

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

In the Matter of the Application of Summit	)	
Natural Gas of Missouri Inc., for Approval	)	<b><u>File No. GT-2025-0271</u></b>
of a Tariff Revision Related to the Equipment	)	Tracking No. JG-2025-0144
Rebate Program Pilot	)	

**STAFF RECOMMENDATION FOR REJECTION OF THE APPLICATION  
FOR APPROVAL OF TARIFF REVISION TO EXTEND EQUIPMENT  
REBATE PROGRAM PILOT AND REQUEST FOR WAIVER**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, hereby submits its *Staff Recommendation for Rejection of the Application for Approval of Tariff Revision to Extend Equipment Rebate Program Pilot and Requested Waiver* (“*Staff Recommendation*”) and respectfully states in support as follows:

1. On April 3, 2025, Summit Natural Gas of Missouri Inc. (“Summit”) filed its *Application for Approval of Tariff Revision to Extend Equipment Rebate Program Pilot and Request for Waiver* (“*Application*”) with the Commission, along with the related tariff sheets (Tariff Tracking No. JG-2025-0144) to extend its Equipment Rebate Program (“ERP”) Pilot. The tariff sheets have issue dates of April 3, 2025, and effective dates of May 3, 2025. As part of its *Application*, Summit has requested a waiver of the 60-day notice requirement set forth in 20 CSR 4240-4.017(1).

2. On April 4, 2025, the Commission issued its *Order Setting Intervention Deadline and Directing Staff Recommendation* (“*Order*”); wherein, the Commission ordered any person or entity wishing to intervene shall do so no later than April 17, 2025, and Staff to file its recommendation no later than April 22, 2025.

3. Staff has reviewed Summit's filing and tariff sheets and submits its recommendation as further explained in the accompanying *Staff Recommendation Memorandum*, marked as Appendix A and incorporated by reference herein.

4. The Staff of the Missouri Public Service Commission has reviewed the proposed tariff sheets and documents related to the ERP Pilot, and recommends the Commission **reject** Summit's request. Staff recommends the denial of the continuation of the ERP Pilot as the program should be re-evaluated during the course of a future rate case proceeding to determine the effectiveness and value of the program, especially in light of the signing of Senate Bill 4.

5. Staff strongly encourages Summit to submit an application for a rate case within the next two years. Summit has not had a complete rate case that fully evaluated customer rates since 2014 (Case No. GR-2014-0086). It did have a rate case in 2018 (Case No. GR-2018-0230), but this case was initiated by Staff regarding the effects of the Tax Cut and Jobs Act of 2017. Summit later submitted two *Notice of Intended Case Filings* in Case Nos. GR-2020-0069 and GR-2020-0213, but later withdrew each notice.

6. In addition, Staff recommends the Commission issue an order requiring Summit to cease issuing rebates for the program, in accordance with the terms of its tariff.

**WHEREFORE**, for the reasons stated above and discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends: the Commission reject Summit's Application for an extension of its ERP Pilot and Request for Waiver; require Summit to submit an application for a rate case no later than April 30, 2027; require Summit to cease issuing rebates and discontinue the ERP Pilot; and grant such other and further relief as is appropriate under the circumstances.

Respectfully submitted,

**/s/ J. Scott Stacey**

J. Scott Stacey  
Deputy Counsel  
Missouri Bar No. 59027  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
573-522-6279  
573-751-9285 (Fax)  
[scott.stacey@psc.mo.gov](mailto:scott.stacey@psc.mo.gov)

**ATTORNEY FOR STAFF OF THE  
PUBLIC SERVICE COMMISSION**

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 22<sup>nd</sup> day of April, 2025.

**/s/ J. Scott Stacey**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
File No. GT-2025-0271, Tariff Tracking No. JG-2025-0144  
Summit Natural Gas of Missouri Inc.

**FROM:** Daronn A. Williams, Associate Engineer  
Water, Sewer, Gas, and Steam Department

/s/ Daronn A. Williams 4/22/2025  
Industry Analysis Division /Date

**SUBJECT:** Staff Recommendation for Rejection of the Application for Approval of  
Tariff Revision to Extend Equipment Rebate Program Pilot and Request  
for Waiver.

**DATE:** April 22, 2025

### SUMMARY

On April 3, 2025, Summit Natural Gas of Missouri Inc. (“Summit” or “Company”) filed its *Application for Approval of Tariff Revision to Extend Equipment Rebate Program Pilot and Request for Waiver* (“Application”), along with the related tariff sheets (Tariff Tracking No. JG-2025-0144) to extend its Equipment Rebate Program (“ERP”) Pilot. The ERP Pilot was to run until December 31, 2024. The Application requests that the Commission authorize tariff sheets extending the program until December 31, 2027. On April 4, 2025, the Commission issued its *Order Setting Intervention Deadline and Directing Staff Recommendation* ordering Staff file its recommendation no later than April 22, 2025.

