

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

In the Matter of Missouri Gas Utility, )	
Inc.'s Purchased Gas Adjustment )	
(PGA) Factors to be Audited in its )	Case No. GR-2008-0136
2006-2007 Actual Cost Adjustment . )	

**STIPULATION AND AGREEMENT**

COME NOW Missouri Gas Utility, Inc. (MGU or Company), the Staff of the Missouri Public Service Commission (Staff), and the Office of the Public Counsel (Public Counsel), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties (Signatories) have reached the stipulations and agreements contained herein.

**I. Procedural History**

1. On November 1, 2007, Missouri Gas Utility, Inc. (MGU or Company) filed a Purchased Gas Adjustment for rates to become effective November 20, 2007. Staff reviewed the Company's gas purchasing processes and actual gas costs.

2. Missouri Gas Utility, Inc. (MGU), a Colorado Corporation, is a subsidiary of Summit Utilities, Inc. of Littleton, Colorado. MGU was formed in November 2004 to provide natural gas service to both residential and commercial customers in the Missouri communities of Coffey, Jameson, Gallatin and Hamilton.

3. A prehearing conference was held in this matter on October 8, 2008. Thereafter, the parties have discussed and reached a settlement of this case.

## **II. Issues Settled**

4. This Stipulation and Agreement is intended to settle among the Signatories for purposes of the above captioned case all of the remaining issues.

## **III. Stipulations and Agreements**

5. To resolve this case the Parties have reached the following Stipulations and Agreements:

- a. The Company agrees to not request recovery of interest charges on its storage balance in the 2007-2008 ACA period, Case No. GR-2009-0161.
- b. The parties agree that for the 2006-2007 and 2007-2008 ACA periods, the appropriate PGA/ACA eligible Gas Costs are those which are properly included in FERC Account Nos. 800, 801, 802, 803, 804, 805, 806, 808, 809, and 811. Account 191 ultimately reflects the impact of gains and losses from financial hedges of gas costs.
- c. The Parties further agree that for these ACA periods, interest expenses recorded in FERC Accounts 427, 428, 429, 430 or 431 (the interest accounts) are not PGA/ACA eligible gas costs, except for interest paid or received on the ACA balance.

- d. The Parties agree MGU will establish its August 31, 2007 ACA account balance as shown in the table below.

	Stipulation and Agreement ACA Balance
Beginning ACA Balance @ 9/1/2006 – (Over-recovered)/Under-recovered	\$ (78,153)
MGU Total Cost of Gas	\$ 639,542
Total Cost Recovery	\$ ( 644,559)
Ending ACA Balance @ 8/31/2007- (Over-recovered)/Under-recovered	\$ (83,170)

6. This Stipulation and Agreement 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 and Agreement, or such other effective date selected by the Commission.

7. This Stipulation and Agreement has resulted from extensive negotiations among the Parties and the terms hereof are interdependent.

8. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof.

9. 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.

10. This Stipulation and Agreement is being entered into for the purpose of disposing of all issues in this case. None of the Parties to this

Stipulation and Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, prudence principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

11. The Parties further understand and agree that the provisions of this Stipulation and Agreement relate only to the specific matters referred to in the Stipulation and Agreement, and no Party waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation and Agreement. The Parties further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation and Agreement 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.

12. In the event the Commission accepts the specific terms of this Stipulation and Agreement, 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.

13. The Staff shall also 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, 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.

14. 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.

Respectfully submitted,

*/s/ Lera L. Shemwell*

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 24<sup>th</sup> day of November, 2008.

**/s/ Lera L. Shemwell**