. MO. No. 1, filed on November 27, 2007, be accepted.

### **P.S.C. MO. No. 1**

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Fifth Revised SHEET No. 98, Canceling Fourth Revised SHEET No. 98

Fifth Revised SHEET No. 99, Canceling Fourth Revised SHEET No. 99

Fifth Revised SHEET No. 100, Canceling Fourth Revised SHEET No. 100

The Staff has verified that MGE has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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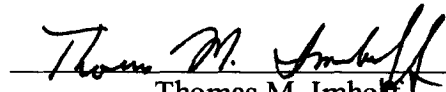
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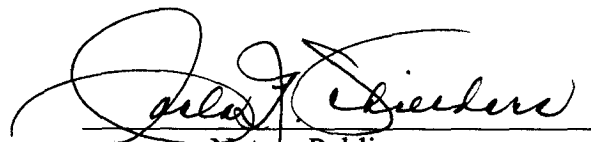
**AFFIDAVIT OF THOMAS M. IMHOFF**

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

Thomas M. Imhoff, of lawful age, on oath states: that he has participated in the preparation of the following Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given and that such matters are true to the best of his knowledge and belief.

  
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Thomas M. Imhoff

Subscribed and sworn to before me this 20<sup>th</sup> day of December, 2007.

  
\_\_\_\_\_  
Notary Public

