

OF THE STATE OF MISSOURI

In the Matter of The Empire District Gas Company's)
Purchased Gas Adjustment Tariff Filing.) Case No. GR-2009-0397

STIPULATION AND AGREEMENT

COME NOW The Empire District Gas Company (EDG or Company) and the Staff of the Missouri Public Service Commission (Staff), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties have reached the stipulations and agreements contained herein. The Office of the Public Counsel has authorized EDG and the Staff to state that it does not oppose the Stipulation and Agreement and will not seek a hearing.

1. This Stipulation and Agreement is intended to settle, for purposes of the above captioned case, all issues previously identified. The Signatories recommend that the Commission accept this Stipulation and Agreement as a fair compromise of their respective positions on these issues.

2. The Parties recommend the Commission issue its order that EDG shall adjust the ACA account balance in its 2010/2011 ACA filing to reflect the following adjustments and to reflect the (over)/under-recovered ACA balance:

REVISED TABLE 1

Description (+) Under-recovery (-) Over-recovery	8-31-09 Ending Balances Per Filing	Commission Approved Adjustments prior to 2008-2009 ACA	Adjustments For 2008-2009 ACA	Revised 8-31-09 Ending Balances
Southern System: Firm ACA	\$1,166,886	\$0	(\$4,037) (A)	\$1,162,849
Interruptible ACA	(\$33,443)	\$0	\$0	(\$33,443)
Take-or-Pay	\$0	\$0	\$0	\$0
Transition Cost	\$0	\$0	\$0	\$0
Refund	\$0	\$0	\$0	\$0
Northern System: Firm ACA	(\$786,980)	\$0	(\$3,178) (A) (\$11,780) (B)	(\$801,938)
Interruptible ACA	\$57,167	\$0	\$0	\$57,167
Take-or-Pay	\$0	\$0	\$0	\$0
Transition Cost	\$0	\$0	\$0	\$0
Refund	\$0	\$0	\$0	\$0
Northwest System: Firm ACA	(\$162,322)	\$0	(\$2,586) (C)	(\$164,908)
Interruptible ACA	\$0	\$0	\$0	\$0
Take-or-Pay	\$0	\$0	\$0	\$0
Transition Cost	(\$2,586) (C)	\$0	\$2,586	\$0
Refund	\$0	\$0	\$0	\$0

- A) Property Taxes – Staff and Company agree to settle this issue at 50%
- B) Cash-out – August 2009 (\$10,042) + (\$1,738)
- C) Transition costs (TC) were transferred to the ACA account and eliminated from the TC account. The TOP, TC and Refund balances on all systems are now zero as of 8-31-09.

3. EDG agrees to change its November 2008 billing adjustment for its customer, Modine, from (\$558.81) to \$558.81.

4. As noted above, Counsel for the Office of the Public Counsel has represented to counsel for Staff and Empire that it will not oppose this Stipulation and Agreement, nor will it request a hearing so that, in accord with Commission rule 4 CSR 240-2.115, this Stipulation and Agreement may be treated as a Unanimous Stipulation and Agreement.

CONTINGENT WAIVER OF RIGHTS

5. This Stipulation and Agreement is being entered into solely for the purpose of settling the issues in this case. Unless otherwise explicitly provided herein, none of the Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology. Other than explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in these or any other proceeding regardless of whether this Stipulation and Agreement is approved.

6. This Stipulation and Agreement has resulted from negotiations among the Parties and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof, except as explicitly provided herein.

7. If the Commission does not approve this Stipulation and Agreement without condition or modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Parties shall retain all procedural and due process rights as fully as though this Stipulation and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement shall become privileged as reflecting the substantive content of

settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

8. In the event the Commission accepts the specific terms of this Stipulation and Agreement without condition or modification, the Parties waive their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to RSMo §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission order approving this Stipulation and Agreement without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation and Agreement.

RIGHT TO DISCLOSE

9. The Staff may file suggestions or a memorandum in support of this Stipulation and Agreement. 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 suggestions or memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

10. The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral

explanation the Commission requests; provided, that the Staff shall, to the extent reasonably practicable, provide the 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 the Staff. The 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 Commission Rule 4 CSR 240-2.135.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement and establishing an ACA balance consistent with that described herein.

Respectful,y submitted,

/s/ Dean L. Cooper by SW

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ATTORNEY FOR THE STAFF OF THE
MISSOURI PUBLIC SERVICE
COMMISSION

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 11th day of April, 2011.

/s/ Robert S. Berlin