

Exhibit No.:
Issue: True-up Revenue Requirement
Witness: Cary G. Featherstone
Sponsoring Party: MoPSC Staff
Type of Exhibit: Supplemental Direct Testimony
Case No.: GR-2014-0007
Date Testimony Prepared: February 14, 2014

MISSOURI PUBLIC SERVICE COMMISSION

**REGULATORY REVIEW DIVISION
UTILITY SERVICES - AUDITING**

SUPPLEMENTAL DIRECT TESTIMONY

OF

CARY G. FEATHERSTONE

**MISSOURI GAS ENERGY COMPANY
a Division of Laclede Gas Company**

CASE NO. GR-2014-0007

**Jefferson City, Missouri
February 2014**

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**TABLE OF CONTENTS OF
SUPPLEMENTAL DIRECT TESTIMONY OF
CARY G. FEATHERSTONE
MISSOURI GAS ENERGY COMPANY
CASE NO. GR-2014-0007**

Results of True-Up Audit through December 31, 2013..... 2

Audit Issues..... 4

1 **SUPPLEMENTAL DIRECT TESTIMONY**

2 **OF**

3 **CARY G. FEATHERSTONE**

4 **MISSOURI GAS ENERGY COMPANY**

5 **CASE NO. GR-2014-0007**

6 Q. Please state your name and business address.

7 A. Cary G. Featherstone, Fletcher Daniels State Office Building, 615 East 13th
8 Street, Kansas City, Missouri.

9 Q. By whom are you employed and in what capacity?

10 A. I am a Regulatory Auditor with the Missouri Public Service
11 Commission (“Commission”).

12 Q. Are you the same Cary G. Featherstone who filed direct testimony in
13 this case?

14 A. Yes. I filed direct testimony on January 29, 2014.

15 Q. Did your direct testimony refer to any schedules?

16 A. Yes. At page 2 of my direct testimony, I refer to a Schedule 1 that lists the
17 rate cases I have participated in before the Commission. Subsequent to the January 29, 2014
18 filing, I discovered the rate case participation schedule was inadvertently omitted as an
19 attachment to my direct testimony. I have attached Schedule 1 to this supplemental direct
20 testimony.

21 Q. What is the purpose of this supplemental direct testimony?

22 A. Staff conducted a true-up through December 31, 2013 to reflect the latest
23 information available consistent with the procedural schedule authorized by the Commission

1 in its ORDER ADOPTING RECOMMENDED PROCEDURAL SCHEDULE dated
2 November 13, 2013. This supplemental direct testimony presents the results of the
3 December 31, 2013, true-up, describes certain difficulties Staff encountered in its audit, and
4 recommends actions to alleviate such difficulties in future cases.

5 **RESULTS OF TRUE-UP AUDIT THROUGH DECEMBER 31, 2013**

6 Q. Did Staff perform a true-up audit for the MGE rate case?

7 A. Yes. Staff's Cost of Service Report filed January 29, 2014 supported Staff's
8 recommendation of the amount of the rate revenue increase for Missouri Gas Energy (MGE)
9 primarily based on information through the period ending September 30, 2013, using actual
10 historical information, and the rate revenue increase recommendation that Staff expected it
11 will find after true-up to be appropriate for MGE in this rate case. The filing date in this case
12 was originally scheduled for January 23, 2014, but MGE requested an extension to go over
13 the case prior to filing revenue requirement calculation. The additional time allowed Staff to
14 include some December 31, 2013, information in the revenue requirement filed on
15 January 29, 2014.

16 This supplemental direct testimony supports the recommendation for the
17 revenue requirement results based on the remaining actual results for material items through
18 the December 31, 2013 true-up period. The rate revenue recommendation being filed for the
19 December 31, 2013 true-up period is found in Staff's separately filed Accounting Schedules.

20 Q. Did the same Staff personnel work on the true-up audit?

21 A. Yes. Staff members assigned to a specific area in this rate case were
22 responsible for those area in the true-up. Each of the areas and the individual Staff member
23 assigned to the various components of the revenue requirement calculation are identified in
24 the Cost of Service Report and testimony filed on January 29, 2014.

1 Q. Based on its review of the test year ending April 30, 2013, using the true-up
2 period through December 31, 2013, what is Staff's recommendation concerning MGE's
3 revenue requirement?

4 A. In its direct filing, Staff recommended a return on equity (ROE) range of
5 7.90 percent to 8.90 percent, with a mid-point of 8.40 percent, which yielded the rate of
6 return range of 5.65 percent to 6.18 percent. Using this range of overall rate of return, Staff's
7 MGE revenue requirement calculation for the period through December 31, 2013, indicates a
8 range between a negative \$4.8 million to a negative \$180,664 based on current MGE rates.

9 Q. What items were trued-up for the period ending December 31, 2013?

10 A. Items material to the revenue requirement calculation were included in the
11 true-up. The following table identifies the areas addressed in the true-up and if they were
12 included at the time of the direct testimony filed January 29, 2014 or in the supplemental
13 direct filed February 14, 2014:

14

| December 31, 2013 True-Up Changes Reflected in January 29 Filing and February 14 Staff Filings | | |
|---|---------------------------------|----------------------------------|
| Plant and Reserve and related Depreciation Expense | January 29 th Filing | |
| Gas Storage Inventory | | February 14 th Filing |
| Cash Working Capital | January 29 th Filing | February 14 th Filing |
| Pension Expense and Tracker Amortization | January 29 th Filing | |
| GM-2013-0254 Stipulation and Agreement Rate Base Offset | January 29 th Filing | |
| Deferred Taxes | | February 14 th Filing |
| Payroll, Payroll Taxes | January 29 th Filing | |
| Payroll Benefits | | February 14 th Filing |
| Maintenance - Non-Labor | | February 14 th Filing |

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1 **AUDIT ISSUES**

2 Q. Please describe problems Staff encountered during its audit in this case.

3 A. Staff has been unable to gain access to review the work papers of independent
4 auditors who reviewed the operations costs of MGE while it was owned by Southern Union
5 Company (“Southern Union”) and during the time when the test year costs were incurred.
6 As of September 1, 2013, Southern Union no longer falls under the jurisdiction of the
7 Commission because of the sale of MGE to The Laclede Group in Case No. GM-2013-0254.

8 Q. What gave rise to this difficulty?

9 A. Staff submitted a data request to review the external audit work papers
10 relating to MGE, Laclede Gas, the current owner of MGE, and Southern Union, the previous
11 owner of MGE. Data Request 3, submitted to MGE on September 16, 2013—the day MGE
12 filed this rate case, requested access to the auditor work papers of MGE and its parent
13 company. MGE supplied a response to this data request (attached as Schedule 2 to this
14 testimony) on October 1, 2013 as follows:

15 1. Please identify the outside auditors and the length of time
16 they have been engaged by Missouri Gas Energy and/or its
17 parent companies. 2. For Missouri Gas Energy and/or its parent
18 companies, provide copies of all correspondence with the
19 outside auditors during the past three years. 3. Provide all
20 management letters from the outside independent auditors
21 during the past three years. 4. Please make available for Staff
22 to review the external auditor work papers of Missouri Gas
23 Energy and/or its parent companies, along with any affiliate
24 doing business with the regulated entity for the most recent
25 audited year 2012 and previous year 2011. (MGE Case No.
26 GR-2009-0355 Data Request 3)

27 Response: Grant Thornton has been auditing the MGE books
28 since March 31, 2012 when ETE closed on the purchase of
29 Southern Union, prior to that Southern Union used Price-
30 Waters Coopers. This will be set up between the Grant
31 Thornton auditors and the Staff auditors.

Supplemental Direct Testimony of
Cary G. Featherstone

1 Please note this same request to review external (outside) auditors work papers was made in
2 MGE's 2009 rate case (GR-2009-0355), designated as Data Request 3.

3 Q. Did Staff review the external auditor work papers in this rate case?

4 A. Yes, to the extent they were available. On December 3, 2013, Staff, along
5 with a representative of the Office of the Public Counsel ("Public Counsel") reviewed work
6 papers of Deloitte & Touche LLP ("Deloitte") relating to The Laclede Group and its
7 affiliated companies including Laclede Gas Company. On January 7, 2014, both Public
8 Counsel and Staff reviewed the work papers of Grant Thornton LLP ("Grant Thornton")
9 relating exclusively to MGE. Attached as Schedule 3 to this testimony is a letter signed by
10 Staff to Grant Thornton which is generally required to access the work papers for review.
11 A similar letter was signed to access the work papers of Deloitte.

12 However, MGE and Laclede Gas were unable to secure access from Southern
13 Union to allow Staff to review the Grant Thornton work papers relating to Southern Union,
14 the corporate entity who owned MGE when costs were incurred during the test year. Staff's
15 audit was limited by the previous owner of MGE, Southern Union.

16 Q. Was MGE owned by Southern Union at the time of the Grant Thornton audit?

17 A. Yes. After the 2012 acquisition of Southern Union including MGE by
18 Energy Transfer Equity, L.P. ("Energy Transfer" or "ETE"), it was the intent to sell MGE
19 and an affiliate company, New England Gas. Grant Thornton, who was Energy Transfer's
20 independent auditor, did a separate stand-alone audit of MGE and an affiliated company,
21 New England Gas. It was the work papers of the stand-alone audit done by Grant Thornton
22 that Staff reviewed. Staff has not seen any of the work papers from the independent audit
23 conducted by Grant Thornton for Southern Union or Energy Transfer.

Supplemental Direct Testimony of
Cary G. Featherstone

1 Q. Did Staff expect to see the external auditor work papers of Southern Union?

2 A. Yes. Since Southern Union owned MGE during most of the period that costs
3 were incurred for MGE relating to this rate case, Staff believed it was important to examine
4 aspects of the Southern Union operations, including review of the Board of Directors minutes
5 and the independent financial audit performed by the outside auditors. However, Southern
6 Union refused to provide access to either the Southern Union Board minutes or the external
7 auditor work papers.

8 Southern Union did provide an "Officer's Certificate" letter dated
9 December 20, 2013 certifying "that the non-privileged minutes of the Company's
10 [Southern Union] Board of Directors are devoid of any discussion and/or information that
11 reference the following items:

12 Missouri Gas Energy ("MGE") corporate allocations;
13 MGE property taxes;
14 Bad debts/ uncollectible (related to MGE's customers);
15 JJ's Restaurant explosion; and/or
16 Impaired assets related to MGE."
17 [attached as Schedule 4 to this testimony]

18 Southern Union also provided a second "Officer's Certificate" letter dated January 30, 2014
19 wherein it was stated that external auditor's work papers "do not contain any additional
20 non-privileged information besides the information that is contained in the external auditor
21 audit work papers prepared for the Company's former Missouri Gas Energy ("MGE") with to
22 respect to:

Supplemental Direct Testimony of
Cary G. Featherstone

1 MGE's corporate allocations;
2 MGE's property taxes;
3 Bad debts/ uncollectible (related to MGE's customers);
4 JJ's Restaurant explosion; and/or
5 Impaired assets related to MGE."
6 [attached as Schedule 5 to this testimony]

7 Neither of these certifications are satisfactory to the request to review the Southern Union
8 documents concerning Board minutes and external auditor work papers.

9 Q. Why did the Officer's Certificate only address the five topics
10 identified above?

11 A. In the interest of working with MGE, Staff early on in its audit narrowed the
12 scope of its audit review of Southern Union. Staff reduced the number of data request
13 inquiries of Southern Union and reduced the actual audit areas. While this restricted the
14 audit, Staff felt it was important to narrow the scope to these areas to demonstrate a good
15 faith effort to work with MGE and its former owner, Southern Union. However, in the end,
16 even narrowing the inquiry did not ultimately result in getting any additional information
17 from Southern Union.

18 Q. Why did Staff wait until the supplemental direct testimony to address this
19 discovery dispute?

20 A. Staff worked with MGE throughout the entirety of the audit to obtain this
21 information. Staff believed the information would ultimately be provided, and therefore
22 Staff did not pursue a subpoena until mid-February. At the time of the filing of direct
23 testimony Staff thought it would eventually gain access to some key portions of the external

1 auditor's work papers. Staff reviewed MGE's stand-alone audit work papers on January 7,
2 2014, and was led to believe that the Southern Union portion of those work papers was being
3 addressed by Southern Union and its independent auditors. Also, Staff knew there was
4 another discovery conferenced scheduled for February 5, 2014. Staff had hoped by this
5 discovery conference this matter would have been resolved. MGE did eventually obtain
6 some information Staff requested, such as property tax records and support for incentive
7 compensation paid to MGE personnel. However, when Panhandle Eastern Pipe Line
8 Company (successor in interest to Southern Union Company) provided an officer's
9 certificate related to the external audit work papers that was provided to Staff on February 3,
10 2014, it became clear that Southern Union was not going to provide any additional
11 information to support the corporate costs allocated to MGE.

12 Q. Did Southern Union own MGE during the test period in this case?

13 A. Yes. The test year used by MGE to develop its rate case used the 12 months
14 ending April 30, 2013, updated through September 30, 2013.¹ Southern Union owned and
15 operated MGE every month of the test year and every month during the update period except
16 September 2013.² All the test year costs and the vast majority of the update period costs
17 occurred during the time that Southern Union owned and operated MGE. Thus, it was
18 important to review various aspects of Southern Union's financial records since that was the
19 entity who had the responsibility of management oversight for the costs incurred by MGE.

20 Q. Why is it necessary to review the work product of external auditors?

21 A. The starting basis of every rate case is to use test year levels of costs.
22 The external audit is intended to be an independent third party review of the costs and

¹ See the direct testimony of Michael R. Noack, at page 4.

² Laclede Gas purchased MGE on September 1, 2013 from Southern Union.

1 operations of the entity under review. Staff relies on the results of this independent review of
2 the financial records to validate and verify costs used as starting point of Staff's audit. While
3 the audits performed by public accounting firms and those in the utility regulatory process
4 are done for different purposes, the findings of the independent external auditors are used to
5 substantiate the financial records of the utility company.

6 In this case, the September 16, 2013 direct filing made by MGE came two weeks
7 after the September 1, 2013 acquisition by Laclede Gas. All of the costs incurred by MGE to
8 operate its natural gas distribution system came during the time Southern Union owned the
9 Company.

10 Q. Is it unusual for a company to file for rate relief right after it was acquired by
11 another company?

12 A. Yes. I am aware of only one other instance where a utility company was
13 purchased by another entity and a rate case filing was made. Kansas City Power & Light
14 Company's ("KCPL") parent company, Great Plains Energy Corporation ("Great Plains")
15 acquired Aquila, Inc.'s ("Aquila") Missouri electric properties MPS and Light & Power
16 entities on July 8, 2008. KCPL filed a rate case for the MPS and L&P entities on
17 September 5, 2008, nine weeks after the acquisition.

18 Q. Is it difficult to audit a company that was recently acquired?

19 A. Yes. Having an acquisition so close to a rate case makes it extremely difficult
20 to determine the proper cost of service for any entity. Costs such as payroll, insurance and
21 allocation of corporate costs (management costs) all are very different from the company
22 prior to purchase and the company after. The post-merger cost structure has employee
23 positions eliminated and other costs reduced as effects of reorganization takes place.

1 Determining the impacts on management structure is one of the most challenging aspects of
2 restructured companies.

3 Q. Was the review of the external auditor work papers part of the process to
4 determine corporate costs?

5 A. Yes. While there are many purposes for reviewing the work papers of the
6 independent auditors, one of the primary purposes relates to the interrelationship of the
7 various entities within the corporate structure and how those relationships impact costs of the
8 regulated company under cost review. It is necessary to gain an understanding of how the
9 costs in a test year were incurred to determine the proper level of costs to recommend in the
10 cost of service calculation for rates. Looking at external audit work papers provides a
11 perspective of the utility company's operations that is separate and independent from what
12 the utility itself provides. The work papers assist in identifying how costs are allocated
13 between the various affiliated companies—regulated and non-regulated alike—and if there
14 were any issues regarding costs uncovered as the result of this independent audit. Since the
15 test year is the 12 months ended April 30, 2013, the corporate costs that are allocated to
16 MGE are costs allocated from Southern Union. As such, the external auditors review directly
17 relate to these costs as well as the allocation process used to directly assign and allocate those
18 costs to MGE and the various affiliates. Also, Staff uses the independent audit to identify
19 any problem areas that need further review.

20 Q. When corporate entities have non-regulated operations, is it important to
21 review the independent auditor's work papers?

22 A. Yes, it is especially important under those circumstances. Utility companies
23 like Southern Union, that has many affiliated companies, many of which are non-regulated

1 companies, have the responsibility to develop an allocation method for corporate costs to
2 ensure that the regulated company is not subsidizing the non-regulated entities. Wherever
3 there exists a corporate structure that has many layers of companies, it is very important to
4 have sufficient procedures in place that allow transparency for outside review of those
5 procedures. One such transparency is the role of the independent auditor. This independent
6 review of the corporate structure and the related costs is vital to not only the verification that
7 actual and proper costs are assigned to the regulated operations but, equally important, the
8 appearance that those costs are being properly treated.

9 Q Is it unusual to review external auditor work papers?

10 A. No, it is standard practice of the Commission's audit staff to review the work
11 papers of the independent outside auditors. In every major rate case I am personally familiar
12 with and all other Staff audits of public utilities operating in this state that I am aware of, it is
13 routine procedure to access the independent auditors work papers. In previous MGE rate
14 cases, Staff has always reviewed external auditor work papers. Because of the sale of MGE
15 to Laclede Gas, Staff has been unable to review the work papers of the independent auditors
16 for the time covering the test year and beyond.

