

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

In the Matter of the Joint Application of Atmos Energy)
Corporation and Liberty Energy (Midstates) Corp. for)
Authority to Sell Certain Missouri Assets To Liberty) **Case No. GM-2012-0037**
Energy (Midstates) Corp. and, in Connection Therewith,)
Certain Other Related Transactions.)

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Atmos Energy Corporation ("Atmos" or "Company") and Liberty Energy (Midstates) Corp. ("Liberty-Midstates")(collectively "Joint Applicants"), the Commission Staff ("Staff"), the Office of the Public Counsel ("Public Counsel" or "OPC"), and IBEW Local No. 1439 ("IBEW")(collectively "Signatories") by and through their undersigned counsel and, pursuant to Missouri Public Service Commission ("Commission") Rule 4 CSR 240-2.115, respectfully request that the Commission approve the following Stipulation And Agreement (hereinafter referred to as the "Stipulation" or "Stipulation and Agreement") recognizing that such approval is conditioned upon Liberty-Midstates filing with the Commission evidence of the necessary FERC approval to transport gas to Rich Hill and Hume prior to closing. In support thereof, the Signatories state the following:

BACKGROUND

1. On August 1, 2011, the Joint Applicants filed their Joint Application with the Commission under Section 393.190.1, RSMo 2000 as currently supplemented; Section 393.200, RSMo.; 4 CSR 240-3.210; 4 CSR 240-3.220; and 4 CSR 240-4.020(2), requesting an order from the Commission approving the sale of certain Atmos property to Liberty-Midstates and certain

Exhibit A

related transactions (the “Transaction”).¹ Atmos and Liberty-Midstates also filed the testimony of Ian E. Robertson, David Pasioka, Peter Eichler, and Mark Martin in support of the Joint Application on August 1, 2011.

2. On August 2, 2011, the Commission issued its Order Directing Notice and Setting Date For Submission Of Intervention Requests which set August 22, 2011 as the date for any intervention requests to be filed. On August 24, 2011, IBEW Local 1439 (“IBEW”) filed for intervention. On September 12, 2011, the Commission issued its Order Granting Intervention and Setting Prehearing Conference which granted the intervention of IBEW and scheduled a prehearing conference for September 22, 2011.

3. The Signatories appeared at the prehearing conference on September 22, 2011. Thereafter, on September 29, 2011, the Staff filed, on behalf of the Signatories, a proposed procedural schedule for this case, which was adopted by the Commission by its Order issued on September 29, 2011. Pursuant to the procedural schedule, the Joint Applicants, Staff, Public Counsel, and IBEW participated in a Technical Conference on October 12, 2011. Thereafter, on November 18, 2011, the Staff, Public Counsel and IBEW provided to the Joint Applicants their proposed conditions for recommending approval of the proposed transaction.

4. Having engaged in discovery, the Signatories met for a settlement conference on December 1-2, and December 5-6, 2011, for discussion of the proposed conditions and possible settlement of the case. As a result of those discussions, the Signatories have now reached a Unanimous Stipulation And Agreement, which they recommend to the Commission as

¹ As stated in the Joint Application, Liberty-Midstates proposes to purchase substantially all of the assets of Atmos used to provide natural gas and transportation service in the States of Missouri, Illinois, and Iowa, as specifically described in the Asset Purchase Agreement dated May 12, 2011 (“Agreement”) under the terms and provisions further described in the Agreement, including its certificates of convenience and necessity.

reasonable and not detrimental to the public interest. This Stipulation resolves all remaining issues in this proceeding as set forth below.

APPROVAL OF THE TRANSACTION

5. Accordingly, the Signatories agree that:

I. General

The Commission should issue its Order:

(1) finding that the transaction described in the Asset Purchase Agreement (“Agreement”) attached to the Joint Application is not detrimental to the public interest;

(2) authorizing Atmos to sell and Liberty-Midstates to acquire the assets of Atmos identified in the application, and including the issuance of new certificates of convenience and necessity for the service areas currently served by Atmos;

(3) authorizing the Joint Applicants to enter into, execute and perform in accordance with the terms described in the Agreement and to take any and all other actions which may be reasonably necessary and incidental to the performance of the acquisition;

(4) authorizing Liberty-Midstates to maintain its books and records outside of Missouri, pursuant to 4 CSR 240-10.010;

(5) authorizing Atmos to abandon the provision of natural gas distribution in Missouri upon the closing of the transaction;

(6) if necessary, granting the Joint Applicants’ Motion for Waiver of Commission Rule 4 CSR 240-4.020(2), to the extent it may otherwise be required;

(7) granting such other relief as is appropriate under the circumstances to accomplish the purposes of the Agreement and the Joint Application and to consummate related transactions in accordance with the Agreement.

