

In the Matter of Laclede Gas Company's)
Purchase Gas Adjustment for 2005-2006) Case No. GR-2007-0179

COME NOW the Parties to the case: Fidelity Natural Gas, Inc. (Fidelity), Laclede Gas Company (Laclede), the Staff of the Commission (Staff), (collectively the Parties) and for their Nonunanimous Stipulation and Agreement to resolve all issues in this case, state as follows:

The Commission issued an order on February 21, 2006, in Case GM-2006-0183, with an effective date of February 24, 2006, in which Laclede was granted a certificate of convenience and necessity to buy the Fidelity natural gas system and to provide natural gas service as a gas corporation and public utility in the service areas previously served by Fidelity. The transaction between Laclede and Fidelity closed on February 28, 2006.

1

2008 prehearing conference the parties reached the following Stipulations and Agreements:

1. The parties have agreed to four adjustments to the ending ACA balances for 2005-2006. The first adjustment reflects a decrease in the revenue balance of \$9,874 to reflect actual revenues recovered during the months of February 2006 and March 2006.

2. The second adjustment is a gas cost reduction of \$14,284 to correct an error in recording Panhandle transportation costs in February 2006.

3. The third adjustment is a gas cost reduction of \$3,167 related to fuel losses associated with volumes Fidelity turned back to its supplier in January 2006.

4. Finally, the parties agree that any remaining issues including hedging adjustments will be settled by a reduction in gas costs of \$21,641.

5. The agreed adjustments reflect a total over-recovery of \$29,218. Fidelity shall forward this amount to Laclede by means of check or wire transfer no later than 10 days after a final order approving this Stipulation and Agreement is effective.

6. Since Fidelity's customers were the consumers who paid the gas costs, and because that service area is now operated by Laclede, Laclede has agreed to refund the amount of \$29,218 through a one-time bill credit to the approximately 1,300 active customers in such service area, within sixty (60) days of Laclede receiving the funds from Fidelity.

7. In addition, because Fidelity no longer operates a gas corporation, the Staff's recommendations concerning Fidelity's gas nominations, planning, and purchasing have become moot and are no longer applicable.

Contingent Waiver of Rights.

8. This Non-unanimous Stipulation and Agreement is being entered into solely for the purpose of settling all issues in this case as among the Parties.

9. None of the signatories to this Non-unanimous 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, and none shall be prejudiced or bound in any manner by the terms of this Non-unanimous Stipulation and Agreement in this or any other proceeding, whether this Non-unanimous Stipulation and Agreement is approved or not, except as otherwise expressly specified herein.

10. This Non-unanimous Stipulation and Agreement has resulted from negotiations among the parties, and the terms hereof are interdependent. In the event the Commission does not unconditionally approve this Non-unanimous Stipulation and Agreement without modification, then this Non-unanimous Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof, except as otherwise provided herein.

11. If the Commission does not unconditionally approve this Non-unanimous Stipulation and Agreement without modification, and notwithstanding its provision that it shall become void therein, neither this Non-unanimous 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 Signatory Parties shall retain all procedural and due process

rights as fully as though this Non-unanimous Stipulation and Agreement had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Non-unanimous 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 further purpose whatsoever.

12. In the event the Commission accepts the specific terms of this Non-unanimous Stipulation and Agreement without modification, the Signatory Parties waive their respective rights to call and to cross-examine witnesses pursuant to § 536.070(2);¹ 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 § 536.080.2; their respective rights to seek rehearing, pursuant to § 386.500 RSMo 2000; and their respective rights to judicial review pursuant to § 386.510 RSMo 2000. This waiver applies only to a Commission Order respecting this Non-unanimous Stipulation and Agreement issued in this proceeding, and does not apply to any matters raised in any other Commission proceeding, or any matters not explicitly addressed by this Non-unanimous Stipulation and Agreement.

Staff's Right to Disclose.

13. If directed by the Commission to do so, the Staff shall file suggestions or a memorandum in support of this Non-unanimous 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

¹ All statutory references are to the Revised statutes of Missouri (2000) and Supplements.

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 Non-unanimous Stipulation and Agreement, whether or not the Commission approves and adopts this Non-unanimous Stipulation and Agreement.

14. At any Commission agenda meeting at which this Non-unanimous Stipulation and Agreement is noticed to be considered by the Commission, the Staff shall have the right to provide whatever oral explanation the Commission requests, provided that the Commission and 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.

15. The Staff's oral explanation, if provided at a meeting where the advanced notice was less than 5 days, shall be disclosed to all the parties, and to the extent it refers to matters that are either privileged as a result of participation in settlement discussions, or are protected from disclosure pursuant to any protective order issued in this case the disclosure shall have appropriate protections.

No Further Issues

16. This Non-unanimous Stipulation and Agreement addresses all issues raised by the Parties in this case.

17. The Office of the Public Counsel does not join this Non-unanimous Stipulation and Agreement, but has also indicated that it will not request a hearing.

WHEREFORE the Staff of the Missouri Public Service Commission, Fidelity Natural Gas, Inc., and Laclede Gas Company recommend the Commission approve this Non-unanimous Stipulation and Agreement and order the adjustments as reflected in the table below.

Adjusted Balances for the 2005/2006 ACA, GR-2007-0179

Description	Ending ACA Balance Per Filing	Staff Adjustments	Ending ACA Balance Per Staff
2004-2005 ACA Ending Balance	(\$24,646)	\$0	(\$24,646)
Cost of Gas/Transportation	\$2,455,326	(\$17,451) (A) (\$21,641) (B)	\$2,416,234
Revenues	(\$2,519,147)	\$9,874	(\$2,509,273)
ACA Approach for Interest Calculation	\$2,879	\$0	\$2,879
Total (Over)/Under Recovery 2005-2006	(\$85,588)	(\$29,218)	(\$114,806)

(A) (\$3,167) + (\$14,284)

(B) Hedging

Respectfully submitted,

/s/ Lera Shemwell

Lera Shemwell
Deputy General Counsel
Missouri Bar No. 43792

Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-7431 (telephone)
573-751-9285 (facsimile)
lera.shemwell@psc.mo.gov

/s/ James M. Fischer

James M. Fischer, Esq. MBN 27543
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Facsimile: (573) 636-0383
E-mail: jfischerpc@aol.com

ATTORNEY FOR FIDELITY NATURAL GAS,
INC.

and

/s/ Michael C. Pendergast

Michael C. Pendergast, #31763
Vice President & Associate General Counsel

Laclede Gas Company
720 Olive Street, Room 1520
St. Louis, MO 63101
Telephone: (314) 342-0532
Facsimile: (314) 421-1979
E-mail: mpendergast@lacledegas.com

ATTORNEY FOR LACLEDE GAS COMPANY

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 26th day of March 2008.

/s/ Lera Shemwell

Lera Shemwell