

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

In the Matter of Southern Missouri Gas Company )	
d/b/a/ Southern Missouri Natural Gas Purchased )	
Gas Adjustment (PGA) Factors to be Audited )	Case No. GR-2010-0218
in Its 2009-2010 Actual Cost Adjustment )	

**UNANIMOUS STIPULATION AND AGREEMENT**

**COME NOW** Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas (“SMNG” or “Company”), and the Staff of the Missouri Public Service Commission (Staff) (collectively, “the Parties”), and submit this Unanimous Stipulation and Agreement (“Stipulation and Agreement”) for approval by the Missouri Public Service Commission (“Commission”). This Stipulation and Agreement resolves all remaining issues in this Actual Cost Adjustment (“ACA”) proceeding as follows:

1. This case concerns the 2009-2010 Actual Cost Adjustment ("ACA") filing for SMNG.
2. The Parties agree that the following issues remained in dispute in this case:
  - (a) Should the Commission adopt Staff’s proposed adjustment of \$15,336 related to SMNG capacity release for the school aggregation program?
  - (b) Should the Commission adopt Staff’s proposed adjustment of \$1,515 related to SMNG aggregation and balancing fee for the school aggregation program?
3. The Parties initiated discussions to determine whether an amicable settlement of the above-noted contested issues was possible. As a result of those discussions, the Parties have now reached a resolution and settlement of these issues. The Parties believe the settlement to be

reasonable and beneficial to ratepayers in this case, and therefore recommend that the Commission approve this Stipulation and Agreement as being in the public interest.

4. Specifically, in order to resolve the remaining issues in this proceeding, the Parties agree to the following:

- (a) The ACA account balance related to Case No. GR-2010-0218 should be reduced by \$8,429 to account for the Staff's proposed Capacity Release adjustment related to the School Aggregation Program.
- (b) The ACA account balance related to Case No. GR-2010-0218 should be reduced by \$1,515 to account for the Staff's proposed Aggregation and Balancing Fee adjustment related to the School Aggregation Program.
- (c) These adjustments should be made upon the effective date of the Commission's Order Approving Unanimous Stipulation and Agreement. Beginning with the Company's next PGA/ACA filing in 2012, the Company shall return these amounts as part of the regular ACA procedure.

5. 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.

6. The Parties also agree to the following conditions:

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

b. 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.

c. 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.

7. 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.

8. The Staff shall also have the right to provide, at any agenda meeting at which this Unanimous 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. 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.

9. The Office of the Public Counsel has authorized the undersigned counsel to indicate that Public Counsel will not oppose to the terms of this Stipulation And Agreement.

**WHEREFORE**, the undersigned Parties respectfully request that the Commission issue its Order:

- a) Approving all of the specific terms and conditions of this Unanimous Stipulation and Agreement;
- b) Approving the balances for Case No. GR-2010-0218 attached hereto as Attachment A; and
- c) Closing this case.

Respectfully submitted,

/s/ Lera 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 electronically mailed to all counsel of record this 31st day of January, 2012.

/s/ Lera Shemwell

**REVISED  
TABLE**

<b>Description (+) Under-recovery (-) Over-recovery</b>	<b>Company Ending Balances Per Filing</b>	<b>Adjustments</b>	<b>Staff Recommended Ending Balances</b>
<b>Prior ACA Balance 8-31-09</b>	\$314,515	(\$4,346) (A)	\$310,169
<b>Cost of Gas</b>	\$3,913,960	\$2,790 (B)	\$3,916,750
<b>Cost of Transportation</b>	\$1,506,299	(\$8,429) (C )	\$1,497,870
<b>Revenues</b>	(\$5,484,831)	(\$1,515) (D)	(\$5,486,346)
<b>ACA Approach for Interest Calculation</b>	\$2,269	\$0	\$2,269
<b>Total ACA Balance 8/31/10</b>	\$252,212	(\$11,500)	\$240,712

- A) Prior year ACA balance correction
- B) Actual Cost of Gas
- C) Capacity Release Adjustment
- D) Aggregation and Balancing fee