

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

In The Matter of Missouri Gas Energy's)	
Tariff Sheets Designed to Increase the)	<u>File No. GT-2011-0049</u>
Rebate Level for Tank Water Heaters)	Tariff No. JG-2011-0051
Provided to Customers in the Missouri Service)	

**MISSOURI DEPARTMENT OF NATURAL RESOURCES' RESPONSE IN
OPPOSITION TO PUBLIC COUNSEL'S MOTION TO SUSPEND**

COMES NOW the Missouri Department of Natural Resources (MDNR) and states as follows:

1. The Commission should permit MGE's tariff filing in Tariff No. JG-2011-0051 to take effect without suspension. MDNR generally concurs in MGE's Response in Opposition to Public Counsel's Motion to Suspend filed herein on August 26, 2010.

2. Delaying implementation of the proposed tariff revisions is contrary to the public interest and to the Commission's Order in MGE's recent rate case, GR-2009-0355, would deprive MGE residential customers of appropriate incentives to purchase energy efficient appliances, and would delay the opportunity for MGE to offer appropriate incentives to small general services customers.

3. Public Counsel's position regarding Energy Star appliances is confounding in that when Energy Star determinations are changed, appliance dealers do not pull every water heater that complied with the "old" Energy Star criteria off the floor and instantly replace them with water heaters meeting "new" Energy Star criteria. Neither do they rip the Energy Star stickers off existing water heaters, because those water heaters continue to be Energy Star certified. A transition period is going to occur. MGE's tariff does not address the specific Energy Factor

rating eligible water heaters must meet. The tariff need not be delayed for any reasons related to the Energy Factor rating for Energy Star water heaters.

4. No harm would come from permitting the tariff sheets to take effect on the proposed effective date. Clear harm will come if the tariff is suspended. As suggested in the Order Shortening Time for Response and Directing Filing, the issues raised by Public Counsel need not be resolved before the tariff takes effect; they can be addressed after the effective date.

5. The tariff filing was an appropriate method of bring this matter before the Commission.

WHEREFORE, the Missouri Department of Natural Resources respectfully requests that the Commission permit MGE's tariff filing JG-2011-0051 to take effect on the proposed effective date.

Respectfully submitted,

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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 on the 27th day of August 2010.

Sarah Mangelsdorf
Assistant Attorney General