

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

In the Matter of Missouri Gas Energy's Tariffs)	
Increasing Rates for Gas Service Provided to)	Case No. GR-2006-0422
Customers in the Company's Missouri Service Area)	

THE CITY OF KANSAS CITY, MISSOURI'S POSTHEARING BRIEF

The City of Kansas City (the "City") appeared in this proceeding to again spotlight the weatherization program for the Commission, a topic that was addressed by the City's Weatherization Program administrator, Mr. Robert T. Jackson. Weatherization was one of the early matters taken up before the Commission during the hearing. This issue was heard on January 8, 2007.

Mr. Jackson enjoys a lengthy history with the Weatherization Program. He has been connected with the program since 1983, and has been the Weatherization Program Administrator since 1985. It was Mr. Jackson who made the initial request for the City's participation in the experimental energy conservation program (now Weatherization Program) to benefit residential customers of Missouri Gas Energy's (MGE) predecessor Western Resources.

The issue before the Commission is:

What is the appropriate level of low-income weatherization funding to be used in calculating MGE's cost of service and how should such funding be allocated among the geographic regions of MGE's service territory?

Mr. Jackson testified that from its beginning of operations in 1994, the Weatherization Program has weatherized over 1327 homes in a three county region of MGE's service area. This has been accomplished with MGE funds but the Weatherization Program requires minimum administrative support from MGE. The City of Kansas City has assumed the bulk of

the duties necessary to administer the program. Because of its outreach and its efficiency, the program can justifiably claim more than modest success.

Mr. Jackson also testified to the demand for the program. Demand for the program increased dramatically in early 2004, due primarily to MGE's announcements in the winter and spring of 2002/2003 that gas prices would likely rise over time. In March of 2004, there were more than 500 applications waiting for assistance. Demand for weatherization has returned to pre-2004 levels and no waiting list exists for applications. Nonetheless, weatherization remains a tangible long-term value to households, the company and the environment.

It is the City's position that MGE's annual funding commitment to the weatherization program in Kansas City should be increased. Annual funding for the low income weatherization program is maintained by MGE at a level of \$367,000. This level was set by the Commission in MGE's last rate case, Case No. GR-2004-0209, and is an increase of \$117,000 over what MGE had contributed in previous years to the City's program. The City proposes that MGE increase its annual contribution to the City's weatherization program by \$250,000 for a total annual contribution to the City's program alone of \$617,000.

Mr. Jackson made one other recommendation. He suggested that MGE modify its internal referring procedures so that weatherization program eligible customers --- those who are receiving fuel assistance --- are referred directly to the City for assistance. If this is done, Mr. Jackson predicts that the company would net improved bill payment outcomes.

Respectfully submitted,

/s/ Mark W. Comley

Mark W. Comley #28847
NEWMAN, COMLEY & RUTH P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102-0537
(573) 634-2266
(573) 636-3306 (FAX)

Attorneys for City of Kansas City, Missouri

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via email on this 15th day of February, 2007, to:

General Counsel at gencounsel@psc.mo.gov;
Public Counsel at opcservice@ded.mo.gov;
Jim Swearengen at Lrackers@brydonlaw.com.
Jeremiah Finnegan at jfinnegan@fcplaw.com
David Woodsmall at dwoodsmall@fcplaw.com
Stuart Conrad at stucon@fcplaw.com
Charles Stewart at Stewart499@aol.com
Jeff Keevil at per594@aol.com.

/s/ Mark W. Comley

Mark W. Comley