17 These audit steps are conducted to gain understanding of the internal
18 operations of the utility company for budget reviews and approvals, corporate organizational
19 and personnel changes and changes to operational matters of the company. Both the Board
20 minutes and external auditor work papers are also reviewed to identify interactions between
21 regulated and non-regulated utilities.

22 The external auditors' work is also used as a separate, independent, third-party
23 validation of the books and records of the utility operations for costs, revenues and assets,

1 along with assessments of quality control and internal management control of the company.
2 Specifically, with respect to this case, Staff considered the work of the external auditors
3 relating to the corporate costs as incurred at Southern Union and allocated to MGE.

4 Q. Did Laclede and the seller, Energy Transfer, agree to identify services
5 Southern Union agreed to perform after the sale of MGE?

6 A. Yes. A document attached to the Stipulation and Agreement in the 2013
7 merger case identified these services—the MGE Sale Stipulation. The Laclede Group and
8 Energy Transfer entered into a Purchase and Sale Agreement (“Purchase Agreement”) in
9 December 2012 selling MGE to Laclede. In August 2013, just days prior to the September 1,
10 2013, close of the MGE transaction, Laclede Group and Energy Transfer, through its
11 subsidiary Southern Union, entered into an amendment to the purchase agreement entitled
12 Continuing Service Agreement (CSA). This agreement anticipated the need for providing
13 certain services from Southern Union to continue to operate the MGE system until Laclede
14 Gas could take over all functions of operations. One of the expected services that Southern
15 Union was required to provide was audit services. A portion of the MGE Sale Stipulation
16 containing the draft CSA that was included in the application to acquire MGE is attached as
17 Schedule 6 to this testimony.

18 The Continuing Services Agreement was addressed at page 21 of the
19 Stipulation and Agreement reached between Laclede Gas, Staff and various parties in
20 Case No. GM-2013-0254, the MGE acquisition case. Paragraph 13 of the Stipulation states
21 in part:

- 22 13. Continuing Services Agreement (CSA)
- 23 a. SUG [Southern Union] shall make all of the services
24 outlined in the draft CSA and its schedules (attached as

1 Attachment 3 to this Stipulation) available to Laclede Gas as
2 required under the terms of that agreement. SUG and Laclede
3 Gas represent that the CSA agreement and its schedules
4 comprise all services necessary from SUG to continue and
5 maintain the operations at pre-transaction levels. Nothing
6 herein shall preclude any party from challenging the necessity,
7 propriety or cost of a particular continuing service in any
8 general rate case proceeding in which the cost of such service
9 is sought to be recovered.

10 b. SUG and Laclede Gas shall provide the Signatories the
11 final CSA upon closing of the Transaction.

12 c. SUG and Laclede Gas represent that the goal of
13 transition services is 1) to provide for a seamless transition of
14 all operating functions from SUG to Laclede Gas and 2) to
15 ensure that all operating functions are performing at pre-
16 transaction levels prior to the termination of remaining
17 transition services. Not less than 30 days prior to the
18 termination of any CSA, Laclede Gas shall notify the
19 Signatories and, if requested by a Signatory, coordinate a
20 technical conference with the Signatories to describe how the
21 transition service will be provided by Laclede Gas.

22 Attachment 3 to the Stipulation contained a draft of the Continuing Services Agreement
23 entitled "Form of the Continuing Services Agreement." Schedule 1 to Attachment 3
24 identified the draft of the "Continuing Services Schedule." This schedule identified the
25 expected services to be provided by Southern Union to Laclede Gas to assist in the
26 operations of MGE during the transition period after completion of the MGE transaction.
27 Part of the services in this agreement related to information Laclede Gas was to provide to
28 Southern Union and those services Southern Union is to provide to Laclede Gas as follows:

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continued on next page

1 Services SUG/ET Need from Laclede

2 1. Unclaimed property audit—SUG/ET may need
3 to provide data that is only available from the MGE
4 customer information system. Term associated with
5 this item is four years from date of close, at cost.

6 **Additional Services Laclede may need from SUG/ET**

7 **1. Audit Support – Laclede may need to**
8 **provide data that is only available from SUG/ET**
9 **systems in support of future audits** (i.e., IRS,
10 DOL, MPSC, FERC, etc.). Term associated with
11 this item is four years from date of close, at cost.
12 **[emphasis added]**

13 The MGE transaction closed on September 1, 2013. Therefore, the term of the Audit Support
14 from Southern Union and its parent Energy Transfer is four years, or until September 1,
15 2017. Yet, just months into the MGE transaction, Southern Union refused to cooperate with
16 basic audit functions associated with the first rate case filed by MGE as a Laclede Gas entity.

17 Q. What was the final language of the Continuing Services Agreement?

18 A. The language changed in the final agreement identified on Exhibit A to
19 Continuing Services Schedule to read as follows:

20 **Additional Services Laclede may need from SUG/ET**

21 **Audit support – Laclede may need to provide**
22 **data that is only available from SUG/ET systems**
23 **in support of future audits.** Term associated with
24 this item is four years from date of close, at cost, in
25 accordance with Section 4.1 of this Agreement.
26 **[emphasis added]**

27 The language of the version approved by the Commission as part of the merger application
28 that identified the various entities that might need audit support was removed in the final
29 executed version—this language was removed in the final agreement-- “(i.e., IRS, DOL,
30 MPSC, FERC, etc.)” [see the Execution Version of the Continuing Services Agreement
31 attached as Schedule 7]

Supplemental Direct Testimony of
Cary G. Featherstone

1 Q. Did MGE and/or Laclede attempt to enforce the Continuing Services
2 Agreement?

3 A. No. Although the Company communicated with Southern Union to obtain
4 the information, to my knowledge neither MGE nor Laclede Gas attempted to enforce
5 this agreement.

6 Q. Is your testimony taking issue with MGE's overall cooperation in this case?

7 A. No, MGE generally worked with Staff to get the information necessary to
8 conduct the audit in this case. The issue is that as a result of the purchase transaction and
9 Southern Union's refusal to comply with the Continuing Services Agreement described
10 below, Staff did not have access to certain information traditionally used to perform Staff's
11 review of company operations.

12 Q. Were "all operating functions" "performing at pre-transaction levels"?

13 A. No. To the extent that one of the "operating functions" of a regulated utility is
14 to provide all detailed support for regulatory matters such as rate case functions, Southern
15 Union did not meet the terms of the Continuing Services Agreement. Staff did not encounter
16 such delays and difficulties in obtaining information from Southern Union in prior cases to
17 extent it did in this case.

18 Q. Should Laclede Gas have contemplated the need for certain information to
19 support the audit process relating to rate cases?

20 A. Yes. Staff has requested this type of information on a routine basis for a
21 number of years dating back to the late 1970s that I am aware. Staff has routinely requested
22 to review board minutes, external audit work papers, wage and salary surveys, prior years
23 property taxes, incentive compensation support, property insurance information prior MGE

1 and Laclede Gas cases. Further, it would appear that Laclede did contemplate needing this
2 sort of information, as evidenced by the Continuing Services Agreement described above.

3 Q. Were there other indications of the importance of accessing records?

4 A. Yes. With respect to the acquisition of Southern Union by Energy Transfer
5 in March 2012, a section of the Non-Unanimous Stipulation and Agreement
6 (the “2012 Stipulation”) in Case No. GM-2011-0412 addressed the need to access
7 information (a portion of the Stipulation is attached as Schedule 8 to this testimony).

8 At page 22 of the 2012 Stipulation it is stated:

9 9. Access to Information

10 A. Southern Union **shall provide the Staff and OPC with**
11 **access**, upon written notice, **to all information necessary to**
12 **determine the propriety of allocation of costs to MGE and**
13 **verification of Southern Union and ETE compliance** with
14 the terms of this Stipulation and Agreement. Nothing in this
15 condition shall be deemed to be a waiver of Southern Union’s
16 or MGE’s right to seek protection of privileged information.

17 B. Upon request, Southern Union and ETE agree to make
18 available to Staff and OPC, upon written notice **all books,**
19 **records, and employees of Southern Union, ETE, MGE,**
20 **and its affiliates as may be reasonably required to verify**
21 **compliance with this Stipulation and Agreement.**

22 C. Southern Union, ETE and MGE **shall not object to the**
23 **provision of information on the basis that such records and**
24 **personnel of affiliates or subsidiaries are not within the**
25 **possession or control of Southern Union.**

26 Q. Did Southern Union fulfill the terms of the 2012 Stipulation?

27 A. No. Based on the both agreements signed by Southern Union—the 2012
28 agreement where it purchased MGE and the 2013 agreement where it sold MGE, it appears
29 Southern Union did not fulfill either the spirit of the 2012 Stipulation and certainly did not
30 fulfill the terms of the Continuing Services Agreement in the 2013 MGE sale to Laclede Gas.

Supplemental Direct Testimony of
Cary G. Featherstone

1 Q. Did the Continuing Services Agreement contain language on the need to
2 provide information after the sale of MGE?

3 A. Yes. In Article VI titled “Data and Information” of the CSA a requirement of
4 Southern Union to maintain information for MGE. Section 6.1 states:

5 Information Maintained by Seller. Until the expiration or
6 termination of this Agreement, Seller shall maintain all
7 information and data relating to the Services that is required to
8 be maintained under any Service Schedule or by any applicable
9 Legal Requirement or that is otherwise customarily retained in
10 connection with the Services. Seller shall provide Buyer and
11 its representatives with reasonable access thereto during the
12 term hereof. Upon the expiration or termination of this
13 Agreement, Seller shall deliver such information and data to
14 Buyers in such form as Buyers may reasonably request;
15 provided, however, that the conversion of such information or
16 data into any form other than that in which it is maintained by
17 Seller shall be at the sole cost of Buyers.

18 Section 6.2 of the CSA contemplated that certain of the information addressed in Section 6.1
19 may be confidential in nature. Confidential information was to be provided under certain
20 conditions:

21 (c) Notwithstanding any other provision of this Agreement,
22 a Party may disclose Confidential Information of the other
23 Party to the extent compelled or required to do so by any
24 applicable Legal Requirement, legal process, or the rules of
25 any securities exchange. In such event, such Party shall give
26 the other Party prompt written notice of such required
27 disclosure and, if so requested, provide reasonable assistance to
28 the other Party (at such other Party’s expense) in opposing or
29 limiting such required disclosure.

30 The CSA did acknowledge that personal information should be restricted such as personal
31 home addresses, telephone numbers, e-mail addresses and credit information (Section 6.3 of
32 the CSA). Staff did not inquire of this type of information in its audit of MGE.

33 Q. Did the CSA allow for Staff getting access to information for a rate case
34 audit?

Supplemental Direct Testimony of
Cary G. Featherstone

1 A. Yes. It is clear from the original draft version as well as the executed version
2 that seller, Southern Union, and the buyer, The Laclede Group, contemplated that there
3 would be need for information in the possession of Southern Union would be necessary
4 during a four-year period of time. Certainly, the type of information Staff requested of
5 Southern Union would fall under the provisions of the Continuing Services Agreement.

6 Q. Absent the Continuing Services Agreement would Staff have recommended
7 approval of the acquisition of MGE by Laclede Gas?

8 A. No, Staff would not have approved the merger if it did not contain some form
9 of Continuing Services Agreement to ensure access to the records necessary to support
10 Staff's audit in a rate case. Staff knew MGE planned a rate case in the fall of 2013 to recover
11 its Infrastructure System Replacement Surcharge (ISRS). It also knew that Laclede Gas
12 would need to file a rate case for its rates in the near future. Not to have appropriate
13 regulatory support is a concern in light of likely future merger and acquisition transactions
14 that may occur by Laclede Group and Laclede Gas.

15 Q. What is Staff's recommendation regarding how to treat this issue in this case?

16 A. Staff is not recommending a dollar adjustment based upon insufficient
17 supportive data in this case, but because this same type of data will likely be needed by
18 Laclede Gas to support future case filings, Staff recommends that the Commission order
19 Laclede Gas to pursue all its rights under the terms of the Continuing Services Agreement to
20 get Southern Union to fulfill its obligations to that agreement. Further, Laclede Gas will
21 likely need audit support sometime in the next four years. Southern Union refused to
22 cooperate with Laclede Gas when Staff requested information to support MGE's rate case, it
23 is likely Southern Union will be just as uncooperative to Laclede Gas in future matters.

Supplemental Direct Testimony of
Cary G. Featherstone

1 Laclede Gas should avail itself of all rights under the Continuing Services Agreement,
2 including audit support, at its earliest opportunity, because it may take some time to resolve
3 this issue between Laclede Gas and Southern Union.

4 Q. Does this conclude your supplemental direct testimony?

5 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy, Inc.'s)
Filing of Revised Tariffs to Increase its Annual) Case No. GR-2014-0007
Revenues for Natural Gas)

AFFIDAVIT OF CARY G. FEATHERSTONE

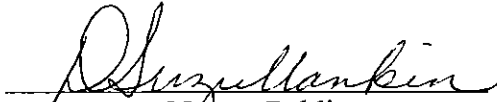
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Cary G Featherstone, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Supplemental Direct Testimony in question and answer form, consisting of 19 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.


Cary G. Featherstone

Subscribed and sworn to before me this 14th day of February, 2014.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2016
Commission Number: 12412070