II. CONDITIONS

A. The Signatories recommend that the Commission approve the proposed sale of the assets of Atmos to Liberty-Midstates, subject to the following conditions:

1. Rate Moratorium:

Liberty-Midstates shall not file a general rate case for non-gas costs prior to December 31, 2013, unless there is the occurrence of a significant, unusual event that has a major impact on any of its Missouri service territories. Major impact is defined as loss of 20% of infrastructure or customers from events such as (i) terrorist activity or an act of God; (ii) a significant change (20%) in federal or state tax laws; or (iii) a significant change in federal or state utility or environmental laws or regulations. Liberty-Midstates will be permitted to file ISRS requests which conform to Missouri statutes, throughout the term of the general rate case moratorium. The other Signatories agree they will not file an earnings complaint against Liberty-Midstates during the same period.

2. Rate Base Offset:

Liberty-Midstates shall include a rate base offset of \$16.34 million on its books and records on the effective date of close of this Transaction. Liberty-Midstates shall amortize this rate base offset over a period of ten years commencing on the effective date of close. For clarification, the outstanding balance of such rate base offset shall serve to reduce rate base for rate making purposes in the context of future rate proceedings, which will effectively credit customers with a return on such rate base offset through lower rates and charges in future periods.

3. Acquisition Costs and Premium:

a. Liberty-Midstates shall not ever seek to include or recover any amount of acquisition costs including all transaction costs, which as used herein refers to costs relating to gaining regulatory approval, development of transaction documents, investment banking costs, costs related to raising equity incurred prior to closing of the Transaction, communication costs regarding the

ownership change with customers and employees, the cost of name changes on facilities, vehicles, sign and letterhead, and any amount of acquisition premium associated with this transaction in any future proceeding.

- b. The Signatories agree that transition costs and capital expenditures can be booked on the Liberty-Midstates books to be considered in rate cases for review of the appropriateness, reasonableness and prudence of these costs and expenditures to determine if they should be recoverable in rates. Liberty-Midstates shall have the burden of proving to the Commission in Liberty-Midstates' next general rate proceeding that recovering any such transition costs and related capital expenditures in rates is just and reasonable.
- c. If the Joint Applicants agree that any services are required subsequent to the termination of the continuing services agreements (CSA), such services shall be provided pursuant to terms determined in good faith, arms-length negotiations between the Joint Applicants. Should the Joint Applicants determine that a service is best provided by a third party, Atmos commits to use its best efforts to assist Liberty Midstates in identifying and selecting such a third party.
- d. Liberty-Midstates shall record and separately identify all transition and transaction costs that are incurred as a result of this transaction by CSA service, by month incurred, and by FERC account for the review of Staff and OPC at the time of filing of its next general rate case.
- e. Atmos and Liberty-Midstates agree that transition costs that are a part of this transaction carry no guarantee of recovery and may be challenged in a subsequent rate case.

4. Environmental:

Liberty-Midstates shall not ever seek recovery in rates for any environmental costs related to the clean-up of the Hannibal Manufactured Gas Plant site, unless such costs are related to new claims that were not known to Atmos or Liberty-Midstates at the time of closing of the Transaction.

5. Injuries and Damages and Workers' Compensation Claims:

Liberty-Midstates shall not ever seek recovery in rates for any injuries and damages and any Workers' Compensation claims for incidents that occurred prior to the date of closing of this Transaction in any future proceeding.

6. Prepaid Pension Asset Balance

Liberty-Midstates shall not ever seek recovery in rates for any amount of prepaid pension asset balance that currently exists for Atmos-Missouri in any future proceeding. In addition, the Signatories acknowledge that the manner that pensions and OPEBS have been handled in the past for Atmos is not necessarily indicative of how these two items will be dealt with in rates after the sale.

