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July 31, 2003

FILED²
JUL 31 2003
Missouri Public
Service Commission

Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

Re: Case No. GA-2003-0492
Application of Missouri Gas Energy, a Division of Southern Union Company,
for a certificate of public convenience and necessity

Dear Mr. Roberts:

Enclosed for filing by Missouri Gas Energy, a Division of Southern Union Company (MGE), on behalf of MGE and the parties to this case, please find a Unanimous Stipulation and Agreement.

Please see that this filing is brought to the attention of the appropriate Commission personnel. Copies of the attached are being provided to parties of record. If you have any questions regarding this filing, please give me a call. I thank you in advance for your attention to and cooperation in this matter.

Sincerely,

Dean L. Cooper *by BTM*

Dean L. Cooper

DLC/BTM/da

Enclosure

cc: Parties of Record

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

FILED²
JUL 31 2003
Missouri Public
Service Commission

In the Matter of the Application of Missouri Gas)
Energy, a Division of Southern Union Company,)
for a Certificate of Public Convenience and)
Necessity, Authorizing It to Construct, Install, Own,)
Operate, Control, Manage, and Maintain a Natural)
Gas Distribution System to Provide Gas Service)
in Greene County, Missouri, as an Expansion of Its)
Existing Certificated Area.)

Case No. GA-2003-0492

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Missouri Gas Energy, a Division of Southern Union Company ("MGE"), the City of Springfield, Missouri, through the Board of Public Utilities ("City Utilities"), the Missouri Public Service Commission ("Commission") Staff ("Staff") and the Office of the Public Counsel ("OPC"), and submit this Unanimous Stipulation and Agreement ("Stipulation") for approval by the Commission. This Stipulation resolves all remaining issues in this proceeding as follows:

BACKGROUND

1. On May 15, 2003, MGE, filed an application with the Commission under Section 393.170, RSMo 2000, requesting that the Commission grant it an "area" certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a system for the provision of natural gas service to the public under its approved rates, rules, and regulations in all of Section 29, Township 28 North, Range 21 West, in Greene County, Missouri. The primary purpose of this area certificate request was to provide for the construction of a natural gas supply line. The planned line will be constructed along Cheyenne Road in Christian County, will continue along the western section line of Section 32, Township 28 North, Range 21 West, and will then connect with the Southern Star Central Pipeline in Green County (Section 29, Township 28 North,

Range 21 West). MGE has previously been certificated to provide service in Section 32, Township 28 North, Range 21 West in Christian County.

2. City Utilities' application to intervene was granted by the Commission on July 9, 2003.

3. The Parties initiated discussions to determine whether an amicable settlement of this proceeding was possible. As a result of those discussions, the Parties have now reached a resolution and settlement of the above issues which they believe to be consistent with the public convenience and necessity.¹ As a result of this resolution, MGE has agreed to a grant of a "line" certificate, in place of the area certificate which was originally requested. Accordingly, attached hereto as Appendix A as a supplement to MGE's Application, is the additional information that would have been provided with a line certificate application under 4 CSR 240-3.205(1)(B).

4. The Parties agree that MGE shall be granted a certificate of convenience and necessity for a supply line authorizing it to:

construct, install, own, operate, control, manage and maintain a natural gas line in a portion of Section 29, Township 28 North, Range 21 West, in Greene County, Missouri described as follows:

Beginning at a point on the Southern section line of said section 50 feet East of the Southwest corner of said section, proceeding East along the Southern section line of said section for a distance of 50 feet; thence North to an intersection with the current location of Southern Star Central's pipeline, thence West a distance of 50 feet, thence

¹ During the on-the-record portion of the July 24, 2003 prehearing conference, the presiding Regulatory Law Judge indicated that the filing of this Stipulation by August 1, 2003 would obviate the previous Commission-ordered requirement to file a proposed procedural schedule by August 1.

South to the point of beginning.

5. MGE further agrees that the natural gas supply line to be constructed in accordance with this line certificate shall only connect to MGE's existing gas system and that no other lines shall be connected to the supply line to be constructed in accordance with this certificate absent further Commission authorization in a future proceeding.

6. This Stipulation shall become effective upon Commission approval without modification by final Commission order. Such order becomes "final" either by issuance of a Commission order on rehearing or, if no rehearing request is filed, thirty (30) days after issuance of the Commission's order approving the Stipulation, or such other effective date as selected by the Commission.