Notary Public

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|--------------|--|--|---|-------------|
| 2013 2012 | HC-2012-0259 Consolidated with HC-2010-0235 Coordinated | KCP&L Greater Missouri Operations Company Ag Processing complaint against GMO's Quarterly Cost Adjustment (industrial steam fuel clause) | Additional Surrebuttal Report and Rebuttal | Pending |
| 2010 | HC-2010-0235 | Ag Processing complaint against GMO's Quarterly Cost Adjustment (industrial steam fuel clause) | Deposition | Contested |
| 2007 2008 | HR-2007-0028, HR-2007-0399 and HR-2008-0340 | Aquila, Inc., d/b/a Aquila Networks- L&P (industrial steam fuel clause review) | | |
| 2012 | ER-2012-0175 Coordinated | KCPL Greater Missouri Operations Company (electric rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy; plant valuation; capacity planning; Jurisdictional Allocation Factors; Rebuttal- capacity planning Surrebuttal- plant valuation; capacity True-up Direct | Contested |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|---|---|--|-------------|
| 2012 | ER-2012-0174 Coordinated | Kansas City Power & Light Company (electric rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy; Additional Amortizations Regulatory Plan; Jurisdictional Allocation Factors; Iatan 2 Advanced Coal Credits; Rate Analysis Rebuttal- Iatan 2 Advanced Coal Credits | Contested |
| 2011 | SA-2010-0219 and SC-2010-0161 Coordinated | Canyon Treatment Facility LLC (sewer certificate and complaint case) | Recommendation Memorandum | Stipulated |
| 2011 | HR-2011-0241 Coordinated | Veolia Energy Kansas City Company (former Trigen Kansas City Energy Company) (steam rate increase) | Direct- sponsor Utility Services Cost of Service Report | Stipulated |
| 2010 | ER-2010-0356 Coordinated | KCP&L Greater Missouri Operations Company (electric rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy; plant valuation; capacity planning; jurisdictional allocations; Rebuttal- capacity planning Surrebuttal- plant valuation; capacity True-up Direct True-up Rebuttal | Contested |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|---|---|---|-------------|
| 2010 | ER-2010-0355 Coordinated | Kansas City Power & Light Company (electric rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy; Additional Amortizations Regulatory Plan; Jurisdictional Allocations Rate Analysis Rebuttal- jurisdictional allocation Surrebuttal- True-up Direct True-up Rebuttal | Contested |
| 2010 | SR-2010-0110 and WR-2010-0111 Coordinated | Lake Region Water and Sewer Company (water & sewer rate increase) | Direct- sponsor Utility Services Cost of Service Report Surrebuttal True-up Direct Reports to Commission | Contested |
| 2009 | HR-2009-0092 Coordinated | KCPL Greater Missouri Operations Company (former Aquila, Inc. Missouri electric properties) (industrial steam rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy | Stipulated |
| 2009 | ER-2009-0090 Coordinated | KCPL Greater Missouri Operations Company (former Aquila, Inc. Missouri electric properties) (electric rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy Surrebuttal-plant valuation; capacity planning | Stipulated |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|---------------------------------|---|---|-------------|
| 2009 | ER-2009-0089 Coordinated | Kansas City Power & Light Company (electric rate increase) | Direct- sponsor Utility Services Cost of Service Report; policy; Additional Amortizations and Iatan 1 construction Rebuttal- jurisdictional allocations Surrebuttal- allocations | Stipulated |
| 2008 | HR-2008-0300 Coordinated | Trigen Kansas City Energy (steam rate increase) | Direct - sponsor Utility Services portion of the Cost of Service Report, overview of rate case, plant review and plant additions, fuel and income taxes | Stipulated |
| 2007 | HO-2007-0419 Coordinated | Trigen Kansas City Energy [sale of coal purchase contract] (steam) | Recommendation Memorandum | Stipulated |
| 2007 | ER-2007-0004 Coordinated | Aquila, Inc., d/b/a Aquila Networks- MPS and Aquila Networks- L&P (electric rate increase) | Direct-fuel clause, fuel, capacity planning Rebuttal Surrebuttal- fuel clause | Contested |
| 2006 | WR-2006-0425 Coordinated | Algonquin Water Resources (water & sewer rate increases) | Rebuttal- unrecorded plant; contributions in aid of construction Surrebuttal unrecorded plant; contributions in aid of construction | Contested |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|-----------------------------|--|---|-------------|
| 2006 | ER-2006-0314 Coordinated | Kansas City Power & Light Company (electric rate increase) | Direct-construction audits Rebuttal- allocations Surrebuttal- allocations | Contested |
| 2005 | HR-2005-0450 Coordinated | Aquila, Inc., d/b/a Aquila Networks- L&P (industrial steam rate increase) | Direct | Stipulated |
| 2005 | ER-2005-0436 Coordinated | Aquila, Inc., d/b/a Aquila Networks- MPS and Aquila Networks- L&P (electric rate increase) | Direct- interim energy charge; fuel; plant construction; plant commercial in-service; capacity planning, plant valuation Rebuttal Surrebuttal | Stipulated |
| 2005 | EO-2005-0156 Coordinated | Aquila, Inc., d/b/a Aquila Networks- MPS (electric- South Harper Generating Station asset valuation case) | Rebuttal- plant valuation Surrebuttal- plant valuation | Stipulated |
| 2005 | HC-2005-0331 Coordinated | Trigen Kansas City Energy [Jackson County Complaint relocation of plant for Sprint Arena] (steam complaint case) | Cross examination- relocation of plant assets | Contested |
| 2004 | GR-2004-0072 Coordinated | Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P (natural gas rate increase) | Direct- acquisition adjustment; merger savings tracking Rebuttal | Stipulated |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|---|--|---|--|
| 2004 | HM-2004-0618 Coordinated | Trigen- Kansas City Energy purchase by Thermal North America (steam - sale of assets) | Supervised Case— Did not file testimony | Stipulated |
| 2003 | ER-2004-0034 and HR-2004-0024 (Consolidated) Coordinated | Aquila, Inc., (formerly UtiliCorp United Inc) d/b/a Aquila Networks-MPS and Aquila Networks-L&P (electric & industrial steam rate increases) | Direct- acquisition adjustment; merger savings tracking Rebuttal Surrebuttal Deposition | Stipulated |
| 2002 | ER-2002-424 Coordinated | Empire District Electric Company (electric rate increase) | Direct- fuel-interim energy charge Surrebuttal | Stipulated |
| 2001 | ER-2001-672 and EC-2002-265 Coordinated | UtiliCorp United Inc./Missouri Public Service Company (electric rate increase) | Verified Statement Direct- capacity purchased power agreement; plant recovery Rebuttal Surrebuttal | Stipulated |
| 2001 | ER-2001-299 Coordinated | Empire District Electric Company (electric rate increase) | Direct- income taxes; cost of removal; plant construction costs; fuel- interim energy charge Surrebuttal True-Up Direct | Contested |
| 2000 | EM-2000-369 Coordinated | UtiliCorp United Inc. merger with Empire District Electric Company (electric acquisition/ merger case) | Rebuttal- acquisition adjustment; merger costs/savings tracking | Contested (Merger eventually terminated) |
| 2000 | EM-2000-292 Coordinated | UtiliCorp United Inc. merger with St. Joseph Light & Power Company (electric, natural gas and industrial steam acquisition/ merger case) | Rebuttal- acquisition adjustment; merger costs/savings tracking | Contested (Merger closed) |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|--|---|--|---|
| 1999 | EM-97-515 Coordinated | Kansas City Power & Light Company merger with Western Resources, Inc. (electric acquisition/ merger case) | Rebuttal- acquisition adjustment; merger costs/savings tracking | Stipulated (Merger eventually terminated) |
| 1998 | GR-98-140 Coordinated | Missouri Gas Energy Division of Southern Union Company (natural gas rate increase) | Testimony in Support of Stipulation And Agreement | Contested |
| 1997 | EM-97-395 | UtiliCorp United Inc./Missouri Public Service (electric-application to spin-off generating assets to EWG subsidiary) | Rebuttal- plant assets & purchased power agreements | Withdrawn |
| 1997 | ER-97-394 and EC-98-126 Coordinated | UtiliCorp United Inc./Missouri Public Service (electric rate increase and rate complaint case) | Direct- fuel & purchased power; fuel inventories; re-organizational costs Rebuttal Surrebuttal | Contested |
| 1997 | EC-97-362 and EO-97-144 | UtiliCorp United Inc./Missouri Public Service (electric rate complaint case) | Direct- - fuel & purchased power; fuel inventories Verified Statement | Contested Commission Denied Motion |
| 1997 | GA-97-133 | Missouri Gas Company (natural gas—certificate case) | Rebuttal- natural gas expansion | Contested |
| 1997 | GA-97-132 | UtiliCorp United Inc./Missouri Public Service Company (natural gas—certificate case) | Rebuttal- natural gas expansion | Contested |
| 1996 | ER-97-82 | Empire District Electric Company (electric-- interim rate increase case) | Rebuttal- fuel & purchased power | Contested |
| 1996 | GR-96-285 Coordinated | Missouri Gas Energy Division of Southern Union Company (natural gas rate increase) | Direct- merger savings recovery; property taxes Rebuttal Surrebuttal | Contested |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|--|--|---|-------------|
| 1996 | EM-96-149 Coordinated | Union Electric Company merger with CIPSCO Incorporated (electric and natural gas-- acquisition/merger case) | Rebuttal- acquisition adjustment; merger costs/savings | Stipulated |
| 1996 | GA-96-130 | UtiliCorp United, Inc./Missouri Pipeline Company (natural gas-- certificate case) | Rebuttal- natural gas expansion | Contested |
| 1995 | ER-95-279 Coordinated | Empire District Electric Company (electric rate increase) | Direct- fuel & purchased power; fuel inventories | Stipulated |
| 1995 | GR-95-160 Coordinated | United Cities Gas Company (natural gas rate increase) | Direct- affiliated transactions; plant | Contested |
| 1994 | GA-94-325 Coordinated | UtiliCorp United Inc., expansion of natural gas to City of Rolla, MO (natural gas-- certificate case) | Rebuttal- natural gas expansion | Contested |
| 1994 | GM-94-252 Coordinated | UtiliCorp United Inc., acquisition of Missouri Gas Company and Missouri Pipeline Company (natural gas--acquisition case) | Rebuttal- acquisition of assets case | Contested |
| 1994 | ER-94-194 | Empire District Electric Company (electric rate increase) | Supervised Case— Did not file testimony | |
| 1993 | GM-94-40 | Western Resources, Inc. and Southern Union Company (natural gas-- sale of Missouri property) | Rebuttal- acquisition adjustment; merger costs/savings tracking | Stipulated |
| 1993 | TR-93-181 | United Telephone Company of Missouri (telephone rate increase) | Direct- directory advertising Surrebuttal | Contested |
| 1993 | TC-93-224 and TO-93-192 Coordinated Directory | Southwestern Bell Telephone Company (telephone-- rate complaint case) | Direct- directory advertising Rebuttal Surrebuttal | Contested |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|--|--|---|-------------|
| 1991 | EM-91-290 | UtiliCorp United Inc./ Missouri Public Service and Centel acquisition (electric – acquisition/ merger case) | Recommendation Memorandum | Stipulated |
| 1991 | GO-91-359 Coordinated | UtiliCorp United Inc., Missouri Public Service Division (natural gas-- accounting authority order) | Memorandum Recommendation- Service Line Replacement Program cost recovery deferral | Stipulated |
| 1991 | EO-91-358 and EO-91-360 Coordinated | UtiliCorp United Inc., Missouri Public Service Division (electric-- accounting authority orders) | Rebuttal- plant construction cost deferral recovery; purchased power cost recovery deferral | Contested |
| 1991 | EM-91-213 | Kansas Power & Light - Gas Service Division (natural gas-- acquisition/merger case) | Rebuttal- acquisition adjustment; merger costs/savings tracking | Contested |
| 1990 | GR-90-152 | Associated Natural Gas Company (natural gas rate increase) | Rebuttal- acquisition adjustment; merger costs/savings | Stipulated |
| 1990 | GR-90-198 Coordinated | UtiliCorp United, Inc., Missouri Public Service Division (natural gas rate increase) | Direct- Corporate Costs and Merger & Acquisition Costs | Stipulated |
| 1990 | ER-90-101 Coordinated | UtiliCorp United Inc., Missouri Public Service Division (electric rate increase- Sibley Generating Station Life Extension Case) | Direct- Corporate Costs and Merger & Acquisition Costs Surrebuttal | Contested |
| 1990 | GR-90-50 Coordinated | Kansas Power & Light - Gas Service Division (natural gas rate increase) | Direct- prudence review of natural gas explosions | Stipulated |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|---------------------------------------|---|--|-------------------------------------|
| 1989 | TR-89-182 and TC-90-75 | GTE North, Incorporated (telephone rate increase) | Direct- directory advertising Rebuttal Surrebuttal | Contested Decided Feb 9, 1990 |
| 1988 | TC-89-14 Coordinated Directory | Southwestern Bell Telephone Company (telephone-- rate complaint case) | Direct- directory Surrebuttal advertising Surrebuttal Deposition | Contested |
| 1988 | GR-88-115 Coordinated | St. Joseph Light & Power Company (natural gas rate increase) | Supervised Case-- Did not file testimony Deposition | Stipulated |
| 1988 | HR-88-116 | St. Joseph Light & Power Company (industrial steam rate increase) | Supervised Case-- Did not file testimony Deposition | Stipulated |
| 1987 | HO-86-139 Coordinated | Kansas City Power & Light Company (district steam heating-- discontinuance of public utility and rate increase) | Direct- policy testimony on abandonment of steam service Rebuttal Surrebuttal | Contested |
| 1986 | TR-86-117 Coordinated | United Telephone Company of Missouri (telephone rate increase) | Withdrawn prior to filing | Withdrawn |
| 1986 | GR-86-76 Coordinated | KPL-Gas Service Company (natural gas rate increase) | Withdrawn prior to filing | Withdrawn |
| 1986 | TR-86-55 Coordinated | Continental Telephone Company of Missouri (telephone rate increase) | Supervised Case-- Did not file testimony | Stipulated |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|---|---|---|-------------|
| 1986 | TR-86-63 Coordinated | Webster County Telephone Company (telephone rate increase) | Supervised Case-- Did not file testimony | Stipulated |
| 1986 | TR-86-14 Coordinated | ALLTEL Missouri, Inc. (telephone rate increase) | Supervised Case— Did not file testimony | Stipulated |
| 1985 | ER-85-128 and EO-85-185 Coordinated | Kansas City Power & Light Company (electric rate increase- Wolf Creek Nuclear Generating Unit Case) | Supervised Case-- Direct- fuel inventories; coordinated Wolf Creek Nuclear construction audit | Contested |
| 1984 | EO-84-4 | Investigation and Audit of Forecasted Fuel Expense of Kansas City Power & Light Company (electric-- forecasted fuel true-up) | Direct | Contested |
| 1983 | TR-83-253 | Southwestern Bell Telephone Company (telephone rate increase - ATT Divesture Case) | Direct- revenues & directory advertising | Contested |
| 1983 | ER-83-49 | Kansas City Power & Light Company (electric rate increase) | Direct- fuel & fuel inventories Rebuttal Surrebuttal | Contested |
| 1983 | EO-83-9 | Investigation and Audit of Forecasted Fuel Expense of Kansas City Power & Light Company (electric-- forecasted fuel true-up) | Direct | Contested |
| 1982 | TR-82-199 | Southwestern Bell Telephone Company (telephone rate increase) | Direct- revenues & directory advertising | Contested |

CARY G. FEATHERSTONE

SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|------------------------------|--|---|-------------|
| 1982 | ER-82-66 and HR-82-67 | Kansas City Power & Light Company (electric & district steam heating rate increase) | Direct- fuel & purchased power; fuel inventories Rebuttal Surrebuttal | Contested |
| 1981 | TO-82-3 | Southwestern Bell Telephone Company Investigation of Equal Life Group and Remaining Life Depreciation Rates (telephone-- depreciation case) | Direct- construction work in progress | Contested |
| 1981 | TR-81-302 | United Telephone Company of Missouri (telephone rate increase) | Direct- construction work in progress | Stipulated |
| 1981 | TR-81-208 | Southwestern Bell Telephone Company (telephone rate increase) | Direct-cash working capital; construction work in progress; income taxes-flow- through Rebuttal Surrebuttal | Contested |
| 1981 | ER-81-42 | Kansas City Power & Light Company (electric rate increase) | Direct-payroll & payroll related benefits; cash working capital Rebuttal | Contested |
| 1980 | TR-80-235 | United Telephone Company of Missouri (telephone rate increase) | Direct- construction work in progress Rebuttal | Contested |
| 1980 | GR-80-249 Coordinated | Rich Hill-Hume Gas Company (natural gas rate increase) | No Testimony filed- revenues & rate base | Stipulated |
| 1980 | GR-80-173 | The Gas Service Company (natural gas rate increase) | Direct Deposition | Stipulated |
| 1980 | HR-80-55 | St. Joseph Light & Power Company (industrial steam rate increase) | Direct | Stipulated |

CARY G. FEATHERSTONE
SUMMARY OF RATE CASE INVOLVEMENT

| <u>Year</u> | <u>Case No.</u> | <u>Utility</u> | <u>Type of Testimony/Issue</u> | <u>Case</u> |
|-------------|-----------------|--|--------------------------------|-------------|
| 1980 | OR-80-54 | St. Joseph Light & Power Company (transit rate increase) | Direct | Stipulated |
| 1980 | ER-80-53 | St. Joseph Light & Power Company (electric rate increase) | Direct | Stipulated |

Cases Supervised and Assisted listed on following pages:

CARY G. FEATHERSTONE
SUMMARY OF RATE CASE INVOLVEMENT
CASES SUPERVISED AND ASSISTED:

| | | | | |
|------|------------------------------|---|---|------------|
| 2013 | SC-2013-0332 | West 16 th Street (Public Counsel complaint case) | Supervised Case- | Stipulated |
| 2013 | WR-2013-0326 | Woodland Manor | Supervised Case- | Stipulated |
| 2013 | SR-2013-0053 | WPC Sewer | Supervise Case- | Stipulated |
| 2013 | WM-2013-0329 | Bilyean Ridge Water | Supervise Case- | Stipulated |
| 2012 | WR-2012-0163 | Tandy County (water informal rate increase) | Supervised Case- Recommendation Memorandum | Stipulated |
| 2011 | WO-2022-0328 | Algonquin Liberty Water purchase of Noel Water | Supervised Case- Recommendation Memorandum | Stipulated |
| 2010 | SR-2010-0320 Coordinated | Timber Creek Sewer Company | Supervised Case—Did Not File Testimony | Pending |
| 2010 | WR-2010-0202 | Stockton Water Company | Recommendation Memorandum | Stipulated |
| 2010 | EO-2010-0211 | KCP&L Greater Missouri Operations---- Liberty service center sale | Recommendation Memorandum | Stipulated |
| 2009 | EO-2010-0060 | KCP&L Greater Missouri Operations----- Blue Springs service center sale | Recommendation Memorandum | Withdrawn |
| 2009 | WR-2010-0139 SR-2010-0140 | Valley Woods Water Company | Recommendation Memorandum | Stipulated |

CARY G. FEATHERSTONE
SUMMARY OF RATE CASE INVOLVEMENT
CASES SUPERVISED AND ASSISTED:

| | | | | |
|------|---|---|--|------------|
| 2008 | QW-2008-0003 | Spokane Highlands Water Company (water- informal rate increase) | Recommendation Memorandum | Stipulated |
| 2007 | SR-2008-0080 QS-2007-0008 | Timber Creek (sewer- informal rate increase) | Recommendation Memorandum | Stipulated |
| 2006 | HA-2006-0294 Coordinated | Trigen Kansas City Energy (steam- expansion of service area) | Recommendation Memorandum & Testimony | Contested |
| 2005 | Case No. WO-2005-0206 Coordinated | Silverleaf sale to Algonquin (water & sewer- sale of assets) | Supervised Case—Did not file testimony | Stipulated |
| 2005 | GM-2005-0136 Coordinated | Partnership interest of DTE Enterprises, Inc. and DTE Ozark, Inc in Southern Gas Company purchase by Sendero SMGC LP (natural gas -- sale of assets) | Recommendation Memorandum | Stipulated |
| 2003 | QW-2003-016 QS-2003-015 | Tandy County (water & sewer informal rate increase) | Recommendation Memorandum | Stipulated |

Missouri Public Service Commission

Respond Data Request

| | |
|--------------------------|--|
| Data Request No. | 0003 |
| Company Name | Missouri Gas Energy (Southern Union)-Investor(Gas) |
| Case/Tracking No. | GR-2014-0007 |
| Date Requested | 9/16/2013 |
| Issue | General Information and Miscellaneous - Company Information |
| Requested From | Michae R Noack |
| Requested By | John Borgmeyer |
| Brief Description | External Auditors Reports and Work Paper Review |
| Description | 1. Please identify the outside auditors and the length of time they have been engaged by Missouri Gas Energy and/or its parent companies. 2. For Missouri Gas Energy and/or its parent companies, provide copies of all correspondence with the outside auditors during the past three years. 3. Provide all management letters from the outside independent auditors during the past three years. 4. Please make available for Staff to review the external auditor work papers of Missouri Gas Energy and/or its parent companies, along with any affiliate doing business with the regulated entity for the most recent audited year 2012 and previous year 2011. (MGE Case No. GR-2009-0355 DR 3) Data request submitted by Cary Featherstone (Cary.Featherstone@psc.mo.gov) |
| Response | Grant Thornton has been auditing the MGE books since March 31, 2012 when ETE closed on the purchase of Southern Union, prior to that Southern Union used Price-Waters Coopers. This will be set up between the Grant Thornton auditors and the Staff auditors. |
| Objections | NA |

The attached information provided to **Missouri Public Service Commission** Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the **Missouri Public Service Commission** if, during the pendency of Case No. **GR-2014-0007** before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information. If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the **Missouri Gas Energy (Southern Union)-Investor(Gas)** office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to **Missouri Gas Energy (Southern Union)-Investor(Gas)** and its employees, contractors, agents or others employed by or acting in its behalf.

| | |
|--------------------|--------|
| Security : | Public |
| Rationale : | NA |



December 4, 2013

Cary Featherstone
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Kansas City, Missouri 64106

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Ted Robertson
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65102-2230

Dear Mr. Featherstone and Mr. Robertson:

The Missouri Public Service Commission, as permitted by Section 386.240 RSMo. 2000, has granted members of the Missouri Public Commission Staff ("Staff"), through Commission Rules 4 CSR 240-2.010(5), 4 CSR 240-2.010(11) and 4 CSR 240-2.065 authority to perform audits for setting rates for Laclede Gas Company (the "Company") (a wholly-owned subsidiary of The Laclede Group, Inc.) and Missouri Gas Energy in Case NO. GR-2014-0007. The Commission's discretion to exercise any of the Commission's investigatory powers as set forth in Chapters 386 and 393, RSMo, is delegated to the Commission's Staff. Representatives of Missouri Public Service Commission ("you" or "Staff") have requested access to Grant Thornton LLP's ("Grant Thornton", "we" or "us") workpapers prepared in connection with our audits of the December 31, 2012 and 2011 financial statements of Missouri Gas Energy (the "Company"). It is our understanding that the purpose of your request is to facilitate your regulatory examination.