7. Affiliate Transactions and Cost Allocation Manual (CAM)

- a. Liberty-Midstates shall comply with the Commission's Affiliated Transaction and Marketing Affiliate Transaction Rules, 4 CSR 240-40.015 and -40.016. This agreement relating to affiliate transactions rule annual reporting requirements shall not waive any part of the record keeping requirements of Liberty-Midstates or its parent, or any of its affiliates as required by the Affiliate Transaction and Marketing Affiliate Transactions Rules. Liberty-Midstates shall provide Staff and OPC full access to records of affiliated entities in accordance with the Affiliate Transaction and Marketing Affiliate Transaction Rules.
- b. As required by 4 CSR 240-40.015(4)(B), Liberty-Midstates shall provide to the Staff and OPC on, or before, March 15 of the succeeding year:
 - 1) A full and complete list of all affiliate entities as defined by the rule;
 - 2) A full and complete list of all goods and services provided to or received from affiliated entities;
 - 3) A full and complete list of all contracts entered with affiliated entities;
 - 4) A full and complete list of all affiliate transactions undertaken with affiliated entities without a written contract together with a brief explanation of why there was no contract;
 - 5) The amount of all affiliate transactions, by affiliated entity and account charged by the type of transaction and amount with monthly totals; and

- 6) The basis used (e.g., fair market price, FDC, etc.) to record each type of affiliate transaction.
 - c. Upon request of Staff and/or OPC, Liberty-Midstates shall provide a list of each intercompany accounts receivable transaction between Liberty-Midstates and its parent or any other affiliate, with details including: the date, each account, the amount of each transaction, and the general ledger description of each transaction. If a general ledger description requires additional explanation, copies of this information shall be made available to the Staff within twenty (20) days upon request.
 - d. Upon request of Staff and/or OPC, Liberty-Midstates shall provide the annual calculation of all allocation factors including: all components used in the development of each and every CAM allocation factor, and all source documents to support the basis used and to verify the price charged. This information shall be maintained by Liberty-Midstates and its affiliates in accordance with the affiliate transactions rules recordkeeping requirements and copies of such documentation shall be made available to the Staff and/or OPC within twenty (20) days upon request.
 - e. Liberty-Midstates shall submit its first CAM to the Commission within ten months after the Commission approves this Stipulation. This CAM shall, among other things, describe the methods used to allocate and share costs between affiliated entities including other jurisdictions and/or corporate divisions, and shall set forth cost allocation, market valuation and internal cost methods. No approval of Liberty-Midstates' CAM is granted as part of Case No. GM-2012-0037. Liberty-Midstates shall file to seek approval from the Commission for its CAM prior to, or as part of, its next general rate case proceeding.
 - f. On an on-going basis, Liberty-Midstates shall provide a complete copy of its CAM with its annual March 15th BAFT filing and highlight any changes to the CAM.
8. Adherence to Previous Commission Orders and Stipulations and Agreements

Liberty-Midstates shall comply with all requirements resulting from all Commission Approved stipulation and agreements and Commission Orders in all cases applicable to Atmos, which are still in force, from the effective date of the Commission's Order approving Atmos' acquisition of Greeley Gas Company in Case No. GM-94-6. To the extent any requirement in those prior stipulation and

agreements and orders conflicts with a provision of the Stipulation and Agreement, the Stipulation and Agreement shall govern. In addition, Liberty-Midstates shall comply with all Commission rules (including but not limited to the Commission's Cold Weather Rule, Gas Safety rules and Affiliate Transactions rules), reporting requirements and other practices, subject to existing waivers or variances authorized by the Commission for Atmos.

9. Tariffs

Atmos has Commission approved tariffs. Liberty-Midstates shall formally adopt in whole Atmos' tariffs verbatim upon the closing of the transaction. These tariffs shall remain in effect until changed by Order of the Commission or by operation of law.

10. Depreciation Related-Issues

- a. For purposes of accruing depreciation expense, Liberty-Mid-States shall adopt the currently ordered depreciation rates for Atmos approved by the Commission in File No. GR-2006-0387 and attached as Schedule JAR-1 (Appendix 1);
- b. Atmos shall transfer all plant and depreciation reserve records to Liberty-Midstates in compliance with the format set forth in Title 18: Conservation of Power and Water Resources, Part 201—Uniform System Of Accounts Prescribed For Natural Gas Companies Subject To The Provisions Of The Natural Gas Act (FERC USOA).
- c. Liberty-Midstates shall prepare and maintain its books in accordance with the FERC Uniform System of Accounts (USOA).
- d. Staff recognizes the Depreciation Study submitted by Atmos is sufficient for meeting the requirement of 4 CSR 240-3.275. The Signatories acknowledge that this study shall be deemed to meet Liberty-Midstates' requirement to perform a depreciation study within 5 years or 3 years prior to the next rate case.
- e. The Signatories recommend the Commission order Atmos to record the entries determined in its Missouri depreciation study submitted on June 1, 2011, prior to the close of the Transaction.

f. Liberty-Midstates shall submit the following information in accordance with 4 CSR 240-3.275 Submission Requirements for Gas Utility Depreciation Studies.