### BACKGROUND

The ERP Pilot is currently included in Summit’s tariff (Sheets Nos. 92-95). The purpose of the ERP Pilot is to: (1) promote the installation of high efficiency natural gas equipment within Summit’s service territories by offering rebates to customers and installers; and, (2) to perform an evaluation of the program implementation and results. The ERP Pilot includes rebates for high efficiency furnaces, tankless water heaters, and thermostats. The Program also provides rebates for the installation of the Company’s water efficiency kits and stand-alone water efficiency

**APPENDIX A**

equipment, such as low-flow showerheads and faucet aerators. Such equipment can save gas usage where water is heated using a gas hot water heater.

The ERP Pilot originated from a *Partial Stipulation and Agreement* filed in Case No. GR-2014-0086, but was officially initiated through the filing of proposed tariff sheets on September 14, 2018 (Tracking No. JG-2019-0045), and was implemented effective October 14, 2018. The initial ERP Pilot program ran from 2018 through the end of 2021. In 2021, Summit requested and received an extension of the ERP Pilot program through December 31, 2024 in File No. GT-2022-0052.

Summit is required to submit annual reports for its ERP Pilot each February, and has consistently provided those reports since February 2020. The ERP Pilot annual reports include:

- (1) a narrative description of the status of each program;
- (2) information, listed by program, on actual program expenditures and estimated impacts; and
- (3) a comparison (by program) of budgeted expenditures and impacts to actual expenditures and impacts.

While reviewing this application, Staff reached out to Summit and was informed that even though authorization for the ERP Pilot ended December 31, 2024, per its tariff, the Company continued to issue rebates. The Company issued 86 rebates since January 1, 2025, totaling \$41,700. These expenses will be evaluated in more detail during Summit's next rate case.

### **STAFF'S RECOMMENDATION**

The Staff of the Missouri Public Service Commission has reviewed the proposed tariff sheets and documents related to the ERP Pilot, and recommends the Commission **reject** Summit's request. Staff recommends the denial of the continuation of the ERP Pilot because Staff believes the program should be re-evaluated during the course of a future rate case proceeding to determine the effectiveness and value of the program, especially in light of the signing of Senate Bill 4.

Staff strongly encourages Summit to submit an application for a rate case within the next

two years. Summit has not had a complete rate case fully evaluating customer rates since 2014 (Case No. GR-2014-0086). Summit did have a rate case in 2018 (Case No. GR-2018-0230), but this case was initiated by Staff regarding the effects of the Tax Cut and Jobs Act of 2017. Summit later submitted two *Notice of Intended Case Filings* in Case Nos. GR-2020-0069 and GR-2020-0213, but later withdrew each notice.

In addition, Staff recommends the Commission issue an order requiring Summit to cease issuing rebates for the program, in accordance with the terms of its tariff.

In conclusion, Staff recommends the Commission issue an order in this case that:

1. Reject Summit's tariff request extending the ERP Pilot and other tariff changes,
2. Require Summit submit an application for a rate case no later than April 30, 2027, and
3. Require Summit to cease issuing rebates and discontinue the ERP Pilot.

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

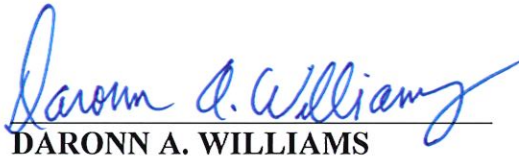
In the Matter of the Application of Summit                     )  
Natural Gas of Missouri Inc., for Approval                     )                     File No. GT-2025-0271  
of a Tariff Revision Related to the Equipment                     )  
Rebate Program Pilot                     )

**AFFIDAVIT OF DARONN A. WILLIAMS**

STATE OF MISSOURI             )  
   )                     ss.  
COUNTY OF COLE             )

**COMES NOW DARONN A. WILLIAMS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

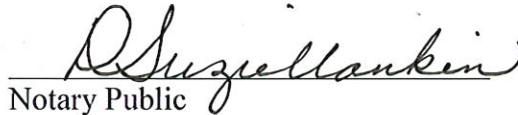
Further the Affiant sayeth not.

  
**DARONN A. WILLIAMS**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21<sup>st</sup> day of April 2025.



  
Notary Public