Our aforementioned audits were conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") as established by the American Institute of Certified Public Accountants, the objective of which is to form an opinion as to whether the financial statements, which are the responsibility and representations of Company management, present fairly, in all material respects, the financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Under those standards, we have the responsibility, within the

Missouri Gas Energy
December 4, 2013

inherent limitations of the audit process, to plan and perform our audits to obtain reasonable assurance that the financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due care in the conduct of our audits.

The concept of selective testing of the data being audited, which involves judgment both as to the areas to be tested and the nature, timing and the extent of the tests to be performed, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Thus, our audits, based on the concept of selective testing, is subject to the inherent risk that material misstatements, whether caused by error or fraud, if they exist, would not be detected. In addition, an audit does not address the possibility that material misstatements, whether caused by error or fraud, may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audits means that matters may have existed that would have been assessed differently by you. We and you are authorized to discuss with each other any questions raised during the course of the review, but it is expressly understood that we assume no additional responsibility with respect to our audits of the Company's financial statements.

The workpapers were prepared for the purpose of providing the principal support for our auditor's report and to aid in the conduct and supervision of our audits. The workpapers document the procedures performed, the information obtained and the pertinent conclusions reached in the engagement. The audit procedures we performed were limited to those we considered necessary under applicable professional standards to enable us to formulate and express our opinion on the financial statements taken as a whole. Accordingly, we make no representation as to the sufficiency or appropriateness, for your purposes, of either the information contained in our workpapers or our audit procedures. In addition, any notations, comments and individual conclusions appearing on any of the workpapers do not stand alone, and should not be read as an opinion, conclusion or any other form of assurance on any individual amounts, accounts, balances or transactions.

Our aforementioned audits were performed (and the workpapers were prepared) for the purpose stated above and has not been planned or conducted in contemplation of your regulatory examination or for the purpose of assessing the Company's compliance with laws and regulations. Therefore, items of possible interest to you may not have been specifically addressed. Accordingly, our audits and the workpapers prepared in connection therewith, were not intended for the benefit of you and should not supplant other inquiries and procedures that should be undertaken by you for your purposes. In addition, we have not audited any of the Company's financial statements since December 31, 2012, nor have we performed any audit procedures since March 29, 2013, the date of our auditor's report, and significant events or circumstances may have occurred since that date.

The workpapers constitute and reflect work we performed or information we obtained in our capacity as independent auditor for the Company. We believe the documents contain trade secrets and confidential commercial and financial information of Grant Thornton and the Company that is privileged and confidential, and we expressly reserve all rights with respect to

Missouri Gas Energy
December 4, 2013

disclosure to third parties. Accordingly, we request confidential treatment under the Freedom of Information Act or similar laws and regulations when requests are made for the workpapers or information contained therein or any documents created by you containing information derived therefrom. We further request that written notice be given to Gerrad Heep, Grant Thornton LLP, 700 Milam Street, Suite 300, Houston, TX 77002 before distribution of the information in the workpapers (or photocopies thereof) to others, including other governmental agencies, except when distribution without notice to us is required by law or regulation.

Upon request, we will consider providing you copies of certain workpapers. Any photocopies of our workpapers we agree to provide you will be identified as "Confidential Treatment Requested by Grant Thornton LLP."

Very truly yours,

Grant Thornton LLP

Gerrad Heep
Partner

Agreed and accepted by:

Missouri Public Service Commission Staff

Cary Featherstone
Cary Featherstone

Date: 12/16/13

Office of Public Counsel

Ted Robertson

Date: _____

SOUTHERN UNION COMPANY

OFFICER'S CERTIFICATE

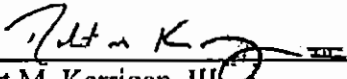
The undersigned, Robert M. Kerrigan, III, hereby certifies as follows:

I am the duly appointed and acting Vice President, Associate General Counsel and Secretary of Southern Union Company, a Delaware corporation (the "Company");

I further certify that the non-privileged minutes of the Company's Board of Directors are devoid of any discussion and/or information that reference the following items:

Missouri Gas Energy ("MGE") corporate allocations;
MGE property taxes;
Bad debts/uncollectible (related to MGE's customers);
JJ's Restaurant explosion; and/or
Impaired assets related to MGE.

Executed this 20th day of December 2013.



Robert M. Kerrigan, III
Vice President, Associate General
Counsel and Secretary

PANHANDLE EASTERN PIPE LINE COMPANY, LP

OFFICER'S CERTIFICATE

The undersigned, Robert M. Kerrigan, III, hereby certifies as follows:

- (i) I am the duly appointed and acting Vice President and Secretary of Panhandle Eastern Pipe Line Company, LP ("Panhandle"), successor in interest to Southern Union Company (the "Company") by merger effectuated on January 10, 2014;
- (ii) There were no formal meetings of the Company's Board of Directors during the period June 30, 2012 through August 31, 2013. In addition, after March 26, 2012, the Company no longer had an Audit Committee; and
- (iii) I further certify that I am familiar with the work of Company's external auditors for 2013 for the Company and am aware that the audit work papers associated therewith do not contain any additional non-privileged information besides the information that is contained in the external auditor audit work papers prepared for the Company's former Missouri Gas Energy division ("MGE") with respect to:

MGE's corporate allocations;
MGE's property taxes;
Bad debts/uncollectibles (related to MGE's customers);
JJ's Restaurant explosion; and/or
Impaired assets related to MGE.

Executed this 30th day of January 2014.



Robert M. Kerrigan, III
Vice President and Secretary

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 17th day of July, 2013.

In the Matter of the Joint Application of Southern Union Company d/b/a Missouri Gas Energy, The Laclede Group, Inc., and Laclede Gas Company for an Order Authorizing the Sale, Transfer, and Assignment of Certain Assets and Liabilities from Southern Union Company to Laclede Gas Company and, in Connection Therewith, Certain other Related Transactions)
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File No. GM-2013-0254

ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT

Issue Date: July 17, 2013

Effective Date: July 31, 2013

On July 2, 2013, Southern Union Company d/b/a Missouri Gas Energy, the Laclede Group, Laclede Gas Company, the Staff of the Commission, the Office of the Public Counsel, City of Kansas City, IBEW Local Union No. 53, Midwest Gas Users' Association, and Missouri Department of Natural Resources filed a stipulation and agreement to resolve all issues connected with the proposed sale of the Missouri Gas Energy natural gas system to Laclede. Two parties - United Steelworkers District 11, AFL-CIO and Kansas City Power & Light Company / KCP&L Greater Missouri Operations Company - did not initially join in the stipulation and agreement. Subsequently, on July 9, United Steelworkers District 11 filed a notice indicating it was joining in the stipulation and agreement. Kansas City Power & Light / KCP&L Greater Missouri Operations Company did not oppose the stipulation and

agreement within seven days of its filing and therefore, pursuant to Commission Rule 4 CSR 240.2.115(2), the Commission will treat the stipulation and agreement as unanimous.

The Commission conducted an on-the-record proceeding regarding the stipulation and agreement on July 10, 2013. At that proceeding, the Commission questioned the parties about the terms of the stipulation and agreement and gathered additional information about the Transaction and the conditions set forth in the stipulation and agreement.

The stipulation and agreement sets forth numerous conditions on the sale of the Missouri Gas Energy assets to Laclede Gas Company. Among those agreed upon conditions are a rate moratorium whereby Laclede Gas Company agrees not to file a general rate case for its Laclede Gas service territory prior to October 1, 2015, unless there is a significant unusual event that has a major impact on any of its Missouri service territories. Laclede Gas Company will be allowed to file a general rate case for its Missouri Gas Energy service territory no later than September 18, 2013. The stipulation and agreement also provides that any acquisition premium paid for Missouri Gas Energy in connection with the Transaction shall not be recovered in retail distribution rates. The stipulation and agreement contains additional conditions designed to protect customers from any adverse credit and capital cost impacts resulting from the Transaction; conditions designed to protect the quality of service provided to customers; and numerous other conditions that set out how the Transaction will occur and that will protect customers and the public from any adverse impact from the Transaction.

The stipulation and agreement also asks the Commission to approve Laclede Gas Company's plan to finance its purchase of the Missouri Gas Energy system from Southern

Union Company. In accordance with Section 393.200 RSMo, the Commission finds that the money, property or labor to be procured or paid for by Laclede Gas Company through the issuance and sale of debt and equity is reasonably required and necessary for the purposes described in the stipulation and agreement and will be used therefore and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

After reviewing the stipulation and agreement, the Commission independently finds and concludes that such stipulation and agreement is in the public interest and should be approved.

THE COMMISSION ORDERS THAT:

1. The Stipulation and Agreement filed on July 2, 2013, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order, and is incorporated herein by reference.

2. Southern Union Company d/b/a Missouri Gas Energy and Laclede Gas Company are authorized to perform in accordance with the terms of the Purchase and Sale Agreement.

3. The sale, transfer, and assignment of certain assets of Southern Union Company to Laclede Gas Company, as more fully described in the Purchase and Sale Agreement, is authorized, with a closing date effective as of September 1, 2013, subject to the provisions of the Purchase and Sale Agreement and Southern Union Company's unilateral right to waive the condition of simultaneous closing of the transaction with

Laclede Gas Company and the sale of its New England Gas Company assets to Plaza Massachusetts Corp.

4. Laclede Gas Company is granted a certificate of convenience and necessity to provide natural gas service as a gas corporation and public utility, subject to the jurisdiction of the Commission in the service areas presently served by Missouri Gas Energy as a division of Southern Union Company. In connection therewith, the requirements of Commission rule 4 CSR 240.3.205 are waived.

5. Laclede Gas Company is authorized to provide natural gas service in the areas served by Missouri Gas Energy, as a division of Southern Union Company, in accordance with the rules, regulations, rates and tariffs of Missouri Gas Energy as may be on file with and approved by the Commission on the effective date of the closing of the transaction, including the tariff sheets reflecting the existing base rates, ISRS rates, and purchase gas adjustment of Missouri Gas Energy. Laclede Gas Company is authorized to adopt said tariff sheets, and to operate under them as they may be changed from time to time as provided by law.

6. Laclede Gas Company is authorized to adopt Southern Union Company's authorized depreciation rates for the involved assets.

7. Laclede Gas Company is authorized to raise up to and including \$1.02 billion, at any time beginning July 31, 2013 and ending one year after the closing of the Transaction, by issuing common or preferred stock, receiving paid-in capital, and issuing long-term indebtedness, including debt evidenced by First Mortgage Bonds, by using the Laclede Gas Company assets and the Missouri Gas Energy assets acquired from Southern Union Company as security as may be necessary in connection with the financing of the

transaction contemplated by the Purchase and Sale Agreement and the Joint Application or as may be necessary in accordance with the terms and conditions of any of Laclede Gas Company's financing instruments and to execute, enter into, deliver and perform in accordance with all necessary agreements, notes, and other documents as are necessary to issue the debt.

8. Southern Union Company is authorized to transfer to Laclede Gas Company, and Laclede Gas Company is authorized to acquire and record on its books and records the current levels of certain assets and liabilities of Southern Union Company related to the Missouri Gas Energy assets.

9. Laclede Gas Company is authorized to account for Missouri Gas Energy's pension benefit costs on a basis consistent with Missouri Gas Energy's currently approved methodology as established in Missouri Gas Energy File No. GR-2009-0355 stipulation and agreement to use FAS 87 calculations for regulatory purposes that do not reflect the impact of purchase accounting and that the prepaid pension asset receives similar treatment as the prepaid asset under Missouri Gas Energy's approved methodology.

10. Laclede Gas Company is authorized to account for the MGE gas employees and retirees post-retirement welfare benefit cost on a basis consistent with the methodology used by Southern Union Company immediately prior to the sale. The Commission finds that the FAS 106 calculations do not reflect the impact of purchase accounting.

11. Southern Union Company, effective upon the closing of the transaction, is authorized to terminate its responsibilities as a gas corporation in Missouri subject to the jurisdiction of the Commission.

12. Southern Union Company and Laclede Gas Company are authorized to enter into, execute and perform in accordance with the terms of all other documents which may be reasonably necessary and incidental to the performance of the Transaction which is the subject of the Purchase and Sale Agreement and the Joint Application,

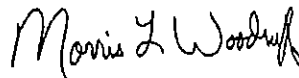
13. The parties are granted such other relief as may be deemed necessary to accomplish the purposes of the Purchase and Sale Agreement and the Joint Application, as amended, and to consummate the sale, transfer and assignment of the assets and related transactions pursuant to the Purchase and Sale Agreement.

14. Laclede Gas Company shall submit to the Commission within sixty (60) days of closing the transaction a listing and description of all items that Laclede Gas Company exercised under the authority in paragraph 13 above.

15. All prefiled testimony is admitted into the record.

16. This order shall become effective on July 31, 2013.

BY THE COMMISSION



Morris L. Woodruff
Secretary

R. Kenney, Chm., Jarrett, Stoll, and
W. Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge

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

In the Matter of the Application of Southern)
Union Company d/b/a Missouri Gas Energy,)
The Laclede Group, Inc. and Laclede Gas Company)
for an Order Authorizing Sale, Transfer, and) Case No. GM-2013-0254
Assignment of Certain Assets and Liabilities)
from Southern Union Company to Laclede Gas)
Company and, in Connection Therewith, Certain)
other Related Transactions)

STIPULATION AND AGREEMENT

TABLE OF CONTENTS

| | |
|---|----|
| BACKGROUND | 2 |
| APPROVAL OF THE TRANSACTION | 4 |
| I. GENERAL | 4 |
| II. CONDITIONS | 7 |
| 1. RATE MORATORIUM | 7 |
| 2. RATE BASE OFFSET | 8 |
| 3. PREMIUM AND ACQUISITION COSTS | 8 |
| 4. TREATMENT OF REGULATORY ASSETS | 10 |
| 5. AFFILIATE TRANSACTIONS AND COST ALLOCATION MANUAL (CAM) ... | 11 |
| 6. ADHERENCE TO PREVIOUS COMMISSION ORDERS AND STIPULATIONS AND AGREEMENTS | 11 |
| 7. TARIFFS | 11 |
| 8. DEPRECIATION RELATED-ISSUES | 12 |
| 9. CREDIT IMPACTS AND REMEDIAL MEASURES | 13 |
| 10. PROTECTION FROM ADVERSE CAPITAL COST IMPACTS | 14 |
| 11. OTHER FINANCIAL CONDITIONS | 15 |
| 12. SERVICE QUALITY CONDITIONS | 17 |
| 13. CONTINUING SERVICES AGREEMENT (CSA) | 21 |
| 14. GAS SUPPLY AND HEDGING PLANS | 23 |
| 15. GAS SAFETY | 25 |
| 16. INSULATION OF MGE FROM LG BUSINESS | 26 |
| 17. FURTHER INSULATING CONDITIONS | 26 |

| | |
|--|----|
| 18. INTERSTATE AND INTRASTATE TRANSPORTATION AND STORAGE COSTS | 29 |
| 19. TRANSPORTATION TARIFFS [ALL CUSTOMER CLASSES] | 31 |
| 20. ENERGY EFFICIENCY PROGRAMS | 32 |
| 21. LOW INCOME WEATHERIZATION PROGRAM | 32 |
| 22. ASSUMPTION OF KCMO FRANCHISE AGREEMENT | 32 |
| 23. ISRS MONITORING AND REPORTING REQUIREMENTS | 32 |
| 24. RETAIL GAS MARKETING PLAN REPORTING | 33 |
| 25. TREATMENT OF INCIDENT-RELATED FEES, COSTS AND EXPENSES | 34 |
| 26. DEFERRED TAXES | 34 |
| 27. FILING OF ANNUAL REPORTS | 34 |
| 28. ASSUMPTION OF EXECUTION RISK | 34 |
| 29. ADHERENCE TO MISSOURI RULES | 34 |
| 30. NO DETRIMENTAL IMPACT | 35 |
| 31. COMMISSION AUTHORITY | 35 |
| 32. ACCESS TO INFORMATION | 35 |
| 33. COMMITMENTS ARE MISSOURI JURISDICTIONAL | 37 |
| 34. FERC APPROVAL OF JOINT APPLICATION | 37 |
| 35. SUG/MGE DATA ROOM FILES | 37 |
| III. PREFILED TESTIMONY TO BE RECEIVED INTO EVIDENCE | 38 |
| IV. NO DETRIMENT | 38 |
| V. GENERAL PROVISIONS | 38 |

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

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| In the Matter of the Joint Application of Southern Union Company d/b/a Missouri Gas Energy |) | |
| The Laclede Group, Inc., and Laclede Gas Company for an Order Authorizing the Sale, Transfer, and Assignment of Certain Assets and Liabilities from Southern Union Company to Laclede Gas Company and, in Connection Therewith, Certain other Related Transactions |) | Case No. GM-2013-0254 |

STIPULATION AND AGREEMENT

COME NOW Southern Union Company d/b/a Missouri Gas Energy (“SUG”), The Laclede Group, Inc. (“LG”), Laclede Gas Company (“Laclede Gas” or the “Company”)¹, the Staff of the Missouri Public Service Commission (“Staff”), Office of the Public Counsel (“OPC”), City of Kansas City, IBEW Local Union No. 53, Midwest Gas Users Association and Missouri Department of Natural Resources (collectively “Signatories”) and respectfully request that the Missouri Public Service Commission (“Commission”) approve the following Stipulation and Agreement (hereinafter referred to as the “Stipulation” or “Agreement” or “Stipulation and Agreement”). Counsel for the Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, a non-signatory party to this case, has had an opportunity to review this Stipulation and Agreement and has indicated he will not object to it or request a hearing on the issues resolved. Counsel for United Steelworkers District 11, AFL-CIO does not join in this Agreement at this time and is still considering its position. In support of this Stipulation and Agreement, the Signatories state the following:

¹ Upon the closing of this Transaction any reference in this Stipulation and Agreement to “Laclede Gas” or “Laclede Gas Company” or “Company” in connection with events occurring after that date are intended to include the MGE Division unless otherwise specified herein.

