

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

In the Matter of the Application of Missouri Gas	)	
Energy, a Division of Southern Union Company, for	)	<u>Case No. GO-2009-0009</u>
Approval to Change Its Infrastructure System	)	
Replacement Surcharge.	)	

**STIPULATION AND AGREEMENT**

COME NOW Missouri Gas Energy, a division of Southern Union Company (MGE) and the Staff of the Missouri Public Service Commission (Staff), and respectfully state to the Missouri Public Service Commission (Commission) that, as a result of negotiations, the undersigned parties (Signatories) have reached the stipulations and agreements contained herein:

1. MGE and Staff agree that MGE should be authorized to file tariffs resulting in an incremental revenue requirement annual increase for the pending ISRS Application of \$1,445,763 based on ISRS plant placed in service during the period October 1, 2007 through May 31, 2008. The tariff sheets filed by MGE shall include an ISRS rate for each customer class as shown in **Appendix A** attached hereto.

2. Counsel for the Office of the Public Counsel has indicated that while the Public Counsel has not joined in this stipulation, Public Counsel does not object to the stipulation and does not request a hearing.

3. This Stipulation and Agreement is being entered into solely for the purpose of settling the issues in this case. None of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any other method of cost

determination or cost allocation or revenue-related methodology. None of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding regardless of whether this Stipulation and Agreement is approved.

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

5. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void; neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any 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 and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

6. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the signatories waive their

respective rights to 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 §536.080.2 RSMo 2000; their respective rights to seek rehearing, pursuant to §536.500 RSMo 2000; and their respective rights to judicial review pursuant to §386.510 RSMo 2000. This waiver applies only to a Commission order respecting this Stipulation and Agreement issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

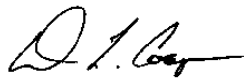
7. The Staff may file suggestions or a memorandum in support of this Stipulation and Agreement. Each of the parties to this case shall be served with a copy of any such suggestions or memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's suggestions or memorandum, responsive suggestions or a responsive memorandum, which shall also be served on all parties. The contents of any suggestions or memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

8. The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests; provided, that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such

explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

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.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI GAS ENERGY,  
A DIVISION OF SOUTHERN UNION COMPANY

**//S//**

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Robert S. Berlin  
Senior Counsel  
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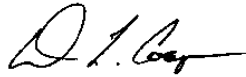
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## CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail on September 16, 2008, to the following:

Robert S. Berlin  
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**APPENDIX A**

<b><u>CUSTOMER RATE CLASS</u></b>	<b><u>ISRS CHARGE</u></b>
Residential	\$0.41
Small General Service	\$0.56
Large General Service	\$3.31
Large Volume Service	\$17.03