- 1) FERC USOA requires the following information shall be recorded as part of a Continuing plant inventory record (CPR).
- 2) FERC USOA CPR Rule 8. *Continuing plant inventory record* means company plant records for retirement units and mass property that provide, as either a single record, or in separate records readily obtainable by references made in a single record, the following information:

A. For each retirement unit:

- (1) The name or description of the unit, or both;
- (2) The location of the unit;
- (3) The date the unit was placed in service;
- (4) The cost of the unit as set forth in Plant Instructions 2 and 3 of this part; and
- (5) The plant control account to which the cost of the units is charged;

and

B. For each category of mass property:

- (1) A general description of the property and quantity;
- (2) The quantity placed in service by vintage year;
- (3) The average cost as set forth in Plant Instructions 2 and 3 of this part; and
- (4) The plant control account to which the costs are charged.

11. Credit Issues

- a. Liberty-Midstates shall take necessary steps to ensure that Liberty-Midstates is not consolidated with Algonquin Power Co. (“APCo”) and/or Algonquin Power & Utilities Corp. (“APUC”) in the event of bankruptcy.
- b. Liberty-Midstates shall take the necessary steps to ensure that the entity on

which Liberty-Midstates relies on for debt financing has and maintains an investment grade credit rating.

- c. At the date of execution of the Stipulation and Agreement, Liberty Midstates represents that Liberty Utilities' current and proposed assets contemplated under the J.P. Morgan Credit Agreement dated as of January 18, 2012 (the "Liberty Utilities Credit Revolver") support the ability to increase the credit facility capacity if so needed. Liberty-Midstates represents that Liberty Utilities Co. will not provide APUC or APCo access to any credit facility Liberty Utilities Co. may enter into for the benefit of Liberty-Midstates.

12. Financing Authorization

The Signatories are not agreeing that any Commission financing approval is to be granted in this case. Liberty-Midstates has represented that it can finance this transaction in a manner that does not require Commission approval.

13. Service Quality Conditions

- a. Liberty-Midstates shall provide to the Staff the same monthly service quality reporting provided to the Staff by Atmos as agreed to in stipulations approved by the Commission in Case Nos. GM-2000-312 and GR-2006-0387. Such reporting shall include the following Call Center metrics: the Number of Calls Offered, the Average Speed of Answer (ASA), the Abandoned Call Rate (ACR) and Number of Call Center Staff, segregated into permanent and temporary and/or contract call center staff.
- b. Liberty-Midstates shall, at such time it begins to offer Virtual Hold or Virtual Hold-type Call Center technology, notify the Staff and the OPC and shall incorporate such metrics in its monthly call center reporting.
- c. On a monthly basis, Liberty-Midstates shall provide Staff and OPC the number of bills relying on usage estimates instead of actual meter readings and the number of bills consecutively estimated. Liberty-Midstates shall also state the number of months the bills have been estimated. Liberty-Midstates shall provide updated lists to the Staff and OPC of all of its Missouri pay stations and Missouri business offices. Liberty-Midstates shall provide lists to the Staff and the OPC whenever its pay stations and business offices change, but in any event shall provide this information annually.
- d. Liberty-Midstates shall provide the Staff and the OPC a current

organizational chart, including the positions and names of employees that have customer service responsibilities. In the event structural changes are made to Liberty-Midstates' organization, Liberty-Midstates shall provide updated organizational charts to the Staff and OPC within 30 days of such changes.

- e. Prior to closing of the Transaction, Liberty-Midstates shall provide the Staff and OPC a sample customer bill for the first billing period that includes all information required by Commission Rules, 4 CSR 240-13 (Chapter 13).
- f. Customer bills shall continue to include the "Bill Check-Off Program," as identified in item 13 of the Unanimous Stipulation and Agreement approved by the Missouri Public Service Commission in Case File No. GR-2010-0192. This program permits a customer to make a voluntary contribution to help other customers pay their bills and includes a shareholder match of customer contributions.
- g. Liberty-Midstates shall provide the Staff and the OPC all customer notifications sent to its Missouri customers describing the sale of the Atmos gas properties to Liberty-Midstates including new Liberty-Midstates contact information including but not limited to: emergency phone numbers, non-emergency phone numbers, Web-site addresses, and business office locations that will permit customer walk-in traffic and other changes.

