

**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	)	<b>File No. GT-2012-0170</b>
to Implement an Experimental	)	Tariff No. JG-2012-0211
Pilot Program	)	

**MISSOURI DEPARTMENT OF NATURAL RESOURCES'  
RECOMMENDATION IN SUPPORT OF TARIFF**

COMES NOW the Missouri Department of Natural Resources ("MDNR"), by and through counsel, and for its Recommendation in Support of Southern Union Company d/b/a Missouri Gas Energy's ("MGE") filed tariff to implement an Experimental Pilot program called the "Rebuild Joplin Program" states:

1. The MDNR was an intervenor in MGE's past natural gas rate case, GR-2009-0355 and is a member of the Energy Efficiency Collaborative ("EEC") as set forth in the Missouri Public Service Commission's ("Commission") Report and Order, effective February 20, 2010. On November 9, 2011, MGE filed P.S.C. MO, No. 1, Original Sheet Nos. 104 and 104.1, and Original Sheet Nos. 105 and 105.1. The tariff sheets bear an issue date of November 9, 2011, and a proposed effective date of December 9, 2011.

2. As outlined by MGE in its cover letter accompanying this original tariff filing, MGE has worked extensively with the EEC since July 2011, following the devastating tornado that impacted Joplin and its

surrounding area on May 22, 2011. All members of the EEC were engaged in these discussions recognizing the importance of providing Joplin residents and businesses with support and resources to rebuild their community from what has been accurately characterized by MGE as the single deadliest tornado in the United States in over sixty years. MDNR recommends the Commission approve the tariff revisions as appropriate energy efficiency efforts both to address the unusual circumstances in Joplin and to move MGE forward in meeting its target level of energy efficiency spending from its last rate case. This opportunity to help Rebuild Joplin "quicker, greener and better" as described by MGE, should not be delayed. It should be given an opportunity to succeed as an experimental pilot program.

3. The Rebuild Joplin initiative proposed tariff sheets reflect enhanced high efficiency natural gas equipment tiered rebates and the implementation of an Energy Star® New Homes program, funded up to a total of \$1,000,000. The Commission's Report and Order in GR-2009-0355 states that "MGE will initially fund an annual amount of a minimum of \$1.5 million per year for its energy efficiency program. Expenditures above the initial investment of \$1 million shall be deferred in a regulatory asset account for potential recovery in a future case." (Report and Order, GR-2010-0355, pg. 63). Further, MGE is making efforts to meet a target funding level of 0.05 percent of total operating revenue, including gas costs or approximately \$4

million to support energy efficiency programs within their Missouri service territory. In light of the magnitude of the destruction in Joplin, it is appropriate for MGE to focus its energy efficiency efforts and expenditures in this area of the state.

4. MGE is coordinating the Rebuild Joplin initiatives with Empire Electric Company. This action is similar to the partnership currently in place for the Energy Star® New Homes program currently supported by MGE and Kansas City Power & Light Company in the Kansas City, Missouri area.

5. The Rebuild Joplin initiative may also provide valuable information and data on the impacts of the energy efficiency appliance rebates and Energy Star® New Homes initiatives based upon the monitoring role of the EEC and expenditure and performance reports provided by MGE.

6. The Rebuild Joplin initiative provides a unique opportunity to improve the housing stock in Joplin through investment in higher energy efficiency natural gas utilization products and new home construction based on new building technologies and materials. Implementing targeted incentives to address these unprecedented circumstances through an experimental pilot project is an appropriate response to the natural disaster, which, if successful will help Joplin residents rebuild and move into new homes that are more comfortable and energy efficient than may have been possible without these programs.

WHEREFORE, the Missouri Department of Natural Resources respectfully submits to the Commission this Recommendation in Support of MGE's proposed Rebuild Joplin energy efficiency tariff sheets and requests the Commission to allow the tariffs to take effect as proposed.

Respectfully submitted,

**CHRIS KOSTER**  
Attorney General

/s/ Jennifer S. Frazier  
Jennifer S. Frazier  
Deputy Chief Counsel  
Agriculture & Environment Division  
Missouri Bar No. 39127  
P.O. Box 899  
Jefferson City, Missouri 65102  
Telephone: (573) 751-8795  
Fax: (573) 751-8796  
E-mail [jenny.frazier@ago.mo.gov](mailto:jenny.frazier@ago.mo.gov)

**Attorneys for Missouri Department  
of Natural Resources**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 2nd day of December 2011.

/s/ Jennifer S. Frazier  
JENNIFER S. FRAZIER  
Deputy Chief Counsel  
Agriculture & Environment Division