(12) Laclede Gas shall provide the Staff and OPC within 10 business days all merger related presentations made to its Board of Directors.

(13) Laclede Gas shall notify the Staff and OPC regarding progress on the implementation of major systems affecting customer service levels, including but not limited to customer billing, customer call center operations, credit and collections, connection, disconnection and reconnection, payment remittance, service order process and meter reading.

(14) Laclede's obligation to provide the information set forth in paragraphs 9-12 shall continue until Laclede's next rate case after the moratorium in which elimination of or modification of such obligations may be proposed.

13. CONTINUING SERVICES AGREEMENT (CSA)

a. SUG shall make all of the services outlined in the draft CSA and its schedules (attached as Attachment 3 to this Stipulation) available to Laclede Gas as required under the terms of that agreement. SUG and Laclede Gas represent that the CSA agreement and its schedules comprise all services necessary from SUG to continue and maintain the operations at pre-transactions levels. Nothing herein shall preclude any party from challenging the necessity, propriety or cost of a particular continuing service in any general rate case proceeding in which the cost of such service is sought to be recovered.

b. SUG and Laclede Gas shall provide the Signatories the final CSA upon closing of the Transaction.

c. SUG and Laclede Gas represent that the goal of transition services is 1) to provide for a seamless transition of all operating functions from SUG to Laclede Gas 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, Laclede Gas shall notify the Signatories and, if requested by a Signatory, coordinate a technical

conference with the Signatories to describe how the transition service will be provided by Laclede Gas.

d. Laclede Gas shall provide to the Signatories, 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 Laclede Gas of all transition services that are being provided to Laclede Gas. Laclede Gas shall provide advance notice to the Signatories 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 Laclede Gas transition status reports. Laclede Gas shall file these status reports in the Commission's Electronic Filing Information System ("EFIS"), under the case number GM-2013-0254.

e. SUG and Laclede Gas shall participate throughout the period continuing services are being provided in in-person meetings in Jefferson City with the Signatories to discuss transition status and progress. Upon the determination of the Signatories these in-person meetings may be handled instead through a conference call.

f. During the first 9 months following the close of the transaction, the Laclede Gas management and a representative of SUG shall attend quarterly meetings with the Signatories to provide presentations and status reports on the progress of the transaction and transition plans. After the nine-month period, Laclede Gas management shall continue to attend such meetings subject to discussion in Laclede Gas and MGE Division's next rate case regarding the continuing need for such meetings. When possible, parties will attempt to coordinate these meetings with any other meetings that may be scheduled for other purposes.

g. Laclede Gas shall notify the signatories immediately if the CSA is determined to be required beyond the 9 month transition period after date of close.

h. Laclede Gas management including the Chief Executive Officer of LG, the President of Laclede Gas and the Senior Vice President, Chief Innovation and Integration Officer and any other participants that Laclede Gas deems necessary shall be present for a minimum of two on-the-record presentations before the Commission to be scheduled in May 2014 and December 2014. If transition concerns still exist after December 2014, an additional on the record presentation may be required. Laclede Gas 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. Laclede Gas witnesses shall be available for questions from the Signatories regarding the progress of the transition involving matters contained in this Stipulation. After the closing of this Transaction, the Staff shall file a pleading on behalf of the Signatories proposing dates for the on the record presentations. A representative from SUG management shall be present for the first on-the-record presentation in May 2014.

i. The Joint Applicants represent to the Signatories that they anticipate the CSAs will only be needed for a period of 9 months from the date of closing.

14. GAS SUPPLY AND HEDGING PLANS

a. Laclede Gas shall assume from SUG, the transportation, storage and related contracts in place for the MGE division; and shall also assume MGE's gas supply and hedging contracts, including both physical and financial hedging. To the extent that the assignment by SUG of any gas supply and hedging contracts require third party consent the PSA provides for SUG to obtain such consents, and SUG has created a process to do so. Although none are expected, Laclede Gas shall promptly inform Staff and OPC of any issues it encounters regarding the consents and shall provide Staff and OPC evidence of such contract assumptions within 30 days after closing of the Transaction. After the closing, Laclede Gas shall provide to

EXHIBIT 6.6

FORM OF CONTINUING SERVICES AGREEMENT

THIS CONTINUING SERVICES AGREEMENT (this "Agreement") is entered into as of [●], by and between Southern Union Company, a Delaware corporation ("Seller"), Plaza Missouri Acquisition, Inc., a Missouri corporation ("Buyer I"), and Plaza Massachusetts Acquisition, Inc., a Delaware corporation ("Buyer II" and, together with Buyer I, "Buyers"). Seller and Buyers are referred to collectively as the "Parties" and each individually, as a "Party".

WHEREAS, as of the date hereof, Seller has sold to Buyer I certain assets relating to the local natural gas distribution utility and other business and operations conducted in the State of Missouri by Seller, pursuant to that certain Purchase and Sale Agreement, dated as of [●], 2012, between Seller, Buyer I and The Laclede Group, Inc. (the "Missouri PSA");

WHEREAS, as of the date hereof, Seller has sold to Buyer II certain assets relating to the local natural gas distribution utility and other business and operations conducted in the Commonwealth of Massachusetts by Seller, pursuant to that certain Purchase and Sale Agreement, dated as of [●], 2012, between Seller, Buyer II and The Laclede Group, Inc. (the "Massachusetts PSA" and, together with the Missouri PSA, the "PSAs"); and

WHEREAS, upon the Closing Date, Buyers desire that Seller continue to provide certain services to Buyers with respect to the Combined Business, and Seller has agreed to continue to provide or cause to be provided to Buyers certain services, in each case in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the Parties' respective covenants, representations, warranties, and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the PSAs. The same rules of construction as set forth under Section 13.7 of the PSA shall apply herein. As used in this Agreement, the following terms have the meanings specified in this Section 1.1:

"Services" means, collectively, the services provided hereunder by Seller to Buyers as described in Section 2.1 hereof.

"Service Schedule" means a schedule in the form of Exhibit A attached hereto or in such other form as may be mutually agreed upon by the Parties that, together with this Agreement, governs the provision of a particular Service or group of related Services by Seller to Buyers.

1.2 In addition, each of the following terms has the meaning specified in the Exhibit or Section set forth opposite such term:

| <u>Term</u> | <u>Reference</u> |
|--------------------------|------------------|
| Buyer Indemnitee | Section 8.2 |
| Confidential Information | Section 6.2(a) |
| Defaulting Party | Section 7.1 |
| Disputes | Section 9.1 |
| Event of Default | Section 7.1 |
| Force Majeure | Section 9.4 |
| Losses | Section 8.1 |
| Non-Defaulting Party | Section 7.1(a) |
| Restricted Information | Section 6.3 |
| Seller Indemnitee | Section 8.1 |

ARTICLE II SERVICES

2.1 Services. From and after the Closing Date and throughout the term of this Agreement, but subject to Section 3.3 hereof, Seller shall provide or cause to be provided to Buyers each of the Services described in any Service Schedule, in each case subject to and upon the terms and conditions set forth in this Agreement and, to the extent not inconsistent herewith, the applicable Service Schedule. In the event of any conflict between the terms and conditions of this Agreement and the Service Schedules, the terms and conditions of this Agreement shall control. The Services shall be limited to those that Seller provides with respect to the Combined Business as of the date hereof. The specific Services to be provided, and the scope thereof, shall be as described in the Service Schedules.

2.2 Standards. Seller shall provide the Services to Buyers in accordance with Good Utility Practices. The Services shall be provided in accordance with the policies, procedures and practices of Seller in effect as of the date hereof pursuant to which, and with the same priority as, Seller performs services of a like nature for itself and its Affiliates. Buyers hereby acknowledge that Seller is not in the business of providing such Services to third parties and that, except as set forth in this Section 2.2, Seller does not otherwise warrant or assume any responsibility for the Services. **EXCEPT AS STATED ABOVE, SELLER EXPRESSLY DISCLAIMS (I) ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ADEQUACY OR QUALITY OF THE SERVICES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND (II) ANY WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYERS BY SELLER OR ANY OF SELLER'S AFFILIATES IN CONNECTION WITH THE SERVICES.**

2.3 Subcontracting. Seller may engage one or more subcontractors to perform all or any portion of the Services to the extent, and upon the same terms and conditions, that Seller subcontracts for the provision of such Services to the Combined Business on the date hereof. Seller will promptly advise Buyers of any material disputes or defaults under any such subcontract.

2.4 Limitation of Services. Notwithstanding any other provision of this Agreement, in connection with the performance of its obligations under this Agreement, in no event shall Seller be obligated to acquire additional assets, equipment, rights or properties (including, without limitation computer equipment, software, furniture, furnishings, fixtures, machinery, vehicles, tools and other tangible personal property) that Seller would not provide, make or acquire in the ordinary course of its business as of the date hereof. Seller shall not be required to perform any Service hereunder that violates or contravenes any applicable Legal Requirement.

ARTICLE III TERM AND TERMINATION

3.1 Term. This Agreement shall remain in effect for a term commencing on the date hereof and continuing until the date that is [●] months¹ following the Closing Date or such earlier date upon which this Agreement is terminated in accordance with Article VII, and thereupon shall terminate except as otherwise provided in Section 3.3.

3.2 Termination. From time to time during the term hereof, Buyers may, upon not less than thirty (30) days prior written notice, advise Seller that the services set out under any particular Service Schedule are no longer required, in which case Seller will discontinue the provision of the service under such Service Schedule in accordance with the timing set out in such notice and, following discontinuation, such service shall no longer be included in the Services.

3.3 Survival. The provisions of Articles IV, VI, VIII, IX and X of this Agreement, and any and all payment obligations with respect to Services performed prior to the termination or expiration of this Agreement, shall survive any termination or expiration of this Agreement.

ARTICLE IV COMPENSATION AND PAYMENT

4.1 Compensation. In consideration for the provision of the Services, Buyers shall pay to Seller in accordance with Section 4.3 the sum of (a) the direct costs of Seller to provide the applicable Service internally (i.e., hourly rate or annual salary converted to an hourly rate, plus the proportional benefit load and payroll taxes for Seller's employees, plus any applicable sales tax); plus (b) all third-party costs paid by Seller or any of its Affiliates to any Person (other than Seller or an Affiliate of Seller) to the extent incurred by Seller or such Affiliate in the performance of such Service, without markup of any kind; provided, however, that to limit administrative burden, the Parties may agree in a Service Schedule upon a specified amount of compensation as a reasonable approximation of all or any portion of the foregoing, in which case such specified amount shall control.

4.2 Allocation of Costs. In the event that any internal or third-party costs incurred by Seller in connection with the provision of the Services to Buyers are not solely related to the provision of Services to Buyers, the amount attributable to the provision of the Services to Buyers for purposes of Section 4.1 shall be determined by allocating such costs in accordance

¹ To be agreed by the Parties prior to Closing.

with methodologies approved by the MPSC or MDPU, as applicable, or, absent the foregoing, such other allocation methodologies that are generally accepted in the local gas distribution utility industry.

4.3 Invoicing. Seller shall bill Buyers monthly for all charges payable pursuant to Section 4.1 of this Agreement. All such charges shall be invoiced as incurred, except to the extent that a Service Schedule provides for other billing methods. With respect to any third-party costs incurred by Seller that are chargeable to Buyers hereunder, Seller shall deliver to Buyers, with the applicable invoice, reasonable supporting documentation.

4.4 Payment Terms. Payment of all undisputed amounts shall be due thirty (30) days after Buyer's receipt of an invoice therefor. Payment of an invoice shall not constitute a waiver of any rights. In the event of a dispute regarding any invoiced amount, Buyers will notify Seller in writing of the dispute, and the Parties will cooperate in good faith for the prompt resolution of any such dispute. Any additional amount determined to be validly due and payable hereunder shall be paid promptly following such determination.

4.5 Late Payments. Late payments (which shall not include any invoiced amounts subject to dispute pursuant to Section 4.4) shall bear interest from the date due through and including the date paid, at the "target" federal funds rate reported in the "Money Rates" section of the Eastern Edition of *The Wall Street Journal* published for such date, plus two percent (2%).

ARTICLE V COOPERATION

5.1 Good Faith Cooperation. The Parties will cooperate with each other in good faith in all matters relating to the provision and receipt of the Services.

5.2 Representatives. Each Party shall designate (and from time to time may replace) one or more representatives to act for and on behalf of such Party on matters concerning this Agreement generally and one or more representatives to act for and on behalf of such Party on matters concerning each of the Services. Each Party shall promptly notify the other Party in writing of the selection and any subsequent replacements of its representatives.

5.3 Reports. Each Party shall furnish to the other such periodic reports relating to a Service as specified in the Service Schedule relating to such Service.

5.4 Access. Buyers shall permit Seller and its subcontractors, and the employees, agents and representatives of each, reasonable access to facilities, information and data of Buyers, to the extent and at all times reasonably necessary for Seller to perform any of the Services.

ARTICLE VI DATA AND INFORMATION

6.1 Information Maintained by Seller. Until the expiration or termination of this Agreement, Seller shall maintain all information and data relating to the Services that is required to be maintained under any Service Schedule or by any applicable Legal Requirement or that is

otherwise customarily retained in connection with the Services. Seller shall provide Buyers and its representatives with reasonable access thereto during the term hereof. Upon the expiration or termination of this Agreement, Seller shall deliver such information and data to Buyers in such form as Buyers may reasonably request; provided, however, that the conversion of such information or data into any form other than that in which it is maintained by Seller shall be at the sole cost of Buyers.

6.2 Confidential Information.

(a) As used herein, “Confidential Information” means all information concerning a Party or its Affiliates or any of their respective businesses, assets, products, services, employees, or customers that is designated by such Party as confidential or that is customarily, or legally required to be, protected from public disclosure, regardless of whether such information is provided or obtained orally, in writing or other tangible form, via email or in electronic form, or through visual observation. Notwithstanding the foregoing, Confidential Information shall not include any information that (a) is in the public domain; (b) is or becomes generally available to the public through no action by the non-disclosing Party or by that Party’s representatives; (c) is or becomes available to the non-disclosing Party or that Party’s representatives on a non-confidential basis from a source, other than the disclosing Party or its representatives, which source is not prohibited from disclosing such portions by a contractual, legal or fiduciary obligation; (d) was in the possession of the non-disclosing Party or its representatives prior to disclosure of the same by the disclosing Party or its representatives (with the exception of information concerning the Combined Business that is to be held confidential pursuant to the PSAs); or (e) can be shown by the non-disclosing Party to have been independently developed by it or its representatives without access to any Confidential Information.

(b) Except with the prior consent of the disclosing Party, and subject to the terms and conditions of the PSAs, each Party must: (i) limit access to the Confidential Information of the disclosing Party to its employees, agents, representatives, subcontractors and consultants who have a need-to-know the information for performance or receipt of the Services; (ii) advise its employees, agents, representatives, subcontractors and consultants having access to such Confidential Information of the confidential nature thereof and of the obligations set forth in this Agreement; and (iii) safeguard such Confidential Information by using at least the same degree of care used by that Party in safeguarding its own similar information or material, but no less than a reasonable degree of care.

(c) Notwithstanding any other provision of this Agreement, a Party may disclose Confidential Information of the other Party to the extent compelled or required to do so by any applicable Legal Requirement, legal process, or the rules of any securities exchange. In such event, such Party shall give the other Party prompt written notice of such required disclosure and, if so requested, provide reasonable assistance to the other Party (at such other Party’s expense) in opposing or limiting such required disclosure.

