

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

In the matter of the application of Missouri Gas)	
Energy, a division of Southern Union Company,)	Case No. _____
For a variance from certain Commission rules)	JG-2008-0645
in order to Provide Electronic Billing.)	

APPLICATION FOR VARIANCE

COMES NOW Missouri Gas Energy, a division of Southern Union Company (“MGE” or “Applicant”), and, pursuant to 4 CSR 240-2.060(4) and 4 CSR 240-13.065, states the following to the Missouri Public Service Commission (Commission) for its Application for Variance:

SUMMARY

MGE seeks a variance from Commission Rules 4 CSR 240-13.015(1)(B), 4 CSR 240-13.015(1)(T), 4 CSR 240-13.050(5) and 4 CSR 240-13.055(3) so that MGE may offer a program under which its customers may receive and pay their natural gas bills electronically. This program will provide greater choice for billing and payment for the customer.

APPLICANT

1. Applicant is Missouri Gas Energy, a division of Southern Union Company. MGE’s principal office is located at 3420 Broadway, Kansas City, Missouri 64111.
2. Southern Union Company is a corporation duly incorporated under the laws of the State of Delaware and conducts business in Missouri under the fictitious name of Missouri Gas Energy. A copy of a certificate from the Missouri Secretary of State that Southern Union Company is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GA-2001-509 and is incorporated by reference. A copy of a certificate from the Missouri Secretary of State that Missouri Gas Energy is a registered fictitious name of Southern Union Company was submitted in Case No. GA-2001-509 and is incorporated herein by reference. Other than cases that have been docketed at the Commission, MGE has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or

court within the past three (3) years that involve customer service or rates. MGE has no annual report or assessment fees that are overdue.

3. MGE conducts the business of a “gas corporation” and provides natural gas service in the Missouri counties of Andrew, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Cedar, Pettis, Platte, Ray, Saline, Stone, and Vernon, subject to the jurisdiction of the Missouri Public Service Commission (Commission).

4. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

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Director, Pricing & Regulatory Affairs
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VARIANCE

5. MGE believes that there is customer interest in having the option of receiving and paying natural gas bills electronically. For customers comfortable with this billing and payment method, it offers convenience for the customer.

6. Similar programs have been approved by the Commission and are currently operating. *See In the Matter of Laclede Gas Company’s Application for Variance*, Case No. GE-2002-1159 and *In the Matter of Kansas City Power & Light Company’s Application for a Variance*, Case No. EE-2003-0529.

7. Rule 4 CSR 240-13.015(1)(B) defines “Bill” as a “written demand for payment . . .” To the extent that an electronic bill is deemed to not be a “written demand,” MGE seeks a variance to confirm that an electronic bill is a “bill” within the meaning of the Commission rules.

8. Rule 4 CSR 240-13.015(1)(T) defines “Rendition of a bill” as meaning “the mailing or hand delivery of a bill by a utility to a customer.” Rule 4 CSR 240-13.020, which covers billing and payment standards, then focuses on actions triggered by a utility’s rendition or rendering of a bill. The obligation on the utility to “render” a bill could be construed as requiring mailing through the U.S. Mail (or hand delivery), rather than an alternative. MGE seeks a variance from Rule 4 CSR 240-13.015(1)(R) to provide that “Rendition of a bill “ includes the electronic posting of a bill as an alternative.

9. Rule 4 CSR 24-13.050(5) requires utilities to provide, by first class mail, at least ten days notice of a proposed discontinuance of residential service, prior to discontinuing such service. Rule 4 CSR 240-13.055(3) also requires the same ten day notice by first class mail specifically during the cold weather season (November 1 – March 31). In both cases, the ten-day mailing requirement is only the first step in a three-step process the Company must follow before it may discontinue residential service. MGE seeks a variance from the requirement that the first discontinuance notice be sent by first class mail for customers who have chosen to handle their gas bill electronically. Instead, because the first discontinuance notice is delivered with the customer’s paper bill for customers on the paper mail system, such notice should be delivered with the electronic bill for customers on the electronic mail system.

