BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Southern Union Company d/b/a Missouri Gas Energy's Tariff Sheets Designed to Implement an Experimental Pilot Program)))	Case No. GT-2012-0170 Tariff No. YG-2013-0255
In the Matter of Southern Union Company d/b/a Missouri Gas Energy's Tariff Sheets Designed to Implement an Experimental Pilot Program	,	<u>Case No. GT-2013-0330</u> Tariff No. YG-2013-0255

STAFF RECOMMENDATION REGARDING MGE'S TARIFF SHEETS TO EXTEND THE EFFECTIVE DATE OF THE REBUILD JOPLIN EXPERIMENTAL PILOT PROGRAM TO MAY 1, 2013

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

- 1. On November 20, 2012, Missouri Gas Energy (MGE or Company) filed two (2) tariff sheets bearing an effective date of January 1, 2013 for the purpose of extending the *Rebuild Joplin: Experimental Pilot Program for Residential and Small General Service (SGS) Natural Gas Energy Efficiency Incentives* (Rebuild Joplin) from its sunset date of December 31, 2012 to May 1, 2013.
- 2. The Staff considers a four month extension of Rebuild Joplin to be reasonable for reasons discussed below and in Staff's Memorandum, attached as Appendix A.
- 3. Rebuild Joplin first became effective on December 9, 2011 when the Commission allowed the original program tariffs to go into effect in Case No. GT-2012-0170. MGE's first revised tariff sheets (Tariff No. YG-2013-0255) seeking to extend the effective date of Rebuild Joplin are filed in GT-2012-0170.

- 4. On December 11, 2012, the Office of the Public Counsel (OPC) filed a motion to reject, or in the alternative suspend, the tariff sheets that would extend Rebuild Joplin. OPC's filing opened a duplicate case, GT-2013-0330 including Tariff No. YG-2013-0255, in the Commission's Electronic Filing and Information System (EFIS).
- 5. Because the Commission's EFIS system created a duplicate case for the Rebuild Joplin tariffs addressed by the Commission in GT-2012-0170, the Staff is filing its Recommendation in both cases, GT-2012-0170 and GT-2013-0330¹ and will make all following filings in both cases until such time as the matter of duplicate case numbers is resolved.
- 6. As discussed in its Memorandum, the Staff supported Rebuild Joplin because the program was designed to assist tornado victims, encourage rebuilding, and promote energy efficiency. The program provides rebates on energy efficient appliances to residential and SGS customers and was anticipated to be effective for just over one year. However, because of the slow pace in rebuilding efforts, largely due to a 90 day building moratorium, program participation has likewise been slow to catch on. Therefore Staff believes it reasonable for MGE to extend Rebuild Joplin to May 1, 2013, another four months. This extension will also allow for a larger sample size for evaluators to have adequate participant billing data for evaluation of the program.
- 7. For the above stated reasons, Staff is of the opinion MGE has demonstrated good cause for the extension of Rebuild Joplin and that the filed tariff sheets should be allowed to go into effect on January 1, 2013.

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¹ On December 12, 2012, the Commission issued its *Order Directing Notice And Setting Deadline For Responses* (Order) in Case No. GT-2013-0330. That Order directed the Staff and MGE to file a response to OPC's motions not later than 3:00pm, December 17, 2012, and any other interested party to file a response no later than 3:00pm, December 18, 2012.

WHEREFORE, for reasons discussed above and in its Memorandum, the Staff recommends the Commission allow the Rebuild Joplin tariff sheets (YG-2013-0255) to go into effect on January 1, 2013.

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 electronically mailed to all counsel of record this 14th day of December 2012.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File, Case No. GT-2012-0170,

File No. YG-2013-0255, Missouri Gas Energy, a Division of Southern Union Company

FROM: Michael L. Stahlman, Energy Department - Tariffs/Rate Design

/s/ Michael L. Stahlman 12/14/12 /s/ Robert S. Berlin 12/14/12

Energy Department/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation on the Tariff Sheets Filed to Extend the Experimental Pilot

Program for Residential and SGS Natural Gas Energy Efficiency Incentives

DATE: December 14, 2012

On November 20, 2012, Missouri Gas Energy (MGE or Company) of Kansas City, Missouri, filed two (2) tariff sheets with a proposed effective date of January 1, 2013. The purpose of this filing is to extend the *Rebuild Joplin: Experimental Pilot Program for Residential and SGS Natural Gas Energy Efficiency Incentives* (Rebuild Joplin) from December 31, 2012 until May 1, 2013. The filing also allows the MGE Energy Efficiency Collaborative (EEC) to extend the due date of the evaluation of Rebuild Joplin to ensure that the evaluators will have adequate program participant billing data for the impact evaluation.

Rebuild Joplin first became effective on December 9, 2011. Staff supported the implementation of Rebuild Joplin because the program was designed to assist tornado victims, encourage rebuilding and promote energy efficiency. Rebuild Joplin provides rebates on energy efficient appliances to residential and small general service customers.

MGE has demonstrated good cause in their extension request for Rebuild Joplin. MGE states that the pace of rebuilding in Joplin was slower than anticipated due to events such as a ninety (90) plus day moratorium on building. Since Rebuild Joplin was anticipated to be effective for just a little over one year, the slow start of Rebuild Joplin participation could result in an inconclusive evaluation due to a limited sample size that would be too small to yield statistically significant results. Therefore, the Staff believes the extension of Rebuild Joplin to May 1, 2013 is reasonable.

Staff Recommendation

Staff has reviewed the filed tariff sheets and recommends approval of the following tariff sheets, as filed on November 26, 2012, to go into effect for service on and after January 1, 2013, the requested effective date:

P.S.C. MO. No. 1

1st Revised Sheet No. 104, Canceling Original Sheet No. 104

1st Revised Sheet No. 104.1, Canceling Original Sheet No. 104.1

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Because this filing was made on thirty (30) days or greater notice, no order is necessary to indicate approval.

The Staff has verified that this Company 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.