(d) Each Party acknowledges and agrees that any breach of this Section 6.2 would cause the disclosing Party irreparable harm for which monetary damages would be

inadequate. Accordingly, without prejudice to any other rights and remedies otherwise available to the Parties, and notwithstanding anything to the contrary in this Agreement, in the event of any breach or threatened breach of this Section 6.2, each Party agrees (on its own behalf and on behalf of its representatives) to the granting of equitable relief, including injunctive relief and specific performance, in favor of the other Parties without the requirement to prove actual damages or to post a bond or other security.

6.3 Personal Information. Each Party agrees to comply with, and to cause each of its respective Affiliates and all of their employees, agents, contractors and subcontractors to comply with, all applicable Legal Requirements governing the collection, accessibility, use, maintenance, disclosure, protection or transmission of Restricted Information regarding any employee, agent, subcontractor, or customer of the other Party or of such other Party's Affiliates in connection with the provision or receipt of Services under this Agreement. As used herein, "Restricted Information" means any information of a personal or confidential nature regarding any such Person, regardless of how or from whom such information is received, and includes, without limitation, names, addresses, telephone numbers, e-mail addresses, social security numbers, credit card numbers, account information, credit information, demographic information and "protected health information" (as defined in the Health Insurance Portability and Accountability Act of 1996).

ARTICLE VII DEFAULT

7.1 Default. Each of the following shall constitute an "Event of Default" by a Party (the "Defaulting Party"):

(a) The failure of the Defaulting Party to pay any amounts owed to the non-defaulting Party (the "Non-Defaulting Party") under this Agreement within ten (10) days following the due date for such payment (unless any such amounts are subject to dispute pursuant to Section 4.4), and the Defaulting Party has not cured such default within five (5) days following written notice of default from the other Party;

(b) An act or omission by the Defaulting Party that results in a material breach under this Agreement and the Defaulting Party has failed to either (i) diligently take steps within ten (10) days following written notice of breach from the Non-Defaulting Party to correct such breach, or (ii) the Defaulting Party has failed to correct such breach within thirty (30) days from its receipt of such notice or, provided that the Defaulting Party is diligently pursuing such correction, such longer period as may be reasonably required therefor.

7.2 Rights Upon Default. Notwithstanding any other provision of this Agreement to the contrary, the Non-Defaulting Party shall have the right, upon written notice to the Defaulting Party, to (a) terminate this Agreement and/or any Service Schedule hereunder at any time following an Event of Default by the Defaulting Party and prior to such time as the Defaulting Party has cured such Event of Default; and/or (b) suspend performance under this Agreement until such time as the applicable Event of Default has been cured and the Defaulting Party has satisfied any and all liabilities to the Non-Defaulting Party in respect thereof. The foregoing

rights shall not be exclusive and shall be in addition to all other rights and remedies available to the Non-Defaulting Party, at law or in equity.

ARTICLE VIII INDEMNIFICATION AND LIABILITY

8.1 Indemnification by Buyers. Buyers shall indemnify, defend, and hold harmless Seller and its Affiliates, and their respective officers, employees, agents, and representatives (“Seller Indemnitees”) from and against any and all actual or contingent claims, demands, suits, losses, liabilities, damages, obligations, payments, costs, and expenses (including reasonable attorneys’ fees) (collectively, “Losses”) resulting from or arising out of the provision of Services hereunder, except to the extent such Losses were caused by the willful misconduct or gross negligence of such Seller Indemnitees.

8.2 Indemnification by Seller. Seller shall indemnify, defend, and hold harmless Buyers and their Affiliates, and their respective officers, employees, agents and representatives (each, a “Buyer Indemnitee”) from and against any and all (i) direct Losses resulting from or arising out of the provision of Services (other than those arising out of any third-party claim), to the extent such Losses were caused by the willful misconduct or gross negligence of Seller Indemnitees and (ii) Losses resulting from or arising out of the provision of Services as the result of any third-party claim, to the extent such Losses were caused by the failure of Seller to comply with Section 2.2 hereof.

8.3 Waiver of Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement or provided for under any applicable Legal Requirement, no Party will, in any event, be liable to the other Party, either in contract or in tort, for any consequential, incidental, indirect, special, or punitive damages of the other Party, relating to the breach or alleged breach hereof or otherwise. The exclusion of consequential, incidental, indirect, special, and punitive damages as set forth in the preceding sentence does not apply to any such damages sought by non-affiliated third parties in connection with amounts that may be indemnified pursuant to this Article VIII.

8.4 Risk of Loss. Buyers shall bear all risk of loss to any assets acquired in connection with the Combined Business during (and after) the term hereof, and Buyers will have no claim against Seller for damage to or destruction of any such machinery, equipment, tools, parts or inventory, unless the damage or destruction is caused by or results from the gross negligence or willful misconduct of Seller Indemnitees.

ARTICLE IX DISPUTE RESOLUTION

9.1 Resolution by the Parties. In the event of any claims, disputes or other controversies between the Parties arising out of or relating to this Agreement or any of the Services (collectively, “Disputes”), the Parties may attempt to resolve any such Disputes by negotiation between executives who have authority to settle the Dispute. A Party may give the other Party written notice of a Dispute which has not been resolved in the normal course of business. Such notice shall include: (a) a statement of that Party’s position and a summary of

arguments supporting such position, and (b) the name and title of the executive who will be representing that Party and of any other person who will accompany the executive. Within five (5) Business Days after delivery of the notice, the receiving Party shall respond with (i) a statement of that Party's position and a summary of arguments supporting such position, and (ii) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within ten (10) Business Days after delivery of the summary positions, the executives of both Parties shall meet at a mutually acceptable time and place, and shall meet thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. All negotiations pursuant to this clause are to be deemed confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. All applicable statutes of limitation shall be tolled while the procedures specified in this section are pending, and the Parties hereby agree to take any and all actions, if any, reasonably necessary to effectuate such tolling.

9.2 Further Remedies. If a Dispute has not been resolved by negotiation within forty-five (45) days following the disputing Party's initial notice (or such longer period as the Parties may reasonably agree), or if the other Party has failed to meet for the first time within fifteen (15) Business Days following the initial notice, either Party may pursue whatever other remedies may be available to such Party.

9.3 Injunctive Relief. Notwithstanding any other provision of this Agreement, any Party at any time may seek a preliminary injunction or other preliminary judicial relief if, in its sole judgment, such action is necessary to avoid irreparable damage or harm.

9.4 Force Majeure. In the event of either Party hereto being rendered unable, wholly or in part, by Force Majeure (defined below) to carry out its obligations under this Agreement, other than to make payments then or thereafter due hereunder, it is agreed that the obligations of such Party, so far as they are affected by such Force Majeure, shall be suspended from the commencement and during the continuance of any inability so caused but for no longer period, and such cause shall, as far as possible, be remedied with commercially reasonable and diligent dispatch by the Party claiming such in order to put itself in a position to carry out its obligations under this Agreement. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, storm warnings, floods, washouts, hurricanes, arrests and restraints of governments and people, either federal or state, civil or military, civil disturbances, explosions, breakage or accident to equipment or machinery, any legislative, governmental or judicial actions which are resisted in good faith, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which by the exercise of due diligence such Party could not have prevented. The Party claiming Force Majeure shall give notice and full particulars of such Force Majeure, including but not limited to the probable duration of the Force Majeure event as well as the termination of such Force Majeure event, in writing to the other Party as soon as practicable after the occurrence of the cause relied on.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of

strikes or lockouts by acceding to the demands of an opposing Party when such course is inadvisable in the discretion of the Party having the difficulty.

ARTICLE X MISCELLANEOUS

10.1 Independent Contractor. The relationship between the Parties established under this Agreement is that of independent contractor, and neither Party shall be deemed an employee, agent, partner, or joint venturer of or with the other.

10.2 Entire Agreement. This Agreement, together with the Service Schedules and the PSAs (including the schedules, exhibits and other written documents executed pursuant thereto), constitute the entire agreements between the Parties with respect to the subject matter hereof and thereof and supersede all prior written and oral agreements and understandings with respect to the subject matter hereof. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to supersede or limit in any way any of the rights or obligations of the Parties under the PSAs or any other agreement entered into by the Parties in connection with the PSAs or the consummation of the transactions contemplated thereby. In the event of any conflict between the terms and conditions of this Agreement and the PSAs, the terms and conditions of the PSAs shall govern and control.

10.3 Governing Law. The validity, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. The Parties hereby irrevocably submit to the exclusive jurisdiction of the state and federal courts located in the State of Delaware over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each Party irrevocably agrees that all claims in respect of such dispute or proceeding shall be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each Party agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

10.4 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.5 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.6 Notices. Any notice, demand, offer, request or other communication required or permitted to be given by either Party pursuant to the terms of this Agreement shall be made in accordance with, and in the manner provided by, the provisions for notices in the PSAs.

10.7 Nonassignability. Except as provided in Section 2.3, neither Party may, directly or indirectly, in whole or in part, assign, transfer or otherwise dispose of all or any part of this Agreement, without the other Party's prior written consent, and any attempted assignment, transfer or disposition without such prior written consent shall be voidable at the option of the other Party. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives and permitted successors and assigns.

10.8 Third-Party Beneficiaries. Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended to confer upon any Person other than the Parties any rights or remedies of any nature whatsoever under or by reason of this Agreement.

10.9 Severability. If any term or other provision of this Agreement is determined by a decision by a court of a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible.

10.10 Failure Or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of either Party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach hereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.11 Amendment. No change or amendment will be made to this Agreement except by a written instrument signed on behalf of each of the Parties.

10.12 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or other electronic transmission), all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the Parties have executed this Continuing Services Agreement effective as of the date first set forth above.

SOUTHERN UNION COMPANY

By: _____

Name: _____

Title: _____

PLAZA MISSOURI ACQUISITION, INC.

By: _____

Name: _____

Title: _____

PLAZA MASSACHUSETTS ACQUISITION, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

Continuing Services Schedule

Laclede Gas Company (Laclede) has requested certain continuing services support from Southern Union Company/Energy Transfer Partners, L.P. (SUG/ET) pursuant to the terms of the Continuing Support Agreement (“CSA”) from the time the acquisition of the assets of MGE by Laclede closes for an initial term until December 31, 2013 (the “Initial Term”).

IT and Accounting:

Laclede has requested certain pre-closing services from SUG/ET with regards to data extracts, conference calls, file transfers and process research. The IT systems and resource support requirements of Laclede are:

| | | |
|------------------------------------|--|--|
| Oracle General Ledger | | |
| | Oracle Accounts Payable (p-card, iExpense, iProcurement) | |
| | Oracle Human Resources (HCM, Self Service) | General financial spreadsheet support |
| Oracle Purchasing and Inventory | Discoverer (Oracle EBS and PowerPlant) | ADP GL Interface Support |
| MSCA | FileNet | PowerPlant Support (Capital, Fixed Assets, Project Acct) |
| | Microsoft Exchange | |
| | Microsoft Active Directory | |
| | Oracle Database Support Services | |
| Wells Fargo (Visa support) | | |
| EDI Translation (EC Power) | | |
| Chase Bank support | | |
| | | |

SUG/ET will not be creating new and/or additional interfaces to support communication of interaction of legacy ETP/SUG systems as such systems are no longer supported as part of the CSA.

See separate Benefits Schedule attached

Through the Initial Term, the services will be provided on a time, direct cost or allocation basis pursuant to the CSA. To simplify the allocation basis, SUG/ET will use the allocation costs charged by SUG to MGE prior to the transaction with ET was completed. Direct cost shall include any costs charged by outside vendors, counsel and/or other providers in performing these services. In the event Laclede wishes to extend IT and Accounting services (SUG/ET will not agree to extend benefits or other services) described herein beyond the Initial Term, Laclede may elect at its option, upon 10 days notice prior to the end of the Initial Term or any one month extension, to extend the Initial Term on a month by month basis for a period not to exceed four (4) months, provided however, SUG/ET shall be able to add a premium to the time, direct cost or allocation cost of 7% in the first month after the Initial Term, 10% in the second month after the Initial Term, 15% in the third month after the Initial Term and 20% in the fourth month after the Initial Term. Any extension beyond those described above must be agreed to in writing by the parties and shall have a premium of 50% added to the time, direct costs or allocation charge.

Services SUG/ET Need from Laclede

1. Unclaimed property audit – SUG/ET may need to provide data that is only available from the MGE customer information system. Term associated with this item is four years from date of close, at cost.

Additional Services Laclede may need from SUG/ET

1. Audit support – Laclede may need to provide data that is only available from SUG/ET systems in support of future audits (i.e., IRS, DOL, MPSC, FERC, etc.). Term associated with this item is four years from date of close, at cost.

**ATTACHMENT 3,
SCHEDULE 2 IS HIGHLY
CONFIDENTIAL
ATTACHMENT
INTENTIONALLY NOT
PROVIDED**

CONTINUING SERVICES AGREEMENT

THIS CONTINUING SERVICES AGREEMENT (this "Agreement") is entered into as of September 3, 2013, with an effective date of September 1, 2013, by and between Southern Union Company, a Delaware corporation ("Seller"), and Laclede Gas Company, a Missouri corporation ("Buyer"). Seller and Buyer are referred to collectively as the "Parties" and each individually, as a "Party".

WHEREAS, as of the date hereof, Seller has sold to Buyer certain assets relating to the local natural gas distribution utility and other business and operations conducted in the State of Missouri by Seller, pursuant to that certain Purchase and Sale Agreement, dated as of December 14, 2012, between Seller, Buyer (as assignee of Plaza Missouri Acquisition, Inc.) and The Laclede Group, Inc. (the "PSA"); and

WHEREAS, upon the Closing Date, Buyer desires that Seller continue to provide certain services to Buyer with respect to the Business, and Seller has agreed to continue to provide or cause to be provided to Buyer certain services, in each case in accordance with the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the Parties' respective covenants, representations, warranties, and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

**ARTICLE I
DEFINITIONS**

1.1 Definitions. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the PSA. The same rules of construction as set forth under Section 13.6 of the PSA shall apply herein. As used in this Agreement, the following terms have the meanings specified in this Section 1.1:

"Services" means, collectively, the services provided hereunder by Seller to Buyer as described in Section 2.1 hereof.

"Service Schedule" means a schedule in the form of Exhibit A attached hereto or in such other form as may be mutually agreed upon by the Parties that, together with this Agreement, governs the provision of a particular Service or group of related Services by Seller to Buyer.

1.2 In addition, each of the following terms has the meaning specified in the Exhibit or Section set forth opposite such term:

| <u>Term</u> | <u>Reference</u> |
|--------------------------|------------------|
| Buyer Indemnitee | Section 8.2 |
| Confidential Information | Section 6.2(a) |
| Defaulting Party | Section 7.1 |
| Disputes | Section 9.1 |

| | |
|------------------------|----------------|
| Event of Default | Section 7.1 |
| Force Majeure | Section 9.4 |
| Losses | Section 8.1 |
| Non-Defaulting Party | Section 7.1(a) |
| Restricted Information | Section 6.3 |
| Seller Indemnitee | Section 8.1 |

ARTICLE II SERVICES

2.1 Services. From and after the Closing Date and throughout the term of this Agreement, but subject to Section 3.3 hereof, Seller shall provide or cause to be provided to Buyer each of the Services described in any Service Schedule, in each case subject to and upon the terms and conditions set forth in this Agreement and, to the extent not inconsistent herewith, the applicable Service Schedule. In the event of any conflict between the terms and conditions of this Agreement and the Service Schedules, the terms and conditions of this Agreement shall control. The Services shall be limited to those that Seller provides with respect to the Business as of the date hereof. The specific Services to be provided, and the scope thereof, shall be as described in the Service Schedules.

2.2 Standards. Seller shall provide the Services to Buyer in accordance with Good Utility Practices. The Services shall be provided in accordance with the policies, procedures and practices of Seller in effect as of the date hereof pursuant to which, and with the same priority as, Seller performs services of a like nature for itself and its Affiliates. Buyer hereby acknowledges that Seller is not in the business of providing such Services to third parties and that, except as set forth in this Section 2.2, Seller does not otherwise warrant or assume any responsibility for the Services. **EXCEPT AS STATED ABOVE, SELLER EXPRESSLY DISCLAIMS (I) ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ADEQUACY OR QUALITY OF THE SERVICES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND (II) ANY WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO BUYER BY SELLER OR ANY OF SELLER'S AFFILIATES IN CONNECTION WITH THE SERVICES.**

2.3 Subcontracting. Seller may engage one or more subcontractors to perform all or any portion of the Services to the extent, and upon the same terms and conditions, that Seller subcontracts for the provision of such Services to the Business on the date hereof. Seller will promptly advise Buyer of any material disputes or defaults under any such subcontract.

2.4 Limitation of Services. Notwithstanding any other provision of this Agreement, in connection with the performance of its obligations under this Agreement, in no event shall Seller be obligated to acquire additional assets, equipment, rights or properties (including, without limitation computer equipment, software, furniture, furnishings, fixtures, machinery, vehicles, tools and other tangible personal property) that Seller would not provide, make or acquire in the

ordinary course of its business as of the date hereof. Seller shall not be required to perform any Service hereunder that violates or contravenes any applicable Legal Requirement.

