

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

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

**STAFF RECOMMENDATION IN SUPPORT OF UNANIMOUS STIPULATION AND
AGREEMENT**

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

1. On July 31, 2007, the Commission issued its *Order Rejecting Tariff* directing the Staff to file a recommendation or suggestions in support of the *Unanimous Stipulation and Agreement* (Stipulation) no later than August 3, 2007.

2. The Stipulation, filed in the above-captioned case on July 26, 2007, contains specimen tariff sheets which are compliant with the *Report and Order* in Case No. GR-2006-0422, and reflect the agreement reached by the parties regarding the administration of MGE's Residential Natural Gas Conservation Initiatives.

3. On July 26, 2007, MGE also filed a *Motion for Expedited Consideration*, requesting that the Commission approve the Stipulation and order MGE to file tariff sheets with an effective date of August 1, 2007, or as soon thereafter as is practical. The Staff considers this motion to be reasonable.

4. The Staff has reviewed each of the specimen 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. (See Staff's Memorandum attached hereto and incorporated by reference herein).

Suggestions in Support of Stipulation

5. The Stipulation sets up the MGE Energy Efficiency Collaborative (EEC), with charter members including representatives of MGE, Staff, Public Counsel, and Department of Natural Resources.

6. The Stipulation (1) defines the purpose of the EEC and the type of decisions that will be made by its members; (2) specifies the decision-making process to be followed by the EEC, including resolution of disagreements among the members; and (3) stipulates that an evaluation be performed either by MGE, or a third party to be selected by the EEC, after the water heater rebate program has been operating for 12 months, and requiring that evaluation to be completed within 3 months.

WHEREFORE, for the reasons stated above and in Staff's Memorandum, the Staff recommends the Commission (1) approve the tariff sheets filed as attachments with the Stipulation, (2) approve the Stipulation, and (3) grant MGE's *Motion for Expedited Consideration*.

Respectfully submitted,

/s/ Robert S. Berlin

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 2nd day of August 2007.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GT-2008-0005, File No. JG-2008-0010 Missouri Gas Energy

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

/s/ Thomas Imhoff 08/02/07

Energy Department/Date

/s/ Bob Berlin 08/02/07

General Counsel's Office/Date

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 2, 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 on July 16, 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.

Staff concurs in this specific request and believes that the tariff sheets filed on July 26, 2007 should be approved. The Commission's Energy Department - Tariffs/Rate Design Staff (Staff) has reviewed each of the tariff sheets, as filed by MGE on July 26, 2007, and is of the opinion that these sheets are in compliance with the Commission's Order in Case No. GR-2006-0422, which generated Case No. GT-2008-0005 and are filed under that case number. Therefore, Staff recommends that the set of tariff sheets designated P.S.C. MO. No. 1, filed on July 26, 2007, be accepted.

P.S.C. MO. No. 1

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 2nd day of August, 2007.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public

My commission expires 9-21-10