14. Continuing Services Agreement (CSA)

- a. Atmos shall make all of the services outlined in the draft CSA schedules filed with the Staff on November 14, 2011 (attached as Appendix 2 to this Stipulation) available to Liberty-Midstates for nine (9) months following the close of the transaction. Atmos and Liberty-Midstates represent that the CSA schedules submitted to the Staff on November 14, 2011, comprise all services necessary to continue and maintain the operations at pre-transactions levels.
- b. Atmos and Liberty-Midstates shall provide the Staff and OPC final CSA schedules upon closing of this transaction.
- c. Atmos and Liberty-Midstates represent that the goal of transition services is 1) to provide for a seamless transition of all operating functions from Atmos to Liberty-Midstates and 2) to ensure that all operating functions are

performing at pre-transaction levels prior to the termination of remaining transition services. Not less than 30 days prior to the termination of any CSA, Liberty-Midstates shall notify the Staff and OPC and, if requested, coordinate a technical conference with the Staff and OPC to describe how the transition service will be provided.

- d. Liberty-Midstates shall provide to the Staff and OPC, at least every 90 days after close of the transaction until completion of all CSA services, a transition status report of the progress being made towards the assumption by Liberty-Midstates of all transition services that are being provided to Liberty-Midstates. Liberty-Midstates shall provide advance notice to the Staff and the OPC of all changes to transition plans and/or CSAs, including but not limited to those that impact customer service quality and gas supply. Copies of any and all amendments or other changes to the transition plans/CSAs shall be provided with the Liberty-Midstates transition status reports. Liberty-Midstates shall file these status reports in EFIS, under the case number GM-2012-0037.
- e. During the first 12 months following closing of the transaction, the Chief Executive Officer of Algonquin Power & Utilities Corp., the President of Liberty Utilities and a representative of Atmos shall accompany the President of Liberty-Midstates to attend quarterly meetings with Staff and OPC to provide status reports on the progress of the transaction and transition plans.
- f. Atmos and Liberty-Midstates shall participate throughout the transition period in conference calls with the Staff and OPC to discuss transition status and progress.
- g. Atmos and Liberty-Midstates shall notify Staff and OPC immediately if a CSA is determined to be required beyond the nine (9) month transition period after date of close.
 - 1) Atmos and Liberty-Midstates management shall be present for an on-the-record presentation before the Commission to be scheduled in early November 2012. Liberty-Midstates shall present witnesses to provide live testimony and be prepared to discuss the status of the transition and any problem areas and to offer action plans to ensure completion of a seamless transition without disruption to ratepayers. Liberty-Midstates witnesses shall be available for questions from the Signatories regarding the progress of the transition involving the matters contained in this Stipulation. After the closing of this Transaction, the Staff shall

file a pleading on behalf of the Signatories proposing a date for the on-the-record presentation.

- 2) The Joint Applicants have represented to Staff and OPC that they anticipate the CSAs will only be needed for a period of 9 months from the date of closing.

15. Gas Supply and Hedging Plans

- a. For the first two years after a Commission order approving the Transaction, Liberty-Midstates shall present to Staff twice annually, during the Spring and Fall, its gas supply and hedging plans for the upcoming winter. The Spring presentation shall occur no later than May 15th of each year and the Fall updated presentation shall occur no later than September 15th of each year. Thereafter, Liberty-Midstates shall present to Staff its gas supply and hedging plans no later than May 15th of each year. The Liberty-Midstates gas supply and hedging plans presentation shall include gas supply plans for normal, colder and warmer weather, storage plans, and hedging plans including strategies and control policies, and implementation (timing, types, etc.) of hedges. The Liberty-Midstates gas supply and hedging plans shall contain at least as much detail as the former Atmos plans and include a planning time horizon beyond one year.
- b. Atmos shall not delay normal gas supply planning and hedging related to the operation of these properties because of the proposed sale of these properties.
- c. Liberty-Midstates shall develop a plan to increase vendor participation in bid responses to gas-supply Requests for Proposals (RFPs).
- d. In its Spring gas supply and hedging plans presentation, Liberty-Midstates shall discuss its actions to improve gas procurement policies and procedures to consider innovative techniques to acquire reliable and reasonable-cost gas supply for each of its service areas. For example, Liberty-Midstates shall discuss its plans to increase vendor participation in bid responses to Requests for Proposals.
- e. Prior to direct assumption of gas procurement responsibility by Liberty-Midstates following termination of the CSA related to the provision of such services by Atmos, Liberty-Midstates shall have in its possession and shall be operating, an in-house gas procurement invoicing, gas procurement data

base, and operations system (SCADA, telemetry, etc.) with customer functionality similar to Atmos' systems.

