

P.S.C. MO No. 3	Cancels	P.S.C. MO No. 3	2 nd Revised	Sheet No. <u>7</u>
			1 st Revised	Sheet No. <u>7</u>
<u>Summit Natural Gas of Missouri, Inc.</u>		For: <u>All Towns and Communities</u>		
Name of Issuing Company		For: <u>Within SNG-MO Certificated Service Areas</u> Community, Town or City		

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Issued By: Kurt Adams
CEO
Name and Title of Issuing Officer

7810 Shaffer Parkway, Ste. 120
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Company Mailing Address

P.S.C. MO No. 3	Original Sheet No. <u>92</u> Sheet No.
<u>Summit Natural Gas of Missouri, Inc.+</u> Name of Issuing Company	All Towns and Communities For: <u>Within SNG-MO Certificated Service Areas+</u> Community, Town or City
<u>EQUIPMENT REBATE PROGRAM PILOT</u>	
PURPOSE The purpose of the Equipment Rebate Program (ERP) Pilot is to (1) promote the installation of high efficiency natural gas equipment within Summit Natural Gas of Missouri's (SNGMO or Company) service territories by offering rebates that are expected to be cost effective and (2) to perform an evaluation of the program implementation and results.	
DEFINITIONS <u>Administrator</u> – SNGMO will administer the program <u>Participant</u> – A customer that submits a rebate application to the Administrator after the installation and commissioning of qualifying equipment or requests a free opt-in water kit. <u>Participant Cost Test (PCT)</u> – The test of cost-effectiveness of demand-side programs that measures the economics of a demand-side program from the perspective of the participants in the program. <u>Program Year</u> – January 1 through December 31 <u>Total Resource Cost Test (TRC)</u> – The test of the cost-effectiveness of demand-side programs that compares the avoided utility costs to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus utility costs to administer, deliver, and evaluate each demand-side program. <u>Utility Cost Test (UCT)</u> – The test that compares the avoided utility costs to the sum of all utility incentive payments, plus utility costs to administer, deliver, and evaluate each demand-side program for supply-side resources.	
PROGRAM DESCRIPTION The measures proposed for the ERP Pilot include common market-ready technologies included in other successful utility energy efficiency programs. SNGMO will provide a financial incentive in the form of a rebate check to eligible Participants who purchase and install qualifying natural gas equipment identified in the table below. Rebate forms will be available for download on the Company website (https://summitnaturalgas.com). Participants will mail in the completed rebate application form along with copies of all required supporting documentation. SNGMO will process the rebate request and either mail the customer a check or a denial letter stating why the rebate application and/or installed equipment does not qualify within four to six (4-6) weeks.	

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All Towns and Communities

Summit Natural Gas of Missouri, Inc.+ For: Within SNG-MO Certificated Service Areas+
 Name of Issuing Company Community, Town or City

EQUIPMENT REBATE PROGRAM PILOT (CONT'D)

Measure	Efficiency Level	Customer Rebate
Boiler	90% AFUE or higher	\$300
Furnace	90-94.9% AFUE	\$400
	95% AFUE or higher	\$500
Tankless Water Heater	0.90 EF or higher	\$400
Smart Thermostat	Nest® or Ecobee®	\$100

Opt-in water kits will be mailed to Participants who request them at no charge. These kits will include low flow shower heads, faucet aerators, and a water temperature card to help Participants reduce both water and natural gas consumption. Three kits, designed for one (1), one and a half (1.5) and two (2) bathroom homes, will be offered. Requests for opt-in water kits will be accepted through an online submission form on the Company's website, and orders will be processed periodically in batches, based on demand.

SNGMO staff will provide the overall strategic direction and administration of the program. SNGMO will process equipment rebate applications in-house but may procure an outside vendor to fulfill opt-in water kit requests.

SNGMO will market the program primarily through the Company website, bill stuffers and brochures. Radio or print advertising may also be utilized to drive participation.

In the event of program oversubscription, the Company may:

1. Establish a waiting list for payment of pending rebates in the following program year.
2. File for a program budget modification.
3. Notify customers via the Company website that program funds have been exhausted and remove links to the downloadable rebate forms.

