

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

In the Matter of Southern Union Company)	
d/b/a Missouri Gas Energy's Tariff)	
Proposal to Assess Security Deposit on)	Case No. GT-2011-0375
New Service Applicants that Receive a)	
Credit Score of 724 or Below.)	

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Southern Union Company, d/b/a Missouri Gas Energy ("MGE"); the Staff of the Missouri Public Service Commission ("Staff"); and the Office of the Public Counsel ("OPC"); (collectively the "Signatories"), respectfully submit the following Stipulation and Agreement ("Stipulation") to the Missouri Public Service Commission ("Commission") as a resolution to all issues in this case:

1. On May 11, 2011, Southern Union Company d/b/a Missouri Gas Energy (MGE) filed revised tariff sheets that would authorize MGE to assess security deposits on new service applicants that received a credit score of 724 or below. MGE's proposed tariff sheet was assigned Tariff File Number JG-2011-0565.
2. Public Counsel filed a Motion to Suspend Tariff Filing on May 17th, 2011.
3. The Signatories to this Stipulation and Agreement have reached agreement on a resolution of this case and agree to the following.
 - a. The Signatories agree to the language contained in MGE's proposed tariff sheet, attached hereto as Exhibit A (the "Credit Score Tariff"), which will have an effective date of August 10, 2011.
 - b. The Credit Score Tariff allows MGE to assess deposits to new customers based on credit scores which varies from the current deposit requirements in Commission rule 4 CSR 240-13.030(1)(C).

- c. MGE hereby requests a variance from Commission rule 4 CSR 240-13.030(1)(C) which are reflected in the terms of this Stipulation and Agreement and its Credit Score Tariff. OPC and Staff do not oppose the granting of such a variance.
- d. If a deposit is required as a result of a credit score, applicants shall be informed that they may avoid a deposit payment by designating a third-party guarantor (acceptable to MGE) of the deposit amount.
- e. Applicants required to pay a deposit based on a credit score shall be informed of that credit score, and of the name and contact information of the agency, bureau or service providing that score.
- f. If MGE requires a deposit as a result of a credit score, MGE will inform the applicant of the reason for imposing the deposit and provide the rights and disclosures required by the Equal Credit Opportunity Act and the Fair Credit Reporting Act.
- g. Applicants shall be informed of the opportunity to receive a return of their deposit, plus interest, if the applicant (as a customer) demonstrates that the credit score has increased to an Equifax Advanced Energy Risk Score (EAER Score) above 724 or demonstrates that the credit score is based on incomplete or erroneous information and is in fact above 724.
- h. MGE will submit annual reports to the Commission's Staff and to the Office of the Public Counsel on the frequency of use of credit scoring and the resulting number of required security deposits.
- i. Credit scoring for new service applicants is experimental only, and will be reassessed by interested parties in the next MGE general rate case following the first annual credit scoring report.

- j. MGE shall record and maintain the following data regarding all applicants for new service (and shall provide such data upon request of OPC or Staff):
 - i. name of the applicant,
 - ii. the date the credit score was obtained,
 - iii. the applicants credit score,
 - iv. whether the applicant became a customer,
 - v. the basis (for example, 2 times the highest bill) and amount of deposit assessed to the customer or a record of the use of a third-party guarantor,
 - vi. the customers timeliness of payment for each month until any deposit is refunded to the customer or applied to the account,
 - vii. the amount and date of any returned or applied deposits, and
 - viii. the amount of any LIHEAP or other energy assistance received on behalf of the customer each month until any deposit is refunded to the customer or applied to the account.
- k. Applicants shall be informed of the opportunity to pay the deposit in four (4) monthly installments as currently provided for in MGE's tariffs (or more at MGE's discretion).
- l. Applicants shall be informed that any deposit will be returned after twelve (12) consecutive payments or upon termination of service where the customer is current on their bill payments as currently provided for in MGE's tariffs.
- m. MGE will comply with the outcome of any rulemaking that addresses credit scoring.
- n. The phrase "shall be informed" as used herein refers to the verbal conversations or written communications between the potential customer and MGE's Customer Service Staff.

4. This Stipulation is being entered into for the purpose of disposing of all issues in this case and the matters specifically addressed in the Stipulation. Except as specified herein, the Parties shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement: (a) in any future proceeding, (b) in any proceeding currently pending under a

separate docket; and (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of the same.

5. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Parties shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

6. In the event the Commission approves the specific terms of this Stipulation without condition or modification, and as to the specified issues, the Parties waive their respective rights to call, examine, and cross-examine witnesses pursuant to § 536.070(2) RSMo 2000; present oral argument and written briefs pursuant to §536.080.1 RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to RSMo §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §386.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. These waivers apply only to a Commission order approving this Stipulation without condition or modification issued in this above-captioned proceeding and only to the issues that are resolved hereby. These waivers do not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Stipulation.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this

Stipulation and Agreement and grant MGE a variance from Commission rule 4 CSR 240-13.030(1)(C) by approving its Credit Score Tariff attached hereto as Exhibit A.

Respectfully submitted,

/s/ Todd J. Jacobs

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**ATTORNEY FOR THE OFFICE OF
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 4th day of August 2011.

/s/ Marc Poston
