

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

In the Matter of Summit Natural Gas of Missouri Inc.'s Filing of Revised Tariffs To Increase its Annual Revenues For Natural Gas Service))))	File No. GR-2014-0086
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**PARTIAL STIPULATION AND AGREEMENT
AS TO ENERGY EFFICIENCY, WEATHERIZATION, AND OTHER MATTERS**

COME NOW Summit Natural Gas of Missouri, Inc. (“SNGMO”); the Staff of the Missouri Public Service Commission (“Staff”); the Office of the Public Counsel (“OPC”); and Missouri Department of Economic Development – Division of Energy (“Division of Energy”) (collectively the “Parties” or individually a “Party”), and respectfully submit the following Partial Stipulation and Agreement As To Energy Efficiency, Weatherization, and Other Matters (“Stipulation”) to the Missouri Public Service Commission (“Commission”). Missouri Propane Gas Association (“MPGA”) and Missouri School Boards’ Association (“MSBA”), while not signatories, have indicated through their counsel that they do not oppose nor request a hearing as to this Stipulation or the issues addressed by the Stipulation.

1. **Energy Efficiency** - At this time, the parties recommend that the Commission not approve the proposed Residential Natural Gas Energy Efficiency Incentive Program.

A. Energy Efficiency Advisory Group. The Commission should approve the establishment of a formal, non-voting, Energy Efficiency Advisory Group (“Advisory Group”) with the goal of working toward the development and implementation of a viable energy efficiency program. SNGMO will work with the Advisory Group to take reasonable actions toward a target of achieving all cost-effective energy efficiency programs.

i. The Advisory Group will operate as an advisory, rather than consensus, group and will continue to provide input to SNGMO on the design, implementation, and evaluation (including choice of consultants and scope of work) of an energy efficiency program. The Advisory Group shall have meetings or conference calls at least two times per year. In conjunction with these meetings/conference calls, the Company shall provide updates on: (1) the status of program design and implementation including the amount of expenditures for each program and the level of customer participation, (2) the status of program evaluations including consultants chosen, evaluation budgets, evaluation expenditures, and copies of any interim and final evaluations, and (3) the status of new program selection and design efforts. In addition, if the Advisory Group is unable to reach agreement on an issue related to the energy efficiency program, any member may petition the Commission for further direction.

ii. The Company shall file annual reports with the Commission reporting on the status of implementing energy efficiency programs. Annual reports shall include: (1) a narrative description of the status of each program, (2) information (by program) on actual program expenditures and estimated impacts, and (3) a comparison (by program) of budgeted expenditures and impacts (Ccfs, to the extent reasonably available) to actual expenditures and impacts.

B. Regulatory Asset Account. SNGMO shall be authorized to accumulate any energy efficiency program costs for which there is general consensus among the Advisory Group members in a regulatory asset account as the costs are incurred, for potential recovery in a future rate case. The regulatory asset account shall accrue interest at the Company's short-term debt rate through the Company's next rate case. Program costs in the regulatory asset account that have been prudently incurred will be included in rate base in the Company's next general rate case and amortized over six (6) years.

2. **Low-Income Weatherization Program** – SNGMO will provide annual funding for low-income weatherization in the amount of \$30,000, divided among the divisions in proportion to the number of residential customers in each division. This annual funding amount shall be added to whatever revenue requirement may be otherwise determined by the Commission such that recovery is included in SNGMO’s base rates. DE agrees not to pursue weatherization administration funding.

3. **Commodity Flex Provisions** – The Parties recommend Commission approval of the proposed Commodity Flex Provisions. This agreement does not preclude the Parties from taking any position in a future rate case concerning the ratemaking treatment to be afforded any revenues received or not received as a result of these provisions.

4. **True-Up** – The Parties agree that a true-up is not necessary in this case and request the Commission to modify its orders to eliminate the true-up requirement and the procedural events associated with the true-up.

5. **Rate Design** – If a rate increase is granted, customer charges in rate districts will be set at the below levels. The remaining Commission approved revenue requirement will be allocated to the volumetric commodity rate of the applicable rate district and customer class. If no increase is granted by the Commission in a particular Division, there will be no change in the existing customer charges for that Division.

<u>Customer Class</u>	<u>Rate District</u>	<u>Customer Charge</u>
GS -Residential GS-Commercial	All	\$15.00
CS	Gallatin, Warsaw	\$30.00
LGS	Branson, Rogersville	\$50.00
LVS	All	\$300.00
TS	All	\$300.00

6. **Account 302** – SNGMO will do a journal entry to remove AFUDC costs and direct labor charges in the amount of \$35,242 that were inappropriately recorded to Account 302, since April 1, 2010. Labor charges will be booked to the appropriate accounts. SNGMO will reset the amortization of Account 302.

7. **Issues Settled**. This Stipulation is intended to settle the following issues as identified in the “Revised List of Issues, List and Order of Witnesses, Order of Opening and Order of Cross-Examination,” filed with the Commission on August 18, 2014: II.B; III.D; V.B; and, VI.A through F.

8. **Testimony Received Into Evidence**. Unless called by the Commission to respond to questions, in the event the Commission approves this Stipulation without modification or condition, the prefiled testimony (including all exhibits, appendices, schedules, etc. attached thereto) and reports of Kory Boustead, Geoff Marke, John Buchanan, and Joe Gassner in this proceeding shall be received into evidence without the necessity of those witnesses taking the witness stand.

General Provisions

9. This Stipulation is being entered into solely for the purpose of settling the issues specified in Case No. GR-2014-0086. 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, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology, cost of capital methodology or capital structure, rate design principle or methodology, or depreciation principle or methodology, 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 limited to enforce the terms of this Stipulation.

10. This Stipulation has resulted from extensive 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.

11. 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.

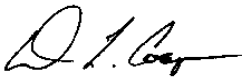
12. In the event the Commission approves the specific terms of this Stipulation without condition or modification, and as to the specified issues, the Parties waive their respective rights to call, examine, and cross-examine witnesses pursuant to § 536.070(2) RSMo 2000; present oral argument and written 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.

13. 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 by any Party are its own and are not acquiesced in or otherwise adopted by the other Parties to this Stipulation, whether or not the Commission approves and adopts 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 Partial Stipulation and Agreement As To Energy Efficiency, Weatherization, and Other Matters.

Respectfully submitted,



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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 22nd day of August, 2014, to:

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