ARTICLE III TERM AND TERMINATION

3.1 Term. This Agreement shall remain in effect for an initial term commencing on the date hereof and continuing until December 31, 2013 (the "Initial Term") or such earlier date upon which this Agreement is terminated in accordance with Article VII, and thereupon shall terminate except as otherwise provided in Section 3.3. Buyer may elect to extend the Initial Term as set forth in the Service Schedule.

3.2 Termination. From time to time during the term hereof, Buyer may, upon not less than thirty (30) days prior written notice, advise Seller that the services set out under any particular Service Schedule are no longer required, in which case Seller will discontinue the provision of the service under such Service Schedule in accordance with the timing set out in such notice and, following discontinuation, such service shall no longer be included in the Services.

3.3 Survival. The provisions of Articles IV, VI, VIII, IX and X of this Agreement, and any and all payment obligations with respect to Services performed prior to the termination or expiration of this Agreement, shall survive any termination or expiration of this Agreement.

ARTICLE IV COMPENSATION AND PAYMENT

4.1 Compensation. In consideration for the provision of the Services, Buyer shall pay to Seller in accordance with Section 4.3 the sum of (a) the direct costs of Seller to provide the applicable Service internally (i.e., hourly rate or annual salary converted to an hourly rate, plus the proportional benefit load and payroll taxes for Seller's employees, plus any applicable sales tax); plus (b) all third-party costs paid by Seller or any of its Affiliates to any Person (other than Seller or an Affiliate of Seller) to the extent incurred by Seller or such Affiliate in the performance of such Service, without markup of any kind; provided, however, that to limit administrative burden, the Parties may agree in a Service Schedule upon a specified amount of compensation as a reasonable approximation of all or any portion of the foregoing, in which case such specified amount shall control.

4.2 Allocation of Costs. In the event that any internal or third-party costs incurred by Seller in connection with the provision of the Services to Buyer are not solely related to the provision of Services to Buyer, the amount attributable to the provision of the Services to Buyer for purposes of Section 4.1 shall be determined by allocating such costs in accordance with methodologies approved by the MPSC or, absent the foregoing, such other allocation methodologies that are generally accepted in the local gas distribution utility industry.

4.3 Invoicing. Seller shall bill Buyer monthly for all charges payable pursuant to Section 4.1 of this Agreement. All such charges shall be invoiced as incurred, except to the extent that a Service Schedule provides for other billing methods. With respect to any third-party

costs incurred by Seller that are chargeable to Buyer hereunder, Seller shall deliver to Buyer, with the applicable invoice, reasonable supporting documentation.

4.4 Payment Terms. Payment of all undisputed amounts shall be due thirty (30) days after Buyer's receipt of an invoice therefor. Payment of an invoice shall not constitute a waiver of any rights. In the event of a dispute regarding any invoiced amount, Buyer will notify Seller in writing of the dispute, and the Parties will cooperate in good faith for the prompt resolution of any such dispute. Any additional amount determined to be validly due and payable hereunder shall be paid promptly following such determination.

4.5 Late Payments. Late payments (which shall not include any invoiced amounts subject to dispute pursuant to Section 4.4) shall bear interest from the date due through and including the date paid, at the "target" federal funds rate reported in the "Money Rates" section of the Eastern Edition of *The Wall Street Journal* published for such date, plus two percent (2%).

ARTICLE V COOPERATION

5.1 Good Faith Cooperation. The Parties will cooperate with each other in good faith in all matters relating to the provision and receipt of the Services.

5.2 Representatives. Each Party shall designate (and from time to time may replace) one or more representatives to act for and on behalf of such Party on matters concerning this Agreement generally and one or more representatives to act for and on behalf of such Party on matters concerning each of the Services. Each Party shall promptly notify the other Party in writing of the selection and any subsequent replacements of its representatives.

5.3 Reports. Each Party shall furnish to the other such periodic reports relating to a Service as specified in the Service Schedule relating to such Service.

5.4 Access. Buyer shall permit Seller and its subcontractors, and the employees, agents and representatives of each, reasonable access to facilities, information and data of Buyer, to the extent and at all times reasonably necessary for Seller to perform any of the Services.

ARTICLE VI DATA AND INFORMATION

6.1 Information Maintained by Seller. Until the expiration or termination of this Agreement, Seller shall maintain all information and data relating to the Services that is required to be maintained under any Service Schedule or by any applicable Legal Requirement or that is otherwise customarily retained in connection with the Services. Seller shall provide Buyer and its representatives with reasonable access thereto during the term hereof. Upon the expiration or termination of this Agreement, Seller shall deliver such information and data to Buyer in such form as Buyer may reasonably request; provided, however, that the conversion of such information or data into any form other than that in which it is maintained by Seller shall be at the sole cost of Buyer.

6.2 Confidential Information.

(a) As used herein, “Confidential Information” means all information concerning a Party or its Affiliates or any of their respective businesses, assets, products, services, employees, or customers that is designated by such Party as confidential or that is customarily, or legally required to be, protected from public disclosure, regardless of whether such information is provided or obtained orally, in writing or other tangible form, via email or in electronic form, or through visual observation. Notwithstanding the foregoing, Confidential Information shall not include any information that (a) is in the public domain; (b) is or becomes generally available to the public through no action by the non-disclosing Party or by that Party’s representatives; (c) is or becomes available to the non-disclosing Party or that Party’s representatives on a non-confidential basis from a source, other than the disclosing Party or its representatives, which source is not prohibited from disclosing such portions by a contractual, legal or fiduciary obligation; (d) was in the possession of the non-disclosing Party or its representatives prior to disclosure of the same by the disclosing Party or its representatives (with the exception of information concerning the Business that is to be held confidential pursuant to the PSA); or (e) can be shown by the non-disclosing Party to have been independently developed by it or its representatives without access to any Confidential Information.

(b) Except with the prior consent of the disclosing Party, and subject to the terms and conditions of the PSA, each Party must: (i) limit access to the Confidential Information of the disclosing Party to its employees, agents, representatives, subcontractors and consultants who have a need-to-know the information for performance or receipt of the Services; (ii) advise its employees, agents, representatives, subcontractors and consultants having access to such Confidential Information of the confidential nature thereof and of the obligations set forth in this Agreement; and (iii) safeguard such Confidential Information by using at least the same degree of care used by that Party in safeguarding its own similar information or material, but no less than a reasonable degree of care.

(c) Notwithstanding any other provision of this Agreement, a Party may disclose Confidential Information of the other Party to the extent compelled or required to do so by any applicable Legal Requirement, legal process, or the rules of any securities exchange. In such event, such Party shall give the other Party prompt written notice of such required disclosure and, if so requested, provide reasonable assistance to the other Party (at such other Party’s expense) in opposing or limiting such required disclosure.

(d) Each Party acknowledges and agrees that any breach of this Section 6.2 would cause the disclosing Party irreparable harm for which monetary damages would be inadequate. Accordingly, without prejudice to any other rights and remedies otherwise available to the Parties, and notwithstanding anything to the contrary in this Agreement, in the event of any breach or threatened breach of this Section 6.2, each Party agrees (on its own behalf and on behalf of its representatives) to the granting of equitable relief, including injunctive relief and specific performance, in favor of the other Parties without the requirement to prove actual damages or to post a bond or other security.

6.3 Personal Information. Each Party agrees to comply with, and to cause each of its respective Affiliates and all of their employees, agents, contractors and subcontractors to comply with, all applicable Legal Requirements governing the collection, accessibility, use, maintenance, disclosure, protection or transmission of Restricted Information regarding any employee, agent, subcontractor, or customer of the other Party or of such other Party's Affiliates in connection with the provision or receipt of Services under this Agreement. As used herein, "Restricted Information" means any information of a personal or confidential nature regarding any such Person, regardless of how or from whom such information is received, and includes, without limitation, names, addresses, telephone numbers, e-mail addresses, social security numbers, credit card numbers, account information, credit information, demographic information and "protected health information" (as defined in the Health Insurance Portability and Accountability Act of 1996).

ARTICLE VII DEFAULT

7.1 Default. Each of the following shall constitute an "Event of Default" by a Party (the "Defaulting Party"):

(a) The failure of the Defaulting Party to pay any amounts owed to the non-defaulting Party (the "Non-Defaulting Party") under this Agreement within ten (10) days following the due date for such payment (unless any such amounts are subject to dispute pursuant to Section 4.4), and the Defaulting Party has not cured such default within five (5) days following written notice of default from the other Party;

(b) An act or omission by the Defaulting Party that results in a material breach under this Agreement and the Defaulting Party has failed to either (i) diligently take steps within ten (10) days following written notice of breach from the Non-Defaulting Party to correct such breach, or (ii) the Defaulting Party has failed to correct such breach within thirty (30) days from its receipt of such notice or, provided that the Defaulting Party is diligently pursuing such correction, such longer period as may be reasonably required therefor.

7.2 Rights Upon Default. Notwithstanding any other provision of this Agreement to the contrary, the Non-Defaulting Party shall have the right, upon written notice to the Defaulting Party, to (a) terminate this Agreement and/or any Service Schedule hereunder at any time following an Event of Default by the Defaulting Party and prior to such time as the Defaulting Party has cured such Event of Default; and/or (b) suspend performance under this Agreement until such time as the applicable Event of Default has been cured and the Defaulting Party has satisfied any and all liabilities to the Non-Defaulting Party in respect thereof. The foregoing rights shall not be exclusive and shall be in addition to all other rights and remedies available to the Non-Defaulting Party, at law or in equity.

ARTICLE VIII INDEMNIFICATION AND LIABILITY

8.1 Indemnification by Buyer. Buyer shall indemnify, defend, and hold harmless Seller and its Affiliates, and their respective officers, employees, agents, and representatives (“Seller Indemnitees”) from and against any and all actual or contingent claims, demands, suits, losses, liabilities, damages, obligations, payments, costs, and expenses (including reasonable attorneys’ fees) (collectively, “Losses”) resulting from or arising out of the provision of Services hereunder, except to the extent such Losses were caused by the willful misconduct or gross negligence of such Seller Indemnitees.

8.2 Indemnification by Seller. Seller shall indemnify, defend, and hold harmless Buyer and its Affiliates, and their respective officers, employees, agents and representatives (each, a “Buyer Indemnitee”) from and against any and all (i) direct Losses resulting from or arising out of the provision of Services (other than those arising out of any third-party claim), to the extent such Losses were caused by the willful misconduct or gross negligence of Seller Indemnitees and (ii) Losses resulting from or arising out of the provision of Services as the result of any third-party claim, to the extent such Losses were caused by the failure of Seller to comply with Section 2.2 hereof.

8.3 Waiver of Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement or provided for under any applicable Legal Requirement, no Party will, in any event, be liable to the other Party, either in contract or in tort, for any consequential, incidental, indirect, special, or punitive damages of the other Party, relating to the breach or alleged breach hereof or otherwise. The exclusion of consequential, incidental, indirect, special, and punitive damages as set forth in the preceding sentence does not apply to any such damages sought by non-affiliated third parties in connection with amounts that may be indemnified pursuant to this Article VIII.

8.4 Risk of Loss. Buyer shall bear all risk of loss to any assets acquired in connection with the Business during (and after) the term hereof, and Buyer will have no claim against Seller for damage to or destruction of any such machinery, equipment, tools, parts or inventory, unless the damage or destruction is caused by or results from the gross negligence or willful misconduct of Seller Indemnitees.

ARTICLE IX DISPUTE RESOLUTION

9.1 Resolution by the Parties. In the event of any claims, disputes or other controversies between the Parties arising out of or relating to this Agreement or any of the Services (collectively, “Disputes”), the Parties may attempt to resolve any such Disputes by negotiation between executives who have authority to settle the Dispute. A Party may give the other Party written notice of a Dispute which has not been resolved in the normal course of business. Such notice shall include: (a) a statement of that Party’s position and a summary of arguments supporting such position, and (b) the name and title of the executive who will be representing that Party and of any other person who will accompany the executive. Within five (5) Business Days after delivery of the notice, the receiving Party shall respond with (i) a statement of that Party’s position and a summary of arguments supporting such position, and (ii) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within ten (10) Business Days after delivery of the summary

positions, the executives of both Parties shall meet at a mutually acceptable time and place, and shall meet thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. All negotiations pursuant to this clause are to be deemed confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. All applicable statutes of limitation shall be tolled while the procedures specified in this section are pending, and the Parties hereby agree to take any and all actions, if any, reasonably necessary to effectuate such tolling.

9.2 Further Remedies. If a Dispute has not been resolved by negotiation within forty-five (45) days following the disputing Party's initial notice (or such longer period as the Parties may reasonably agree), or if the other Party has failed to meet for the first time within fifteen (15) Business Days following the initial notice, either Party may pursue whatever other remedies may be available to such Party.

9.3 Injunctive Relief. Notwithstanding any other provision of this Agreement, any Party at any time may seek a preliminary injunction or other preliminary judicial relief if, in its sole judgment, such action is necessary to avoid irreparable damage or harm.

9.4 Force Majeure. In the event of either Party hereto being rendered unable, wholly or in part, by Force Majeure (defined below) to carry out its obligations under this Agreement, other than to make payments then or thereafter due hereunder, it is agreed that the obligations of such Party, so far as they are affected by such Force Majeure, shall be suspended from the commencement and during the continuance of any inability so caused but for no longer period, and such cause shall, as far as possible, be remedied with commercially reasonable and diligent dispatch by the Party claiming such in order to put itself in a position to carry out its obligations under this Agreement. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, storm warnings, floods, washouts, hurricanes, arrests and restraints of governments and people, either federal or state, civil or military, civil disturbances, explosions, breakage or accident to equipment or machinery, any legislative, governmental or judicial actions which are resisted in good faith, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which by the exercise of due diligence such Party could not have prevented. The Party claiming Force Majeure shall give notice and full particulars of such Force Majeure, including but not limited to the probable duration of the Force Majeure event as well as the termination of such Force Majeure event, in writing to the other Party as soon as practicable after the occurrence of the cause relied on.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of an opposing Party when such course is inadvisable in the discretion of the Party having the difficulty.

**ARTICLE X
MISCELLANEOUS**

10.1 Independent Contractor. The relationship between the Parties established under this Agreement is that of independent contractor, and neither Party shall be deemed an employee, agent, partner, or joint venturer of or with the other.

10.2 Entire Agreement. This Agreement, together with the Service Schedules and the PSA (including the schedules, exhibits and other written documents executed pursuant thereto), constitute the entire agreements between the Parties with respect to the subject matter hereof and thereof and supersede all prior written and oral agreements and understandings with respect to the subject matter hereof. Notwithstanding the foregoing, nothing in this Agreement shall be deemed to supersede or limit in any way any of the rights or obligations of the Parties under the PSA or any other agreement entered into by the Parties in connection with the PSA or the consummation of the transactions contemplated thereby. In the event of any conflict between the terms and conditions of this Agreement and the PSA, the terms and conditions of the PSA shall govern and control.

10.3 Governing Law. The validity, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. The Parties hereby irrevocably submit to the exclusive jurisdiction of the state and federal courts located in the State of Delaware over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each Party irrevocably agrees that all claims in respect of such dispute or proceeding shall be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each Party agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

10.4 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.5 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.6 Notices. Any notice, demand, offer, request or other communication required or permitted to be given by either Party pursuant to the terms of this Agreement shall be made in accordance with, and in the manner provided by, the provisions for notices in the PSA.

10.7 Nonassignability. Except as provided in Section 2.3, neither Party may, directly or indirectly, in whole or in part, assign, transfer or otherwise dispose of all or any part of this

Agreement, without the other Party's prior written consent, and any attempted assignment, transfer or disposition without such prior written consent shall be voidable at the option of the other Party. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives and permitted successors and assigns.

10.8 Third-Party Beneficiaries. Except as otherwise expressly provided in this Agreement, nothing in this Agreement is intended to confer upon any Person other than the Parties any rights or remedies of any nature whatsoever under or by reason of this Agreement.

10.9 Severability. If any term or other provision of this Agreement is determined by a decision by a court of a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible.

10.10 Failure Or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of either Party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach hereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.11 Amendment. No change or amendment will be made to this Agreement except by a written instrument signed on behalf of each of the Parties.

10.12 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or other electronic transmission), all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the Parties have executed this Continuing Services Agreement effective as of the date first set forth above.

SOUTHERN UNION COMPANY

By: _____

Name: _____

Title: _____

LACLEDE GAS COMPANY

By: _____

Name: _____

Title: _____

EXHIBIT A

Services Schedule

Laclede Gas Company (Laclede) has requested certain continuing services support from Southern Union Company/Energy Transfer Partners, L.P. (SUG/ET) pursuant to the terms of the Continuing Support Agreement (CSA) from the time the acquisition of the assets of Missouri Gas Energy (MGE) by Laclede closes for an initial term until December 31, 2013 (the "Initial Term").

Additional Services Laclede may need from SUG/ET

Audit support – Laclede may need to provide data that is only available from SUG/ET systems in support of future audits. Term associated with this item is four years from date of close, at cost, in accordance with Section 4.1 of this Agreement.

IT and Accounting:

Laclede has requested certain pre-closing services from SUG/ET with regards to data extracts, conference calls, file transfers and process research. The IT systems and resource support requirements of Laclede are:

| | | |
|---------------------------------|--|--|
| Oracle General Ledger | | |
| Existing ADP interface | Oracle Accounts Payable (p-card, iExpense, iProcurement) | |
| | Oracle Human Resources (HCM, Self Service) | General financial spreadsheet support |
| Oracle Purchasing and Inventory | Discoverer (Oracle EBS and PowerPlant) | |
| MSCA | FileNet | PowerPlant Support (Capital, Fixed Assets, Project Acct) |
| Convey 1099 | Microsoft Exchange | |
| | Microsoft Active Directory | |
| | Oracle Database Support Services | |

| | | |
|----------------------------|--|--|
| Wells Fargo (Visa support) | | |
| EDI Translation (EC Power) | | |
| Chase Bank support | | |
| | | |

SUG/ET will not be creating new and/or additional interfaces to support communication of interaction of legacy ETP/SUG systems as such systems are no longer supported as part of the CSA.

