

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

In the Matter of Summit Natural Gas of                    )  
Missouri, Inc.'s Proposed Conversion                    )       File No. GO-2013-0360  
Program Extension.    )

**SNG REPLY TO PUBLIC COUNSEL REPLY**

Comes now Summit Natural Gas of Missouri, Inc. (SNG or Company) and, in reply to Public Counsel's Reply to Company's Response to Motion to Suspend, respectfully states as follows to the Missouri Public Service Commission (Commission):

1.       On January 24, 2013, the Office of the Public Counsel (Public Counsel) filed its Reply to Company's Response to Motion to Suspend. SNG would like to take this opportunity to reply to some of the Public Counsel allegations of "lawful interpretation."

2.       Because Public Counsel suggests that SNG arguments "misinterpret the Commission's rules," SNG believes it would be helpful to provide the complete text of the Commission rule that specifically applies to approval of gas utility Promotional Practices (4 CSR 240-3.255). That text reads as follows:

**4 CSR 240-3.255 Filing Requirements for Gas Utility Promotional Practices**

*PURPOSE: This rule prescribes the filing requirement for present, proposed or revised promotional practices.*

(1) Any promotional practices offered by a gas utility must meet the requirements set out in the commission's rules regarding utility promotional practices (4 CSR 240-14).

(2) No gas utility or its affiliate shall offer or grant any additional promotional practice or *vary or terminate any existing promotional practice*, directly or indirectly, or in concert with others, or by any means whatsoever, *until a tariff filing showing the addition or variation or termination in the form prescribed by this rule has been made with the commission and a copy furnished to each other gas utility providing the same or competing utility service in any portion of the service area of the filing utility.*

(A) The utility shall provide the following information on the tariff sheets:

1. The name, number or letter designation of the promotional practice;
2. The class of persons to which the promotional practice is being offered or granted;
3. Whether the promotional practice is being uniformly offered to all persons within that class;
4. A description of the promotional practice and a statement of its purpose or objective;
5. A statement of the terms and conditions governing the promotional practice;
6. If the promotional practice is offered or granted, in whole or in part, by an affiliate or other person, the identity of the affiliate or person and the nature of their participation; and
7. Other information relevant to a complete understanding of the promotional practice.

(B) The utility shall provide the following supporting information for each promotional practice:

1. A description of the advertising or publicity to be employed with respect to the promotional practice;
2. For promotional practices that are designed to evaluate the cost-effectiveness of potential demand-side resources, a description of the evaluation criteria, the evaluation plan and the schedule for completing the evaluation; and
3. For promotional practices that are designed to acquire demand-side resources, documentation of the criteria used and the analysis performed to determine that the demand-side resources are cost-effective.

*AUTHORITY: section 386.250, RSMo 2000.\* Original rule filed Aug. 16, 2002, effective April 30, 2003.*

(emphasis added).

3. SNG does not necessarily argue that “Commission rules do not require a Commission waiver,” as suggested by Public Counsel. SNG merely points out that there is a specific Commission rule (and thus process) governing how a gas utility obtains permission for promotional practices. That Rule (3.255) clearly references Chapter 14. Thus, it is not a separate process, but an alternate process. If a formal application were required in all instances, there would be no reason for 3.255 to exist.

4. This rule is far more recent than Chapter 14 itself, as the Chapter 3 rule was promulgated effective 2003, and the Chapter 14 rules were promulgated effective 1993.

5. Public Counsel suggests that following the Commission's Chapter 3 process would "render Chapter 14 meaningless." 4 CSR 240-3.255 doesn't render Chapter 14 meaningless. It merely establishes a process by which Commission permission for a Promotional Practice may be obtained.

6. In paragraph 4 of Public Counsel's Reply, Public Counsel quibbles with SNG's use of the word "terminate" in regard to the impact of the course of action Public Counsel seeks. This conversion program has been available to customers since 1994. While the existing tariff sheets contain an ending date of December 31, 2012, the tariff proposed by SNG would extend that program until December 31, 2014. SNG's proposal would extend a longstanding program. Public Counsel's recommended course of action would ensure the unavailability of the program termination for some unknown time period (maybe temporarily, maybe forever).

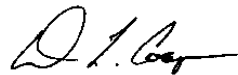
7. Public Counsel erroneously states that "SNG's decision to oppose OPC's motion rather than seek the required variance should raise suspicion that SNG lacks confidence in its ability to show good cause for a variance." Apparently, it will surprise Public Counsel to know that in the midst of an expansion project, SNG would rather obtain permission to extend a tariffed conversion program through a tariff filing rather than a contested/litigated case. *No matter what the subject*, a utility would rather gain Commission permission through a tariff filing than through a litigated case. This speaks not to the value of the argument, but to the reality of business. Litigated cases take time, resources and the expenditure of funds. In this case, it is valuable time, resources and funds for a business attempting to grow sufficiently in new territories to remain viable.

8. Lastly, SNG's prior response described the good cause for the program the Commission previously found to exist and which continue to be present. For example, the

conversion program benefits low income and fixed income consumers who might not otherwise have the opportunity to enjoy the benefits of natural gas; it encourages the development of natural gas demand to ensure the economic operation of the natural gas system and the lowest possible rates to consumers both near-term and long-term; and it permits consumers to gain access to natural gas more quickly, more effectively and efficiently. The public interest would be furthered by the continuation of this conversion program.

WHEREFORE, SNG respectfully requests that the Commission deny OPC's Motion to Suspend Tariff and Request for Evidentiary Hearing and allow the underlying tariff to become effective on January 29, 2013, as a matter of law.

Respectfully submitted,



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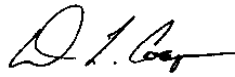
ATTORNEYS FOR SUMMIT NATURAL GAS  
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## CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on January 27, 2013, to the following:

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