AVAILABILITY

Equipment rebates under this program are available to active SNGMO customers who install qualifying equipment and receive service under the following rates:

1. General Service (GS) in Gallatin, Warsaw and Lake of the Ozarks
2. GS-Residential in Rogersville and Branson
3. Commercial Service (CS) within all SNGMO's service territories

Any active SNGMO customer, owner or tenant, within an eligible rate class may participate in the ERP Pilot; however, the installed measure must save energy (natural gas) delivered by SNGMO.

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EQUIPMENT REBATE PROGRAM PILOT (CONT'D)

For high efficiency natural gas furnace, water heater and boiler rebates, eligible installations include both new construction and equipment replacements in residential and commercial buildings. Smart thermostat rebates and opt-in water kits are available to residential customers only.

Additional terms and conditions may be included on the Company's website, marketing materials, and rebate application forms.

REPORTING

The Company will submit its first ERP Pilot annual report on February 28, 2020, which will cover a partial Program Year 2018 and Program Year 2019. Subsequent annual reports will be submitted on February 28, 2021 and February 28, 2022. The annual reports shall include (1) a narrative description of the status of each program, (2) information (by program) on actual program expenditures and estimated impacts, and (3) a comparison (by program) of budgeted expenditures and impacts (CCF's, to the extent reasonably available) to actual expenditures and impacts.

EVALUATION PLAN

The evaluation, measurement and verification of the rebate program will be performed by an independent, third-party evaluator. The overall evaluation objectives will be to provide an impact evaluation including determining gross and net gas savings attributable to the ERP Pilot. Gross savings will be determined through a calibrated engineering approach (i.e., reviewing the program tracking data for actual equipment characteristics, such as efficiency levels, and updating the engineering algorithms accordingly). Net savings will be determined through a review of secondary data from similar programs. The evaluation contractor will also interview program and implementation staff to determine their perspective on the strengths and limitations of the ERP Pilot. Cost effectiveness tests (TRC, UCT and PCT) will be completed by the evaluator. The evaluation plan will begin October 1, 2020 and the Evaluation Report will be submitted with the Program Year 2020 Annual Report on February 28, 2021.

PROGRAM BUDGET

The annual budget for the ERP Pilot will be \$150,000 for each Program Year. This represents approximately 0.50% of SNGMO's three-year average gross revenues. The budget for Program Year 2019 will include a prorated budget for the partial 2018 Program Year. Program funds will be used to cover (1) rebates paid directly to program participants and (2) utility costs to administer, deliver, and evaluate the program. Funding for this program is set forth in the Stipulation and Agreement in Case No. GR-2014-0086.

COST RECOVERY

The Company shall be authorized to accumulate any energy efficiency costs for which there is a general consensus among the Advisory Group members in a regulatory asset account as the costs are incurred, for potential recovery in a future rate case. The regulatory asset account shall accrue interest at the Company's short-term debt rate through the Company's next rate case. Program costs in the regulatory asset account that have been prudently incurred will be included in rate base in the Company's next general rate case and amortized over six (6) years.

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<u>EQUIPMENT REBATE PROGRAM PILOT (CONT'D)</u>	
<p>PROGRAM TERM The ERP Pilot will run from October 1, 2018 through December 31, 2021, unless funding for this program does not continue due to the elimination of funding resulting from a Commission order. The implementation of any changes to the tariff are contingent upon approval of this tariff.</p> <p>All installations of qualifying measures must occur no later than November 30, 2021. All rebate forms submitted for eligible measures for this program must be submitted and postmarked no later than November 30, 2021.</p> <p>ENERGY EFFICIENCY ADVISORY GROUP An Energy Efficiency Advisory Group (Advisory Group) was established as a result of Commission order in Case No. GR-2014-0086. The Advisory Group will continue to provide feedback to the Company regarding the design, implementation, and evaluation of its energy efficiency programs. The Advisory Group shall convene meetings or conference calls at least two times per year, at which the Company shall provide updates on:</p> <ol style="list-style-type: none"> 1. The status of program design and implementation, including the amount of expenditures for the program and the level of customer participation. 2. The status of program evaluations, including consultants chosen, evaluation budgets, evaluation expenditures, and copies of any interim and final evaluations. 3. The status of new program selection and design efforts. 	

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