- f. Atmos shall transfer to Liberty-Midstates copies of all records and documents related to PGA/ACA cases. Liberty-Midstates shall not assert its inability to obtain Atmos' records and/or its inability to have access to Atmos personnel as a defense against potential adjustments in PGA/ACA cases. Atmos shall provide Liberty-Midstates all testimony, work papers, records, data, materials and other information related to Missouri service area cost of service studies and Missouri service area class cost of service studies performed by Atmos in GR-2006-0387 and GR-2010-0192.
- g. Within 90 days after closing of the transaction, and annually no later than May 15th thereafter, for the first two years of ownership, Liberty-Midstates shall submit to the Staff and OPC a comprehensive peak day demand study. After 2 years of operation, comprehensive peak day demand studies shall be performed no less frequently than every 3 years. Liberty-Midstates shall file these peak day demand studies in EFIS, under case number GM-2012-0037.
 - 1) Liberty-Midstates's comprehensive peak day demand study shall be conducted for each Missouri natural gas service area, estimating projected peak day (coldest day) requirements for the next five years and the capacity available to meet such requirements.
 - 2) If Liberty-Midstates revises the transportation or storage capacity from that identified in the peak day demand study, Liberty-Midstates shall prepare an addendum to the peak day demand study within 6-months of making such changes, explaining the changes and the rationale for the changes, and provide the addendum to Staff and OPC. Revisions requiring an addendum include changes to any of the transportation and storage contracts (delivery or receipt points, quantities, terms, etc.). Liberty-Midstates shall file these addendums, in EFIS, under case number GM-2012-0037.
 - 3) Copies of any and all transportation contracts, including storage, contracts shall be provided to Staff, no later than 90 days after the effective date of the revised contract(s). Liberty-Midstates shall file these contracts in EFIS, under case number GM-2012-0037.
- h. Liberty-Midstates shall not seek recovery in Missouri rates for transportation charges resulting from the Gas Transportation Agreement between Atmos

and Liberty-Midstates dated February 2012, by which Atmos delivers natural gas to Liberty-Midstates at or near the Missouri/Kansas border until the effective date of rates in Liberty-Midstates' next general rate case. Recovery of transportation rate charges shall be limited for a period of eight (8) years after the effective date of recovery of these charges to no more than \$0.075MMBtu on a usage basis. Liberty-Midstates shall file a compliance tariff incorporating the provisions of this paragraph (15.h) within 30 days of the effective date of approval of this Stipulation and Agreement.

- i. Atmos and Liberty-Midstates shall ensure that reliability and transportation priority for western Missouri (WEMO) customers shall be equivalent to Kansas residential service.

16. FERC Approvals

- a. Atmos and Liberty-Midstates shall not close the sale of the Missouri Atmos properties until Liberty-Midstates receives Section 7(f) authority from FERC and Atmos receives a limited jurisdiction blanket certificate from FERC to provide transportation service.
- b. The Signatories agree that the Commission's order approving the Stipulation and Agreement should be conditioned upon Liberty-Midstates filing with the Commission evidence of the necessary FERC approval to transport gas to Rich Hill and Hume prior to closing.
- c. Nothing in this Stipulation and Agreement prevents the Commission from pursuing its interests in FERC cases CP 12-41, CP 12-42, and CP 12-53.

17. Gas Safety

- a. Liberty-Midstates shall comply fully with all of the Commission's pipeline safety regulations and, prior to operating the system, must meet the following requirements and have the following programs or plans in place and fully operational, subject to existing waivers or variances authorized for Atmos:

Field personnel shall be Operator Qualification tested;
Field personnel shall be drug tested as required by CSR 240-40.080;
Field personnel shall be trained in Missouri's specific gas safety rules;
Leak calls shall be responded to immediately;
Operations and Maintenance Plan;
Emergency Plan;

Operator Qualification Plan;
Anti-Drug and Alcohol Misuse Plan;
Damage Prevention Program;
Public Awareness Program;
Integrity Management Program for Transmission Pipelines;
Integrity Management Program for Distribution Pipelines; and,
Membership in Missouri One Call Systems, Inc
Control Room Management Program

