BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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,)	Case No. GA-2005-0053
Operate, Control, Manage, and Maintain a Natural)	
Gas Distribution System to Provide Gas Service)	
in Christian County, Missouri, as a Further)	
Expansion of Its Existing Certificated Area.)	

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 Staff of the Missouri Public Service Commission (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 August 26, 2004, MGE filed an application with the Missouri Public Service Commission (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 to three specific sections in Christian County, Missouri (Section 12, Township 27 North, Range 21 West; and Sections 35 and 36, Township 28 North, Range 21 West). City Utilities was granted status as an intervenor on October 1, 2004.
- 2. 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, which they believe to be consistent with the public convenience and

necessity. As a result of this resolution, MGE has agreed to a reduction of the area for which it seeks a certificate of public convenience and necessity.

- 3. Accordingly, the Parties agree that MGE shall be granted a certificate of public convenience and necessity authorizing it to:
 - construct, install, own, operate, control, manage and maintain a system for the provision of natural gas service to the public pursuant to its approved rates, rules and regulations, in: 1) that area located South of Southern View Road (as that road is situated as of the date of execution hereof) within Sections 35 and 36, Township 28 North, Range 21 West, in Christian County, Missouri; and, 2) within Section 12, Township 27 North, Range 21 West, in Christian County, Missouri.
- 4. 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.
- 5. 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.
- 6. 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.
- 7. The Staff shall file suggestions or a memorandum in support of this Stipulation. Each of the parties shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's

suggestions or memorandum, responsive suggestions or a responsive memorandum which shall also be served on all parties. 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.

- 8. 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.
- 9. 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 an area certificate as described herein; and,

b) Directing MGE to file a tariff sheet containing the following description of the area certificate to be granted:

T28n R21w 35 and 36 -- Certificate granted per Case No. GA-2005-0053, limited to that area located South of Southern View Road (as that road is situated as of [date of execution of stipulation]) within Sections 35 and 36, Township 28 North, Range 21 West, in Christian County, Missouri. T27n R21w 12.

Respectfully Submitted,

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SOUTHERN UNION COMPANY

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 20th day of October 2004.