

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

In the matter of the application of Missouri Gas)	
Utility, Inc., for a certificate of convenience and)	
necessity authorizing it to construct, install, own,)	
operate, control, manage and maintain a natural)	Case No. GA-2010-0189
gas transmission line and a distribution system to)	
provide gas service in Greene, Polk and Dallas)	
Counties, Missouri, as a new certificated area.)	

STIPULATION AND AGREEMENT

COME NOW Missouri Gas Utility, Inc. (MGU) and Missouri Gas Energy, a Division of Southern Union Company (MGE), and submit this Stipulation and Agreement (Stipulation) for consideration and approval by the Missouri Public Service Commission (Commission). This Stipulation resolves all remaining issues in this proceeding as follows:

BACKGROUND

1. On December 22, 2009, MGU filed an Application for a certificate of convenience and necessity. MGE was granted status as an intervener on February 5, 2010.
2. On February 5, 2010, the Commission Staff filed its Recommendation in this matter. That Recommendation suggested that MGU be granted its requested certificate, subject to certain listed conditions.
3. MGU filed its Response to Staff Recommendation on February 25, 2010, and therein stated that it had no objection to the conditions outlined in the Staff Recommendation.
4. MGU and MGE have initiated discussions to determine whether MGE's concerns could be addressed through a settlement between the parties. As a result of those discussions, the signatory parties have now reached a resolution and settlement which they believe to be consistent with the public convenience and necessity.

STIPULATION

5. Accordingly, MGU and MGE agree that MGU should be granted a certificate of public convenience and necessity subject to the following conditions, in addition to those conditions described in the Staff Recommendation:

A) MGU shall be prohibited from utilizing farm taps along its line where it has been granted a line certificate in this case and in those areas certificated to MGE. As described in its Application filed on December 22, 2009 and further detailed in the map contained in Appendix A to that Application, MGU's proposed line certificate relates to a line described as follows:

The line will begin at a tap on the Southern Star Central Pipeline transmission line in Section 23, Township 28 North, Range 23 West. The first segment of the line will proceed east within the right-of-way of Farm Road 178 for a distance of 0.25 miles, then north within the right-of-way of Farm Road 107 for a distance of 2.2 miles, then continue north in private right-of-way for 0.75 miles. The line will continue north within the right-of-way of Rose Drive for 1.2 miles, then continue north in private right-of-way for 1.8 miles. The line will continue north within the right-of-way of N. Kaylor Drive for 2.1 miles, then turn west within the right-of-way of W. State Hwy EE for 0.4 miles. The line then turns north within the right-of-way of County Road 103 for a distance of 2.4 miles, then turns east within the right-of-way of County Road 94 for 1.25 miles. The line then turns north within the right-of-way of Ross Road for a distance of 1.25 miles, then again turns east for a distance of 0.5 miles within the right-of-way of W. Farm Road 82, then north again within the right-of-way of Farm Road 117 for 1.0 mile. The line then proceeds east and north within the right-of-way of W. State Hwy O for a distance of 2.8 miles to the intersection of Hwy O and Hwy 13. The line then follows the east side of Hwy 13, within the right-of-way, for a distance of 3.8 miles, to a point where it enters the area for which MGU is requesting a CCN in this Case.

B) If either company receives a leak or odor call originating from areas that are in close proximity to their service areas, the notified company will respond to that leak call as if the call involved its own facilities and secure the area. In the event the leak is emanating from the other company's facilities, the responding

company will notify the other company and will provide assistance, if requested.

The responding company may bill, and the other company will pay, reasonable costs associated with responding to such calls.

6. Counsel for the Staff of the Missouri Public Service Commission (Staff) has affirmatively stated their non-opposition to this Stipulation and waived their right to a hearing.

GENERAL PROVISIONS

7. This Stipulation is being entered into solely for the purpose of settling the issues specified in Case No. GA-2010-0189. Unless otherwise explicitly provided herein, none of the Parties to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking or procedural principle and, except as explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner by the terms of this Stipulation (whether this Stipulation is approved or not) in this or any other proceeding, other than a proceeding to enforce the terms of this Stipulation.

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

9. 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.

10. 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.

11. If requested by the Commission, the Staff may file suggestions or a memorandum in support of this Stipulation. Each of the Parties 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

CONCLUSION

WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this Stipulation and Agreement as a resolution of all issues in this case, and granting MGU a certificate as described in the Application.

Respectfully submitted,

MISSOURI GAS UTILITY, INC.

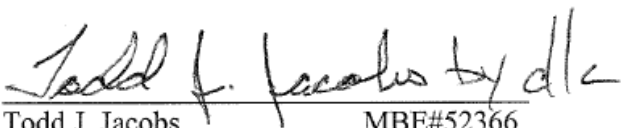
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 11th day of March, 2010, to:

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