7. a. This Stipulation has resulted from negotiations among the Parties and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Party shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other proceedings. The Parties agree that, unless this Stipulation becomes effective as provided herein, any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed in any proceeding other than during any Stipulation presentation scheduled by the Commission in this proceeding.

b. It is specifically understood and agreed that this Stipulation represents a negotiated settlement of the issues in this proceeding settled in a manner that is in the public interest. Neither MGE, the Commission, its Staff, the OPC, nor City Utilities, shall be deemed to have approved,

accepted, agreed, or consented to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

c. The Parties further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Party or person waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation. The Parties further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Party withdrawing its support and further, the Parties reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the party contesting such Commission order.

8. In the event the Commission accepts the specific terms of this Stipulation, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000.

9. The Staff shall file suggestions or a memorandum in support of this Stipulation and the other parties shall have the right to file responsive suggestions or prepared testimony within five (5) days of receipt of Staff's suggestions or memorandum. All memoranda submitted by the Parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all Parties, shall not become a

part of the record of this proceeding and shall not bind or prejudice the Party submitting such memorandum in any future proceeding or in this proceeding, whether or not the Commission approves this Stipulation. The contents of any memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation, whether or not the Commission approves and adopts this Stipulation.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, promptly provide other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

10. To assist the Commission in its review of this Stipulation, the Parties also request that the Commission advise them of any additional information that the Commission may desire from the Parties relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

CONCLUSION

WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order:

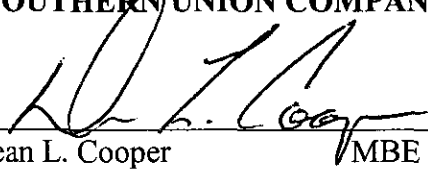
a) Approving all of the specific terms and conditions of this Unanimous Stipulation and Agreement as a resolution of all issues in this case, and granting MGE a line certificate as described herein, with the express condition set forth in paragraph 5 hereof;

- b) Directing MGE to file tariff sheet(s) which contain a description of the route of the supply line to be constructed in accordance with the line certificate herein authorized; and,
- c) Closing this case.

Respectfully Submitted,

**MISSOURI GAS ENERGY, A DIVISION OF
SOUTHERN UNION COMPANY**

By:


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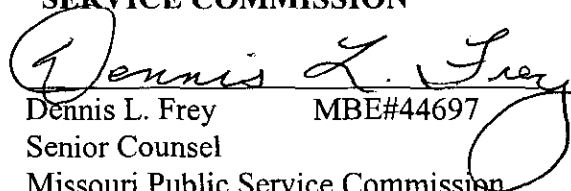
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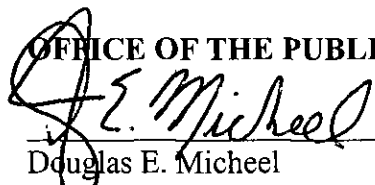
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Attorney for the Office of the
Public Counsel

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, or sent by U.S. Mail, postage prepaid, on the 31st day of July, 2003, to: Denny Frey, Public Service Commission, Governor Office Building, Jefferson City, Mo 65101; Jeffrey Keevil, 1001 Cherry Street, Suite 302, Columbia, Mo 65201; and, Douglas Micheel, Office of the Public Counsel, 6th Floor, Governor Office Building, Jefferson City, Mo 65101.

Dean Cooper by BM

APPENDIX A

4 CSR 240-3.205(1)(B)1 - “A description of the route of construction” - such a description as to the requested line is contained in paragraph 4 above.

4 CSR 240-3.205(1)(B)1 - “. . . a list of all electric and telephone lines of regulated and nonregulated utilities, railroad tracks or any underground facility . . . which the proposed construction will cross”
– There are no such facilities that the supply line will cross in the territory described in paragraph 4.

4 CSR 240-3.205(1)(B)2 - “The plans and specifications for the complete construction project and estimated cost of the construction project . . .” – This information is found at Appendix C of MGE’s Application.

4 CSR 240-3.205(1)(B)3 - “Plans for financing” – Paragraph 7 of MGE’s Application indicates that “[n]o particular external financing is anticipated for construction.” MGE will construct the line with internally available funds.