

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

In the Matter of The Empire District Gas)	
Company of Joplin, Missouri for Authority to)	Case No. GR-2009-0434
File Tariffs Increasing Rates for Gas Service)	Tariff No. YG-2009-0855
Provided to Customers in the Missouri Service)	
Area of the Company.)	

**PARTIAL STIPULATION AND AGREEMENT
ON DSM FUNDING AND IMPLEMENTATION**

COME NOW The Empire District Gas Company (“EDG” or “Company”), the Staff of the Missouri Public Service Commission (“Staff”), and the Office of the Public Counsel (“OPC”) (collectively, the “Parties”), and respectfully submit the following Partial Stipulation and Agreement on DSM Funding (“DSM Stipulation”) to the Missouri Public Service Commission (“Commission”):

1. Issue Settled With This Stipulation. This DSM Stipulation is intended to settle the issue of the funding level of Demand Side Management (DSM) programs to be implemented by EDG as part of this Case No. GR-2009-0434. This DSM Stipulation is not “unanimous” because certain parties have not joined as signatories to this DSM Stipulation. It is the understanding of the Parties, however, that two of the non-signatories, Constellation NewEnergy–Gas Division, LLC (“Constellation”), and Pittsburgh Corning Corporation (“Pittsburgh”), will not object to this DSM Stipulation and will waive their rights to a hearing on the issues resolved herein. The Missouri Department of Natural Resources (“DNR”) is also a party to this case.

2. DSM Programs Supported by the Parties. If the separate Partial Stipulation and Agreement regarding all issues except the transportation tariffs and the funding of DSM programs being filed herein is approved by this Commission, EDG will be implementing the following DSM programs: Low Income Weatherization, High Efficiency Water Heating, High

Efficiency Space Heating, Home Performance of Energy Star, Large Commercial Audit and Rebate, Apogee, and Building Operator Certification (“BOC”).

3. Funding and Implementation of the DSM Programs. With the exception of the Apogee and BOC programs which EDG has agreed to also implement, EDG shall fund and implement the above-listed programs as described in the direct testimony of Sherrill McCormack; with the further exception that the High Efficiency Water heating program will be implemented as described in Sherrill McCormack’s testimony except that the rebate amount for tank storage water heaters will be \$50 per water heater until this amount is adjusted to reflect the higher incremental costs of the tank storage water heaters with an Energy Factor (EF) of .67 (which is scheduled to become the new Energy Star storage tank water heater EF criteria on September 1, 2010).

4. Contingent Waiver of Rights. This DSM Stipulation is being entered into solely for the purpose of settling the issue described herein. Unless otherwise explicitly provided herein, none of the Parties to this DSM Stipulation shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner by the terms of this DSM Stipulation in this or any other proceeding regardless of whether this DSM Stipulation is approved.

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

If the Commission does not approve this DSM 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 RSMo. §536.080 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.

In the event the Commission accepts the specific terms of this DSM Stipulation without condition or modification, the Parties 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.

5. Right to Disclose. The Staff may file suggestions or a memorandum in support of this DSM 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 signatories to this Stipulation, whether or not the Commission approves and adopts this Stipulation.

The Staff also shall have the right to provide, at any agenda meeting at which this Stipulation 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 Commission Rule 4 CSR 240-2.135.

WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order approving all of the specific terms and conditions of this DSM Stipulation.

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