- b. In addition to an Operator Qualification Plan, Liberty-Midstates shall have qualified personnel in place to operate the natural gas system. In addition to having an Anti-Drug and Alcohol Plan, Liberty-Midstates shall conduct pre-employment testing of new personnel, and conduct random testing as required by Commission rules.
- c. Liberty-Midstates shall have a process to receive and respond to emergency, leak and odor calls, at any time (24 hours a day, 7 days a week, 365 days a year). Joint Applicants shall have a transition plan in place for transferring to Liberty-Midstates personnel the Liberty-Midstates customers that call Atmos' telephone numbers. Liberty-Midstates shall have personnel in place to receive, dispatch and respond to emergency, leak and odor calls as required by the Commission (within one hour for inside odor call and within two hours for outside odor calls). If Liberty-Midstates changes the emergency telephone number used by the public, Liberty-Midstates shall widely advertise that number so the public is aware of the 24-hour emergency telephone number to be called in an emergency.
- d. Liberty-Midstates shall establish a plan to replace signage at regulator stations, above ground piping, road crossings and other locations. In addition to establishing a Control Room Management Program, Liberty-Midstates shall establish a gas control function for supervisory control and data acquisition (SCADA) systems for remotely controlling and monitoring remote-controlled valves and system pressures.

18. IBEW Conditions

- a. All individual Cash Balance (pension) accounts will be fully funded at the time of the closing of the sale.
- b. Liberty-Midstates will accept and conform to all terms and conditions contained in the current collective bargaining agreement between Atmos and

IBEW Local 1439 and will extend said collective bargaining agreement for one year beyond the current expiration date (2012), subject to a negotiated wage/benefit increase.

19. Miscellaneous Conditions

- a. Prior to Liberty-Midstates filing its first general rate proceeding related to the acquired Atmos properties, Liberty-Midstates will not request Commission authorization to alter or be relieved of any of the terms or conditions contained in past stipulations or Commission orders that were applicable to Atmos just prior to the acquisition.
- b. Atmos will provide Liberty-Midstates all testimony, work papers, records, data, materials and other information in Atmos' possession related to Missouri service area cost of service studies and Missouri service area class cost of service studies performed by Atmos' predecessors.
- c. Atmos will provide Liberty-Midstates all testimony, work papers, records, data, materials and other information related to Missouri service area cost of service studies and Missouri service area class cost of service studies performed by Atmos in GR-2006-0387 and GR-2010-0192.
- d. If in its first general rate proceeding related to the acquired Atmos properties, Liberty-Midstates proposes to alter the existing rate districts, alter the existing rate classifications or to apply rate increases to customer classes within a rate district in a manner other than as an equal percentage increase to all customer classes and all rate elements, Liberty-Midstates will prepare and submit to Staff and OPC a class cost of service study together with detailed work papers for each district and each customer class. The class cost of service study work papers will be provided in electronic format to Staff and Public Counsel at the time of Liberty-Midstates' direct testimony filing.
- e. Until March 31, 2014, Liberty-Midstates shall not assess reconnection charges, delinquent payment charges, or foregone delivery charge fees (see Tariff Sheet No. 21) resulting from any system conversion related error(s). To effectuate this term, the Signatories request that the Commission grant Liberty-Midstates a temporary waiver from applying these tariff-authorized charges. Until March 31, 2014, Liberty-Midstates also agrees not to disconnect customers whenever the reason for the disconnection is the result of any system conversion related error(s).

20. No Detriment

The Signatories agree that the intent of the Stipulation is to avoid detrimental impacts to customers, and that this Stipulation should be interpreted accordingly.

III. GENERAL PROVISIONS

(1) This Stipulation has resulted from negotiations among the Signatories 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 Signatory 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 Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories 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 and in the November 2012 on-the-record presentation.

(2) This Stipulation is being entered into for the purpose of disposing of all issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

(3) The Signatories further understand and agree that the provisions of this

Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Signatories 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 Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order.

(4) The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.

(5) In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories 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. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the prefiled testimony of all witnesses who have prefiled testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand.

(6) The Staff shall, within 14 days of the filing of this Stipulation and Agreement, file

suggestions or a memorandum in support of this Stipulation. Each of the other Signatories shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) business days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum which shall also be served on all Signatories. The contents of any memorandum provided by any Signatory are its own and are not acquiesced in or otherwise adopted by the other Signatories to this Stipulation.

(7) 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 Signatories 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 previously designated confidential by any signatory.

