

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

In the Matter of Summit Natural Gas of Missouri, Inc.)
Changes to Company's Purchased Gas Adjustment) **Case No. GR-2016-0091**
(PGA) Clause)

STIPULATION AND AGREEMENT

COME NOW Summit Natural Gas of Missouri, Inc. ("SNGMO", "Summit" or "Company") and the Staff of the Missouri Public Service Commission, by and through counsel, and submit the following Stipulation and Agreement ("Agreement"), which resolves all outstanding issues in this matter, for the Commission's approval:

1. Summit made its ACA filings for the 2014-2015 ACA period in this case on October 19, 2015, for its Northern service area, its Southern service area, and the former Southern Missouri Natural Gas ("SMNG") service area.

2. On December 13, 2016, the Staff filed its recommendations regarding Summit's 2014-2015 Actual Cost Adjustment ("ACA") filings. The Staff Recommendation set out the results of Staff's review of the billed revenues and actual gas costs for the 2014-2015 ACA period included in the Company's filings.

3. Staff recommended certain ACA disallowances for the Company's Southern service area and former SMNG service area. SNGMO responded to Staff's recommended disallowances on January 27, 2017. On February 3, 2017, Staff filed a reply to SNGMO's response in which Staff requested additional time to discuss the remaining areas of disagreement with SNGMO and hopefully resolve such issues. The Commission issued an order on February 3, 2017, which granted the parties additional time to discuss the issues.

4. SNGMO and Staff have discussed the issues and have arrived at this Agreement. Pursuant to this Agreement, SNGMO agrees to adjust its ACA account balances as identified in the tables set forth below. This Agreement resolves all the outstanding issues in this case. SNGMO and Staff agree that SNGMO should be ordered to adjust the ACA account balances for its service territories in its next ACA filing to reflect the following adjustments and ending balances:

SMNG Service Area Description (+) Under-recovery (-) Over-recovery	Ending Balances Per Filing	Adjustments for 2014-2015 ACA	Ending Balances
Prior ACA Balance 8-31-14	\$874,446	\$0	\$874,446
Cost of Gas/Storage	\$5,003,671	\$0	\$5,003,671
Cost of Transportation	\$2,603,514	(\$11,181)(A)	\$2,592,333
Revenues - PGA billed	(\$8,628,532)	\$0	(\$8,628,532)
ACA Approach for Interest Calculation	\$3,713	\$0	\$3,713
Cash Outs	(\$142,747)	\$0	(\$142,747)
ACA cost correction	(\$76,491)	\$0	(\$76,491)
Total ACA Balance 8-31-15	(\$362,426)	(\$11,181)	(\$373,607)

(A) Over-run charges

Northern Service Area Description (+) Under-recovery (-) Over-recovery	Ending Balances Per Filing	Adjustments for 2014-2015 ACA	Ending Balances
Prior ACA Balance 8-31-14	\$275,762	\$0	\$275,762
Cost of Gas/Storage	\$741,901	\$0	\$741,901
Cost of Transportation	\$128,352	\$0	\$128,352
Revenues - PGA billed	(\$1,082,202)	\$0	(\$1,082,202)

Revenues Otherwise billed	(\$2,037)	\$0	(\$2,037)
ACA Approach for Interest Calculation	\$1,708	\$0	\$1,708
Cash Outs	3,229	\$0	\$3,229
ACA Cost Correction	(\$18,484)	\$0	(\$18,484)
Total ACA Balance 8-31-15	\$48,229	\$0	\$48,229

Southern Service Area Description (+) Under-recovery (-) Over-recovery	Ending Balances Per Filing	Adjustments for 2014-2015 ACA	Ending Balances
Prior ACA Balance 8-31-14	\$264,512	\$0	\$264,512
Cost of Gas/Storage	\$1,955,346	\$0	\$1,955,346
Cost of Transportation	699,969	(\$2,106)(A)	\$697,863
Revenues – PGA billed	(\$2,832,482)	\$0	(\$2,832,482)
ACA Approach for Interest Calculation	\$2,708	\$0	\$2,708
Cash Outs	(\$21,436)	(\$6,406)(B)	(\$27,842)
ACA Cost Correction	(\$577)	\$0	(\$577)
Total ACA Balance 8-31-15	\$68,040	(\$8,512)	\$59,528

- (A) Over-run charges
(B) Cash-out correction

General Provisions

5. This Agreement is being entered into solely for the purpose of settling the issues specified in Case No. GR-2016-0091. Unless otherwise explicitly provided herein, none of the signatories to this Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking or procedural principle, and, except as explicitly provided herein, none of the signatories shall be prejudiced or bound in any manner by the terms of this Agreement (whether this Agreement is approved or not) in this or any other proceeding, except as otherwise provided herein.

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

7. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, neither this 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 signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this 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 approves the specific terms of this Agreement without condition or modification, the signatories waive, with respect to the issues resolved herein: their respective rights to call, examine, and cross-examine witnesses pursuant to § 536.070(2) RSMo 2000; 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 §386.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. These waivers apply only to a Commission order approving this Agreement without condition or modification issued in this above-captioned proceeding and only to the issues that are resolved hereby. These waivers do not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Agreement.

WHEREFORE, SNGMO and Staff request the Commission issue an order (1) approving this Stipulation and Agreement, (2) ordering SNGMO to make the adjustments and establish its ACA balances as set forth in the tables hereinabove, and (3) closing this case.

Respectfully Submitted,

/s/ Dean L. Cooper

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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 counsel of record this 22nd day of February, 2017.

/s/ Jeffrey A. Keevil