10. Good cause exists for the Commission to grant the requested variance.

11. All customers who qualify for the electronic billing and payment program would have a choice between receiving their gas bills via electronic mail and receiving them by paper

mail. The customer could just as easily return to the paper bill program, if that was desired at a later date.

12. Electronic bill customers could benefit from savings resulting from the elimination of paper checks, envelopes and postage stamps.

TARIFFS

13. Concurrently, with the filing of this Application, MGE filed the following tariff sheets in order to implement an electronic billing program (provided herewith as **Appendix A**):

- P.S.C. MO No. 1, Second Revised Sheet No. R-7, cancelling, First Revised Sheet No. R-7;
- P.S.C. MO No. 1, Second Revised Sheet No. R-8, cancelling, First Revised Sheet No. R-8;
- P.S.C. MO No. 1, Second Revised Sheet No. R-9, cancelling, First Revised Sheet No. R-9;
- P.S.C. MO No. 1, Second Revised Sheet No. R-10, cancelling, First Revised Sheet No. R-10;
- P.S.C. MO No. 1, Fifth Revised Sheet No. R-23, cancelling, Fourth Revised Sheet No. R-23;
- P.S.C. MO No. 1, Second Revised Sheet No. R-25, cancelling, First Revised Sheet No. R-25;
- P.S.C. MO No. 1, Second Revised Sheet No. R-27, cancelling, First Revised Sheet No. R-27;
- P.S.C. MO No. 1, Second Revised Sheet No. R-51, cancelling, First Revised Sheet No. R-51; and,
- P.S.C. MO No. 1, Third Revised Sheet No. R-52, cancelling, Second Revised Sheet No. R-52.

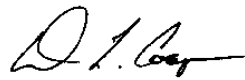
14. These tariff sheet carry a proposed effective date of May 28, 2008 (30 days), and were assigned Tracking No. JG-2008-0645.

NOTICE

15. In accordance with Commission Rule 4 CSR 240-13.065(2), copies of the application have been mailed by first class mail to the newspaper with the largest circulation in each county within the utility's service area affected by the variance.

WHEREFORE, MGE requests an order from the Commission granting it a variance from Commission Rules 4 CSR 240-13.015(1)(B), 4 CSR 240-13.015(1)(T), 4 CSR 240-13.050(5) and 4 CSR 240-13.055(3) and approving the tariff sheets identified by Tracking No. JG-2008-0645.

Respectfully submitted,



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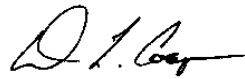
Attorneys for Missouri Gas Energy

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following on this 28th day of April, 2008:

Office of the General Counsel
Missouri Public Service Commission
Governor State Office Building
Jefferson City, Missouri 65101
gencounsel@psc.mo.gov

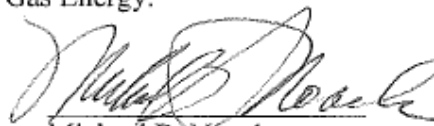
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opcservice@ded.mo.gov



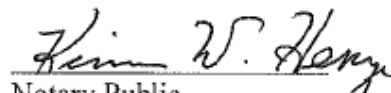
VERIFICATION

STATE OF MISSOURI)
)
COUNTY OF JACKSON) ss

I, Michael R. Noack, of lawful age, state: that I am Director of Pricing and Regulatory Affairs for Missouri Gas Energy, a division of Southern Union Company; that I have read the above and foregoing document; that the statements contained therein are true and correct to the best of my information, knowledge and belief; and, that I am authorized to make this statement on behalf of Missouri Gas Energy.


Michael R. Noack

Subscribed and sworn to before me this 28th day of April, 2008.


Notary Public

My Commission Expires: Feb. 3, 2011

