

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

In the Matter of the Application of KCP&L Greater)
Missouri Operations Company for Approval to)
Make Certain Changes in its Charges for)
Electric Service.)
)

File No. ER-2010-0356
Tariff No. JE-2010-0693

**NON-UNANIMOUS STIPULATION AND AGREEMENT
AS TO MGE RATE DESIGN ISSUE**

COME NOW KCP&L Greater Missouri Operations Company (“GMO”)and Southern Union Company d/b/a Missouri Gas Energy (“MGE”) (collectively “Signatories”) and, for their Non-Unanimous Stipulation and Agreement (“Stipulation”) to resolve a MGE rate design issue in this case, states as follows to the Missouri Public Service Commission (“Commission”):

1. The Signatories agree to settle their disputes in this case regarding the following issues (because the parties were unable to reach a Joint Statement of the Issues, the relevant portions of the Issues List of Staff is included):

Staff Issue 87. Should the residential electric space heating rates for both MPS and L&P, specifically, MPS Rate MO870 – Residential Electric Space Heating, L&P Rate MO920 – Residential Service – with Electric Space Heating; and L&P Rate MO922 – Residential Space Heating/Water Heating – Separate Meter be eliminated?

2. The Signatories agree that the first winter season energy charge block rate of L&P Rate MO920 – Residential Service – with Electric Space Heating will be increased 6% prior to any other increase in residential energy charges being applied. Thereafter, the remaining energy related residential increase in this case shall be applied in accordance with the Non-Unanimous Stipulation and Agreement as to Class Cost of Service/Rate Design, including L&P Rate MO920 – Residential Service – with Electric Space Heating.

3. The Signatories agree that MGE will withdraw its request to eliminate or change the rate of MPS Rate MO870 – Residential Electric Space Heating and L&P Rate MO922 – Residential Space Heating/Water Heating – Separate Meter.

4. The Signatories further agree that MGE will withdraw the following issue related to GMO's line extension tariff.

Staff Issue 74. Facility extension practices: Should KCPL/GMO be allowed to offer discounts or refunds to customers or developers in exchange for agreeing to install heat pumps?

5. If this Stipulation is approved by the Commission, MGE states that it will not oppose, and will not request a hearing in regard to, the Non-Unanimous Stipulation and Agreement as to Class Cost of Service /Rate Design filed on February 17, 2011.

GENERAL PROVISIONS OF STIPULATION

6. This Stipulation is being entered into solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding, regardless of whether this Stipulation is approved.

7. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending

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

8. This Stipulation has resulted from extensive negotiations among the Signatories, 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 Signatory shall be bound by any of the agreements or provisions hereof.

9. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

10. If the Commission does not approve this Stipulation without condition or modification, and notwithstanding the provision herein that it shall become void, (1) 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 Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories 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.

11. If the Commission accepts the specific terms of this Stipulation without condition or modification, only as to the issues of the issues in these cases explicitly set forth above, the

Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification 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 nor any matters not explicitly addressed by this Stipulation.

WHEREFORE, for the foregoing reasons, the Signatories respectfully request that the Commission issue an Order approving the terms and conditions of this non-unanimous

stipulation and agreement.

Respectfully submitted,



Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND
P.C.
312 E. Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102
Phone: (573) 635-7166
Fax: (573) 634-3847
dcooper@brydonlaw.com

Todd J. Jacobs MBE #52366
Senior Attorney
Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111
816-360-5976
816-360-5903 (fax)
Todd.Jacobs@sug.com

ATTORNEYS FOR MISSOURI GAS
ENERGY

KCP&L GREATER MISSOURI
OPERATIONS

//S// James M. Fischer
James M. Fischer, MBE #27543
Fischer & Dority, P.C.
101 Madison Street, Suite 400
Jefferson City, MO 65101
(573) 636-6758
(573) 636-0383 (Fax)
jfischerpc@aol.com

Roger W. Steiner, MBE #39586
Corporate Counsel
Kansas City Power & Light Company
(816) 556-2785
(816) 556-2787 (Fax)

Karl Zobrist, MBN #28325
SNR Denton
4520 Main Street, Suite 1100
Kansas City, MO 64111
(816) 460-2545
(816) 531-7545 (Fax)
kzobrist@sonnenschein.com

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all counsel of record this 17th day of February, 2011.