(8) Except as otherwise addressed in this Stipulation, Commission approval of the sale of assets of Atmos to Liberty-Midstates, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding Atmos or Liberty-Midstates in a future rate proceeding

(9) To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any

procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories unanimously recommend that Atmos' sale of its Missouri properties to Liberty-Midstates is reasonable and not detrimental to the public interest and respectfully request that the Commission approve this Stipulation And Agreement subject to the conditions contained herein, including that the Joint Applicants obtain the necessary FERC approvals to transport gas to Rich Hill and Hume.

Respectfully submitted,

/s/ Robert S. Berlin

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ATTORNEY for IBEW LOCAL 1439

Atmos Energy Corporation and Liberty Energy Corp.
File No. GM-2012-0037

Liberty Energy (Mid-States) Corp.
Schedule of Ordered Depreciation Rates from Atmos GR-2006-0387

Account Number	Plant Description	Butler	Kirksville	SEMO	UCG	Pal	Neelyville	Rich Hill
301	Organization							
302	Franchises and consents			0.00%	4.71%	4.71%	4.71%	0.00%
303	Miscellaneous intangible plant				20.00%	20.00%	20.00%	
311	Liquefied petroleum gas equipment				4.98%	4.98%	4.98%	
365.1	Land and land rights							
365.2	Rights-of-way	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
366	Structures and improvements	3.24%	3.24%	3.24%	0.00%	0.00%	0.00%	
367.01	Mains	1.53%	1.53%	1.53%	1.33%	1.33%	1.33%	2.72%
367.02	Mains	1.53%	1.53%	1.53%	1.33%	1.33%	1.33%	2.72%
369	Measuring & regulating station equipment	3.60%	3.60%	3.60%	1.89%	1.89%	1.89%	0.00%
370	Communication equipment	0.00%	0.00%	4.36%	4.36%	4.36%	4.36%	0.00%
374.01	Land and land rights	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
374.02	Land and land rights	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
375	Structures and improvements	2.33%	2.33%	2.50%	4.37%	4.37%	4.37%	0.00%
376.01	Mains	1.53%	1.53%	1.53%	3.43%	3.43%	3.43%	2.67%
376.02	Mains	1.53%	1.53%	1.53%	3.43%	3.43%	3.43%	2.67%
377	Compressor station equipment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
378	Measuring & regulating station equipment- General	3.00%	3.00%	3.01%	1.89%	1.89%	1.89%	2.38%
379	Measuring & regulating station equipment- City gate	3.21%	3.21%	3.15%	1.89%	1.89%	1.89%	0.00%
380	Services	5.00%	5.00%	5.00%	5.13%	5.13%	5.13%	3.14%
381	Meters	2.16%	2.16%	2.16%	2.52%	2.52%	2.52%	2.71%
382	Meter installations	3.00%	3.00%	2.96%	3.91%	3.91%	3.91%	2.71%
383	House regulators	4.55%	4.55%	4.19%	3.24%	3.24%	3.24%	2.38%
384	House regulatory installations	3.33%	3.33%	3.33%	0.00%	0.00%	0.00%	0.00%
385	Industrial measuring & regulating station equipment	3.60%	3.60%	3.60%	1.89%	1.89%	1.89%	0.00%
387	Other equipment	0.00%	0.00%	0.00%	5.52%	5.52%	5.52%	0.00%
389	Land and land rights	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
390	Structures and improvements	5.00%	5.00%	5.00%	1.00%	1.00%	1.00%	5.00%
391	Office furniture and equipment	4.75%	4.75%	4.75%	5.00%	5.00%	5.00%	4.75%
391.2	Office furniture and equipment				10.00%	10.00%	10.00%	
392	Transportation equipment	10.39%	10.39%	10.39%	10.00%	10.00%	10.00%	10.39%
393	Stores equipment	4.50%	4.50%	4.01%	5.00%	5.00%	5.00%	4.50%
394	Tools, shop, and garage equipment	4.50%	4.50%	4.33%	3.29%	3.29%	3.29%	4.50%
395	Laboratory equipment	4.00%	4.00%	3.69%	3.85%	3.85%	3.85%	4.00%
396	Power operated equipment	7.92%	7.92%	7.71%	13.81%	13.81%	13.81%	0.00%
397	Communication equipment	4.54%	4.55%	4.36%	12.00%	12.00%	12.00%	4.54%
398	Miscellaneous equipment	3.60%	3.60%	3.60%	10.00%	10.00%	10.00%	3.60%
399	Other tangible property	4.75%	4.75%	4.75%	5.00%	5.00%	5.00%	4.75%