

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

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

**STAFF RECOMMENDATION**

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

1. On August 9, 2007, the Commission issued its *Order Directing Filing* directing the Staff to file a recommendation or status report informing the Commission when it would file its recommendation regarding the tariff sheets filed by MGE on August 8, 2007. Staff filed a Status Report on August 10, 2007, informing the Commission it would file its recommendation not later than August 14, 2007.

2. The Staff has reviewed each of the tariff sheets filed in the instant case and has determined these tariff sheets to be in compliance with the Commission's *Report and Order* in Case No. GR-2006-0422 and to be identical to the specimen tariff sheets affixed to the Unanimous Stipulation and Agreement which was approved by the Commission on August 7, 2007. (See Staff's Memorandum attached hereto and incorporated by reference herein).

WHEREFORE, for the foregoing reasons, the Staff recommends the Commission approve the tariff sheets filed by MGE.

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin  
Senior Counsel  
Missouri Bar No. 51709

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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 14<sup>th</sup> day of August, 2007.

**/s/ Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GT-2008-0005, File No. YG-2008-0099 Missouri Gas Energy

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

<u>/s/ Thomas M. Imhoff    08/14/07</u> Energy Department/Date	<u>/s/ Robert S. Berlin    08/14/07</u> General Counsel's Office/Date
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SUBJECT: Staff Recommendation in Support Of Filed Stipulation & Agreement to Missouri Gas Energy's Tariff Sheets Filed to Comply with the Commission's Report And Order to Administer Natural Gas Conservation Program And Motion For Expedited Treatment

DATE: August 14, 2007

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 prehearing 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 sets 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. The S & A

- defines the purpose of the EEC, and the type of decisions that will be made by its members,
- specifies the way in which decisions will be made by the group, including the procedure with which disagreements will be resolved, and

- stipulates that an evaluation will be performed either by MGE or by a third party selected by the EEC after the water heater rebate program has been operating for 12 months, with the evaluation to be completed within 3 months.

Specimen tariff sheets regarding MGE's Residential Natural Gas Conservation Initiatives were filed as an attachment to the S & A; these tariff sheets reflect the agreement reached by the parties.

On July 26, 2007, MGE also filed a Motion for Expedited Consideration, requesting that the Commission approve the S & A and order MGE to file tariff sheets with an effective date of August 1, 2007, or as soon thereafter as is practical.

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.

Staff has reviewed each of the tariff sheets, as filed by MGE on August 8, 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 August 8, 2007, be accepted.

P.S.C. MO. No. 1

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

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

Fourth Revised SHEET No. 100, Canceling Third 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.

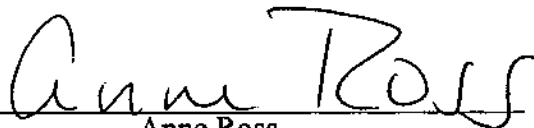
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**AFFIDAVIT OF ANNE ROSS**

STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

Anne Ross, of lawful age, on oath states: that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.

  
Anne Ross

Subscribed and sworn to before me this 14<sup>th</sup> day of August, 2007.

  
Notary Public

My commission expires 9-21-10