SEE ATTACHED BENEFITS SCHEDULE

Through the Initial Term, the services will be provided on a time, direct cost or allocation basis pursuant to the CSA. To simplify the allocation basis, SUG/ET will use the allocation costs charged by SUG to MGE prior to the transaction with ET was completed. Direct cost shall include any costs charged by outside vendors, counsel and/or other providers in performing these services. In the event Laclede wishes to extend IT and Accounting services (**SUG/ET will not agree to extend benefits or other services**) described herein beyond the Initial Term, Laclede may elect at its option, upon 10 days notice prior to the end of the Initial Term or any one month extension, to extend the Initial Term on a month by month basis for a period not to exceed three (3) months. Costs are either direct (which will be documented) or in accordance with the costs schedule attached hereto.

Summary of Corporate Continuing Services Support cost for MGE:

| | <u>Monthly</u> | <u>Adjustments</u> | <u>Post Dec 31st</u> |
|--|------------------------------|--------------------------------|--------------------------|
| Corporate allocation to MGE (HR/Accounting/IT) Labor & loads | 88,137 ⁽¹⁾ | (14,100) ⁽⁵⁾ | 74,037 |
| Oracle & Powerplant licenses | 37,833 ⁽²⁾ | | 37,833 |
| Benefits Administration Costs | <u>60,487</u> ⁽³⁾ | <u>(60,487)</u> ⁽⁶⁾ | <u>-</u> |
| | 186,458 | | 111,871 ⁽⁴⁾ |

Notes:

(1) Corporate allocation is based upon Joint & Common Cost (JCC) model that was in effect in January 2012 prior to the ETE merger which was the model utilized in the most recent rate case

(2) Oracle licenses are paid annually. To the extent Laclede needs to renew licenses for 2014, the cost would be paid directly by Laclede.

(3) Benefits Administration Costs do not include actual health care expenses which are to be paid directly by Laclede (including claims)

(4) At cost with no increase for premium

(5) Remove ETE HR support

(6) Remove health care provider administration costs

2013 Admin Fees - MGE Active Employees

Administrative fees only (not including actual benefits expense).

| | PEPM | Notes |
|-----------------------|-----------------|--|
| BCBS | \$58.79 | (Admin \$40.44 + Stop Loss \$18.35) |
| ESI | \$0.00 | ESI receives a dispensing fee/Rx |
| VSP | 10.5% of claims | Estimate at \$12,000/month in claims |
| Delta | \$2.70 | |
| Hartford - STD | \$1.76 | |
| Hartford - Basic Life | 0.145 | Cost is per \$1,000 of coverage |
| Hartford - AD&D | 0.025 | Cost is per \$1,000 of coverage |
| Dep/Spouse Life | \$2.45 | PEPM, not based on actual dependents |
| FMLA Admin | \$1.44 | |
| LTD | 0.39 | Cost is per \$1,000 of coverage |
| BenefitSolver | \$9,600.00 | Cost is minimum guaranteed amount per contract |

| | |
|--------------------------|--------------------|
| Employees | 675 |
| Retirees | 280 |
| Total Monthly Payroll | \$4,120,250 |
| Monthly Estimate | |
| BCBS | \$39,683.25 |
| ESI | \$0.00 |
| VSP | \$1,260.00 |
| Delta | \$1,822.50 |
| Hartford - STD | \$1,188.00 |
| Hartford - Basic Life | \$597.44 |
| Hartford - AD&D | \$103.01 |
| Dep/Spouse Life | \$1,653.75 |
| FMLA Admin | \$972.00 |
| LTD | \$1,606.90 |
| BenefitSolver | \$9,600.00 |
| Gallagher | \$2,000.00 |
| PHL Benefits | |
| HOU Benefits | |
| SA Benefits | |
| Total Admin/Month | \$60,486.84 |

8 hours @ \$250/hr

NOTES: Admin cost excludes claims , which would be in addition to fees noted
 No Admin fees are shown for Retirees since it is paid through the VEBA which Laclede will assume (approx \$16,461 per month for 280 retirees)
 BenefitSolver cost is minimum guaranteed fee per contract terms
 VSP estimated admin cost based on an estimate \$12,000/month claims experience.

**HIGHLY CONFIDENTIAL
ATTACHMENT
INTENTIONALLY NOT
PROVIDED**

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 29th day of February, 2012.

In the Matter of the Application of)
Southern Union Company d/b/a)
Missouri Gas Energy, Sigma Acquisition)
Corporation and Energy Transfer Equity, L.P. for)
An Order Authorizing Them to Perform in)
Accordance with a Merger Agreement and to)
Undertake Related Transactions)

File No. GM-2011-0412

**ORDER APPROVING STIPULATION AND AGREEMENT AND
AUTHORIZING MERGER**

Issue Date: February 29, 2012

Effective Date: March 10, 2012

Southern Union Company, d/b/a Missouri Gas Energy, Sigma Acquisition Corporation, and Energy Transfer Equity, L.P. have filed an application asking the Commission to approve a merger in which Sigma would merge with and into Southern Union Company, with Southern Union continuing as the surviving corporation as a subsidiary of Energy Transfer Equity. The Commission provided notice of the application and invited interested entities to apply to intervene. No such requests to intervene were received.

On February 16, 2012, the Commission's Staff and each of the applicants filed a Non-Unanimous Stipulation and Agreement that resolves all issues in the case. Public Counsel, the only other party, did not sign the stipulation and agreement. However, the stipulation and agreement indicates Public Counsel does not oppose the agreement and does not intend to request a hearing regarding the application. Commission Rule 4 CSR 240-2.115(2) provides that other parties have seven days in which to object to a non-

unanimous stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement.

Public Counsel filed a response to the stipulation and agreement on February 23. Public Counsel does not oppose the stipulation and agreement and does not request a hearing. However, it filed a response to explain that it did not sign the stipulation and agreement because it distrusts Southern Union's credibility following what it describes as Southern Union's attempt to renege on a similar consumer-protecting agreement included in a 2003 stipulation and agreement made when Southern Union acquired Panhandle Eastern Pipeline Company. Public Counsel complains that Southern Union has recently filed an application asking the Commission for relief from one of the provisions of the 2003 stipulation and agreement.

Southern Union's application for relief from that stipulation and agreement is currently pending before the Commission in File No. GE-2011-0282. But the Commission notes that section 4.A of the stipulation and agreement in this case requires Southern Union to withdraw its application in GE-2011-0282 with prejudice upon Commission approval of the stipulation and agreement.

Public Counsel does not object to the stipulation and agreement and does not request a hearing. Therefore, for the purpose of considering that stipulation and agreement, the Commission will treat it as a unanimous stipulation and agreement, while recognizing Public Counsel's reservations about the agreement.

On February 29, Staff, Southern Union, Energy Transfer Equity, and Sigma Acquisition filed an addendum to their stipulation and agreement indicating that it was the intent of all signatories that:

any existing or future holding company or holding companies intermediary between Energy Transfer Equity, L.P. and Southern Union Company shall be fully bound by the provisions of the Non-unanimous Stipulation and Agreement in the same manner as ETE.

The signatories to the addendum again indicate that Public Counsel does not object to the addendum.

After reviewing the stipulation and agreement, as clarified by the February 29 addendum, the Commission independently finds and concludes that the stipulation and agreement, as clarified, is a reasonable resolution of the issues addressed by that stipulation and agreement and that such stipulation and agreement should be approved. The Commission will authorize the applicants to perform in accordance with the terms of their merger agreement, subject to the terms and conditions set forth in the stipulation and agreement.

Specifically, the Commission finds that, subject to the terms set forth in the stipulation and agreement, which shall bind Southern Union Company and its parent companies (and any successors or assigns thereof) as well as the terms of the stipulation and agreement in GM-2003-0238, which, except as expressly addressed in the stipulation and agreement in this case and approved by the Commission, shall continue to bind Southern Union (and which Southern Union's parent companies and successors or assigns thereof shall not cause Southern Union to contravene), the transaction described in the Application is not detrimental to the public interest.

Because no party opposes the relief granted in this order, and because the parties request that the Commission approve the stipulation and agreement as soon as possible, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. The non-unanimous stipulation and agreement filed on February 16, 2012, as clarified by the February 29 addendum, is approved and the signatories to that stipulation and agreement are ordered to comply with its terms. A copy of the stipulation and agreement and addendum are attached to this order.

2. Southern Union Company, Sigma Acquisition Corporation, and Energy Transfer Equity, L.P. are authorized to perform in accordance with, or as may be permitted by or result from, the terms of the Merger Agreement, which, among other things, shall result in the effectuation of the Transaction.

3. To the extent necessary under the terms of the stipulation and agreement approved by the Commission in Case No. GM-2003-0238 and/or the terms of the stipulation and agreement approved by the Commission in Case No. GO-2005-0019, Southern Union is authorized to (1) cause the Citrus Merger to occur through the merger of Citrus ETP with and into CrossCounty and (2) cause PEPL Holdings to guarantee payment on a contingent recourse basis, of up to \$2.0 billion of indebtedness of ETP (or, in the alternative, to indemnify a subsidiary of ETP for payments made by such subsidiary with respect to a guarantee of up to \$2.0 billion of indebtedness of ETP by such subsidiary).

4. Southern Union Company shall never be an obligor with respect to the guarantee and this guarantee shall otherwise be non-recourse to Southern Union Company.

5. The Commission grants such other relief as may be necessary and appropriate to accomplish the purposes of the Transaction and the Amended Application

and to consummate the Transaction and related undertakings in accordance with the Merger Agreement.

6. This order shall become effective on March 10, 2012.

BY THE COMMISSION

(S E A L)

Steven C. Reed
Secretary

Gunn, Chm., Jarrett and Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge

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

In the Matter of Southern Union Company)
d/b/a Missouri Gas Energy, Sigma Acquisition)
Corporation and Energy Transfer Equity, L.P.)
for an Order Authorizing them to Perform in)
Accordance with a Merger Agreement and)
to Undertake Related Transactions)

Case No. GM-2011-0412

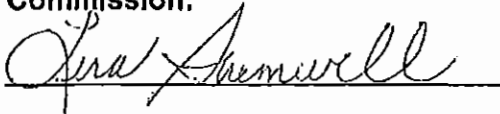
ADDENDUM TO NON-UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the signatories to the Non-unanimous Stipulation and Agreement herein and state that it is the intention of the signatories hereto that any existing or future holding company or holding companies intermediary between Energy Transfer Equity, L.P. ("ETE") and Southern Union Company shall be fully bound by the provisions of the Non-unanimous Stipulation and Agreement in the same manner as ETE.

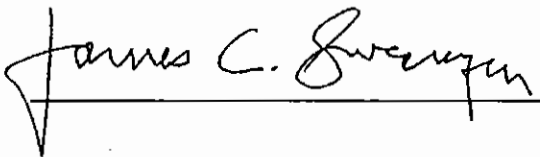
Although the Office of the Public Counsel does not join in this Non-unanimous Stipulation and Agreement or Addendum, the signatories hereto are authorized to state that the Office of the Public Counsel has no objection.

Dated February 29, 2012.

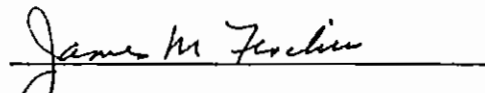
**Staff of the Missouri Public Service
Commission:**



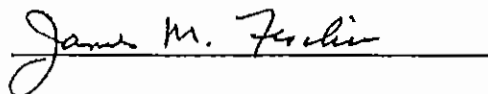
Southern Union Company:



Energy Transfer Equity, L.P.:



Sigma Acquisition Corporation:



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 29th day of February, 2012.

/s/ Lera L. Shemwell

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

In the Matter of Southern Union Company)
d/b/a Missouri Gas Energy, Sigma Acquisition)
Corporation and Energy Transfer Equity, L.P.)
for an Order Authorizing them to Perform in)
Accordance with a Merger Agreement and)
to Undertake Related Transactions)

Case No. GM-2011-0412

NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW the Staff of the Commission ("Staff") on behalf of the Applicant, Southern Union Company d/b/a Missouri Gas Energy, and Energy Transfer Equity LP and Sigma Acquisition Company, and files the attached Non-Unanimous Stipulation ("Non-Unanimous Stipulation") and Agreement.

1. The Signatory Parties to the Non-Unanimous Stipulation are the Staff of the Commission, Southern Union Company d/b/a Missouri Gas Energy, Sigma Acquisition Corporation, and Energy Transfer Equity.

2. The Office of the Public Counsel has indicated that, it will not be a Signatory Party, it will not oppose the Non-Unanimous Stipulation nor will it request a hearing.

3. Under Commission Rule 4 CSR 240-2.115(2), if no one objects to a non-unanimous stipulation and agreement within seven (7) days, the Commission may treat the stipulation and agreement as unanimous.

WHEREFORE, Staff submits the attached Non-Unanimous Stipulation and Agreement for Commission consideration.

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, or transmitted by electronic mail to all counsel of record this 16th day of February 2012.

/s/ Lera L. Shemwell

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

In the Matter of Southern Union Company)
d/b/a Missouri Gas Energy, Sigma Acquisition)
Corporation and Energy Transfer Equity, L.P.)
for an Order Authorizing them to Perform in)
Accordance with a Merger Agreement and)
to Undertake Related Transactions)

Case No. GM-2011-0412

NON-UNANIMOUS STIPULATION AND AGREEMENT

I. Procedural History

1. Southern Union Company d/b/a Missouri Gas Energy ("Southern Union" or "MGE"), Sigma Acquisition Corporation ("Sigma") and Energy Transfer Equity, L.P. ("ETE") (collectively "Applicants") are parties to the July 19, 2011 Second Amended and Restated Agreement and Plan of Merger as amended by Amendment No. 1 dated September 14, 2011 (the "Merger Agreement").

2. On July 13, 2011, the Applicants filed an application with the Missouri Public Service Commission (the "Commission") seeking an order authorizing the Applicants to perform in accordance with the terms and conditions of the Merger Agreement and to undertake related transactions, the results of which would cause ETE to acquire the equity interests of Southern Union, including its subsidiaries. Missouri Gas Energy is a division of Southern Union. On July 14, 2011, the Commission issued its Order Directing Staff to File Recommendation. On August 15, 2011, the Commission Staff ("Staff") filed its Report in Response to Commission Order wherein it notified the Commission that it was reviewing the application and suggested a date of September 15, 2011, for an additional report.

Southern Union obtain performance or surety bonds or letters of credit, MGE and Southern Union agree not to seek recovery of the costs associated with those performance or surety bonds or letters of credit from MGE customers. MGE shall file for Commission approval of tariff Sheet No. 16 (attached hereto as Exhibit B).

8. COMMISSION AUTHORITY

Southern Union acknowledges that the Commission has, and shall continue to have, the authority after the proposed Transaction to regulate, through the lawful exercise of its statutory powers, and ensure the provision of service, instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable and not jeopardize the ability of Southern Union or MGE to meet its Missouri utility obligations, including MGE's service line replacement program. Southern Union also agrees that the Commission has the authority, through the lawful exercise of its ratemaking powers, to ensure that the rates charged by MGE for regulated utility service are not increased as a result of the unregulated and/or non-jurisdictional activities of Southern Union's affiliates and Southern Union agrees, consistent with such standard, that rates should not be increased due to such unregulated and/or non-jurisdictional activities.

9. ACCESS TO INFORMATION

A. Southern Union shall provide the Staff and OPC with access, upon written notice, to all information necessary to determine the propriety of allocation of costs to MGE and verification of Southern Union and ETE compliance with the terms of this Stipulation and Agreement. Nothing in this condition shall be deemed to be a waiver of Southern Union's or MGE's right to seek protection of privileged information.

B. Upon request, Southern Union and ETE agree to make available to Staff and OPC, upon written notice all books, records, and employees of Southern Union, ETE, MGE, and its affiliates as may be reasonably required to verify compliance with this Stipulation and Agreement.

C. Southern Union, ETE and MGE shall not object to the provision of information on the basis that such records and personnel of affiliates or subsidiaries are not within the possession or control of Southern Union.

10. COMMITMENTS ARE MISSOURI JURISDICTIONAL

The conditions set forth herein are intended to apply only in the context of Missouri jurisdictional regulatory activities and are not intended to restrict in any way the ability of Southern Union to take any position whatsoever regarding matters covered herein in proceedings before the FERC or any other non-Missouri jurisdictional regulatory authority.

11. COMMISSION JURISDICTION

A. With respect to the jurisdiction of the Commission and Southern Union's obligations under this Stipulation and Agreement, "Southern Union," refers to the Delaware C Corporation generally and its operating division "Missouri Gas Energy" specifically, as opposed to Southern Union Company on a consolidated basis. Accordingly, "Southern Union," with respect to Commission jurisdiction and the Conditions of Approval set forth in Section V, *infra*, is not intended to include its operating divisions, affiliates or subsidiaries, including without limitation CCE Acquisition, LLC; Panhandle Eastern Pipe Line Company, LP; Southern Union Gas Services, Ltd.; PEI Power; or New England Gas Company; or any operating divisions,