

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

In The Matter of The Empire District Gas)	
Company of Joplin, Missouri for Authority to)	
File Tariffs Increasing Rates for Gas Service)	<u>File No. GR-2009-0434</u>
Provided to Customers in the Missouri Service)	Tariff No. YG-2009-0855
Area of the Company.)	

**MISSOURI DEPARTMENT OF NATURAL RESOURCES' STATEMENT OF
POSITION**

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

The Missouri Department of Natural Resources (MDNR) is actively participating
in one issue, only, in this case. Consequently, its Statement of Position will be confined
to the Demand Side Management and Energy Efficiency Issue appearing on page 3 of the
List and Order of Issues, List and Order of Witnesses, and Order of Cross-Examination
filed December 29, 2009 in the above-styled case. However, the MDNR's silence on the
other issues in the above-styled case should not be construed as agreement with the
position advocated by any other party to this case.

Section 393.130.1, RSMo states, "[e]very gas corporation...shall furnish and
provide such service instrumentalities and facilities as shall be safe and adequate and in
all respects just and reasonable." Energy efficiency programs that are designed to reduce
natural gas consumption by its customers can potentially lead to the reduction of
wholesale natural gas prices as well as generating direct cost savings to natural gas
customers, which will be reflected in rates. Therefore, because energy efficiency

programs are designed to increase the efficiency, and in turn the adequacy, of the service a gas company provides, the Commission has the ability to authorize such programs in order to ensure that the rates that are charged to the customers are just and reasonable.

Paragraph 1 of page 3, under the heading “List of Issues”, states as follows:

Demand Side Management and Energy Efficiency

1. At what level should Empire make funding available for DSM and Energy Efficiency programs?

MDNR’s position on this issue is that the Commission should authorize the continuation of Empire District Gas Company’s (EDG) energy efficiency programs and allow EDG to maintain its planned investment of 0.332 percent for 2010, but increase the investment ratio to 0.5 percent in 2011, and then increase the investment ratio to 1.0 percent for 2012, with each percentage applicable to total operating revenues, including gas revenues.

In addition, the Commission should authorize EDG to implement the following programs as described in the direct testimony of Sherrill McCormack, with the exception of the High Efficiency Water heating program which should be implemented as described in Sherrill McCormack’s testimony except that the rebate amount for tank storage water heaters should be as set by EDG with input from the DSM Collaborative:

Low Income Weatherization

High Efficiency Water Heating

High Efficiency Space Heating

Home Performance of Energy Star

Large Commercial Audit and Rebate

The Commission should further authorize EDG to include the Apogee and Building Operator Certification programs in the portfolio.

WHEREFORE, MDNR respectfully submits its Statement of Position.

Respectfully submitted,

CHRIS KOSTER
Attorney General

/s/ Sarah Mangelsdorf
Sarah Mangelsdorf
Assistant Attorney General
P.O. Box 899
Jefferson City, Missouri 65102
Bar No. 59918
573-751-0053
573-751-8796 (fax)
smangelsdorf@ago.mo.gov

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 31st day of December, 2009.

/s/ Sarah Mangelsdorf
Sarah Mangelsdorf
Assistant Attorney General