STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 8th day of September, 2010.

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In the Matter of Missouri Gas Energy's Tariff Sheets Designed to Increase the Rebate Level for Tank Water Heaters.

File No. GT-2011-0049 Tariff No. YG-2011-0115

ORDER GRANTING MOTION FOR EXPEDITED TREATMENT AND APPROVING TARIFF SHEETS

Issue Date: September 8, 2010

Effective Date: September 15, 2010

On August 24, 2010, the Office of the Public Counsel filed a Motion to Suspend regarding Tariff No. JG-2011-0051 submitted by Missouri Gas Energy, a division of Southern Union Company, on July 30, 2010. The tariff sheets at issue related to energy efficiency incentives. The tariff sheets would have made several incentives available to MGE's Small General Service Class (SGS) that were not previously available and they would have increased from \$40 to \$100 rebates for tank gas hot water heating systems meeting Energy Star® criteria. Public Counsel objected only to the portion of the tariff sheets setting the tank hot water system rebates at \$100. Public Counsel was the only member of MGE's Energy Efficiency Collaborative (EEC) to object to the rebate change.

Public Counsel also argued that MGE had not complied with 4 CSR 240-3.255.3,¹ which requires MGE to provide "documentation of the criteria used and the

¹ Public Counsel's Response to Order Shortening Time for Response and Directing Filing, filed August 26, 2010.

analysis performed to determine that the demand-side resources are cost effective" at the time it files its revised tariff sheets. In addition, Public Counsel indicated that clarification was necessary regarding the procedure to be followed when the EEC does not reach a consensus.

The Commission suspended Tariff No. JG-2011-0051 and scheduled a prehearing conference, which was held on September 2, 2010. Following the prehearing conference, MGE withdrew JG-2011-0051 in its entirety and submitted new tariff sheets, designated Tariff No. YG-2011-0115 (the "September 2 tariff"), which bear an effective date of October 2, 2010. MGE also filed a motion for expedited treatment of the September 2 tariff so that it may become effective as soon as practicable. The September 2 tariff filing makes all the energy efficiency rebates available to both the Residential (RS) and the Small General Service (SGS) class of customers, but does not change the level of the rebates which were in controversy. MGE intends to make a future filing to bring the water heater rebate issue raised by the Office of the Public Counsel before the Commission for decision.

The Commission set an expedited filing date of September 7, 2010 for the Staff of the Commission to file its recommendation and for any other interested parties to respond to the September 2 tariff and MGE's motion for expedited treatment. No party objected to the September 2 tariff sheets.

The Commission has reviewed MGE's September 2 tariff and finds that the tariff should be approved. Because the substance of these tariff sheets was agreed to by the EEC, and has been on file at the Commission for more than 30 days under another tariff number, the Commission finds good cause in accordance with Section 393.140(11), RSMo 2000, to approve this tariff to become effective on less than 30 days notice. The

2

Commission finds that the proposed tariff shall be approved to become effective as ordered below.

below.

THE COMMISSION ORDERS THAT:

1. The Motion for Expedited Treatment filed by Missouri Gas Energy, a division

of Southern Union Company, on September 2, 2010, is granted.

2. Tariff File No. YG-2011-0015 is approved to become effective on

September 15, 2010. The tariff sheets approved are:

P.S.C. MO. No. 1

Eighth Revised Sheet No. 98, Cancelling Seventh Revised Sheet No. 98 Eighth Revised Sheet No. 99, Cancelling Seventh Revised Sheet No. 99 Seventh Revised Sheet No. 100, Cancelling Sixth Revised Sheet No. 100 Second Revised Sheet No. 103, Cancelling First Revised Sheet No. 103 Second Revised Sheet No. 103.1, Cancelling First Revised Sheet No. 103.1 Second Revised Sheet No. 103.2, Cancelling First Revised Sheet No. 103.2

3. This order shall become effective on September 15, 2010.

BY THE COMMISSION

(SEAL)

Steven C. Reed Secretary

Clayton, Chm., Davis, Jarrett, Gunn, and Kenney, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge