

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

In the Matter of Missouri Gas Energy	)	
Proposed Tariff Sheets to Administer	)	Case No. GT-2007-0477
Natural Gas Conservation Initiatives	)	Tariff File No. YG-2007-0880

**SUGGESTIONS OF MISSOURI GAS ENERGY IN OPPOSITION TO THE  
OFFICE OF THE PUBLIC COUNSEL’S MOTION TO SUSPEND TARIFF**

COMES NOW Southern Union Company d/b/a Missouri Gas Energy (“MGE” or the “Company”) and for its Suggestions in Opposition to a Motion to Suspend Tariff (the “Motion”) filed by the Office of the Public Counsel (“OPC”), states the following:

1. On June 11, 2007, OPC filed its Motion requesting that the Commission suspend proposed tariff sheets assigned to tracking number YG-2007-0880. MGE had filed tariff sheets on June 1, 2007 setting forth the administration of the Company’s residential and natural gas conservation initiatives, including an energy efficient water heater rebate program. The tariff sheets bear an effective date of July 1, 2007.

2. The Commission should deny the Motion. The Commission already has concluded that MGE’s natural gas conservation program “is not included in the Commission’s definitions of what constitutes promotional practices” when responding to similar arguments contained in OPC’s Application for Rehearing filed in Case No. GR-2006-0422.<sup>1</sup> The Commission’s finding makes perfect

---

<sup>1</sup> Order Denying Applications for Rehearing, p. 3, May 3, 2007.

sense when one considers that the objective behind a promotional practice generally is to implement a load building program. Conservation programs, by contrast, are intended to accomplish precisely the opposite objective.

3. Even if OPC's assumptions were correct, its objection to the tariff filing exalts form over substance. OPC's objection is a technical one, that is, that the tariff filing does not include the supporting information otherwise required by 4 CSR 240-3.255(2)(B). This ignores the fact that the Commission fully considered and approved the outlines of the Company's natural gas conservation program in Case No. GR-2006-0422 so including the filing requirements under the Commission's promotional practices rule in order to justify the programs would be redundant and unnecessary.

4. Even if one were to assume that MGE's natural gas conservation programs are in the nature of a traditional promotional practice, the definition of the term expressly excludes energy audits and other informational programs from the scope of the rule so the filing requirements would not apply. See, 14 CSR 240-14.010(6)(L)(8).

5. Also, there can be no serious debate that high efficiency conventional and tankless natural gas water heaters are cost effective. With reference to Table 2 of the attached Appendix A,<sup>2</sup> the energy saving realized as between a standard water heater and a high-efficiency model will be greater than the cost of the rebate over the life of a storage water heater. Even at MGE's relatively low current PGA rate of approximately \$0.80/Ccf, savings over the nine

---

<sup>2</sup> Energy Star® Residential Water Heaters: Draft Criteria Analysis, May 2, 2007.

year expected life of a 50 gallon capacity unit are \$137 which exceeds the incentive by \$62.

6. The Commission will not be alone if it approves the Company's proposed tariff sheets. Far from it. An overview of similar programs approved for many other natural gas utilities around the country is attached hereto as Appendix B. A link to the interactive posting can be found at [http://www.cee1.org/gas/gs-ht/06\\_progsum\\_water-ht.pdf](http://www.cee1.org/gas/gs-ht/06_progsum_water-ht.pdf).

7. The only practical impact of granting OPC's Motion would be to deprive customers of a valuable tool for controlling their natural gas commodity costs. How this might serve the public interest is a mystery to MGE.

WHEREFORE, for the reasons aforesaid, the Motion should be denied.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND

By:     /s/ Paul A. Boudreau      
Paul A. Boudreau      Mo. Bar # 33155  
BRYDON, SWEARENGEN & ENGLAND P.C.  
P.O. Box 456, 312 East Capitol Avenue  
Jefferson City, MO 65102-0456  
Telephone: (573) 635-7166  
Facsimile: (573) 634-7431  
[paulb@brydonlaw.com](mailto:paulb@brydonlaw.com)

## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted, sent by U.S. Mail, postage prepaid, or hand-delivered, on this 13<sup>th</sup> day of June, 2007, to:

General Counsel Office  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102

Marc Poston  
Office Of Public Counsel  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102

/s/ Paul A. Boudreau  
Paul A. Boudreau