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) File No. GR-2014-0086
To Increase its Annual Revenues For)
Natural Gas Service)

PARTIAL STIPULATION AND AGREEMENT

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

School Boards' Association ("MSBA"); (collectively the "Parties" or individually a "Party"), and

respectfully submit the following Partial Stipulation and Agreement ("Stipulation") to the Missouri

Public Service Commission ("Commission"). Missouri Propane Gas Association ("MPGA") and

Missouri Department of Economic Development – Division of Energy ("Division of Energy"),

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. **Depreciation.**

a. SNGMO will adjust its accounting records to adjust its reserve for depreciation in

the Gallatin and Warsaw Division as reflected in **Appendix A**. Such adjustments will continue

through the effective date of the compliance tariff sheets resulting from this case. This adjustment

does not reflect any adjustments that may result from the proposed FERC Account 105 transfer.

b. SNGMO shall use the depreciation rates listed in **Appendix B** for all operating

districts beginning with the effective date of the compliance tariff sheets resulting from this case.

2. **Miscellaneous Tariff Issues**.

a. SNGMO shall be authorized to file a consolidated set of tariff sheets governing all of its Missouri service territories (P.S.C. MO No. 3), and canceling its current P.S.C. MO Nos. 1 and 2.

b. SNGMO's consolidated tariff (P.S.C. MO No.3) shall provide for the following service fees:

Description	Amount	Sheet No.
Reconnection Charge- Residential	$30	59
Reconnection Charge- Commercial or Industrial	The greater of $30 or actual charges for labor and materials.	60
Reconnection Charge- Residential, Commercial or Industrial. Whose service pipe was disconnected and/or whose meter was removed by reason of fraudulent use or tampering.	The greater of (a) The applicable reconnection charge for the customer class or (b) A charge that is equal to the actual labor and material costs that are incurred in the reinstallation of the meter or service pipe.	60
Disconnect Charge- Commercial or Industrial	The greater of $30 of actual charges for labor and materials	60
Special Meter Reading Charge	$20	60
Collection Trip Charge	$30	60
Non-Sufficient Funds Check Charge	$10	60

c. A transportation rate equal to the Lake Ozark LVS rate, currently at $1.00 per Ccf, will be applicable to the Lake Ozark operating district.

d.   The SNGMO Optional General Service rate schedule will indicate that it is not available for persons who become customers of the Company after the effective date of compliance tariffs resulting from this case.

e.   All rates in SNGMO's consolidated tariff will be reflected in relation to Ccf.

3.   **Customer Service/Reporting.** SNGMO will comply with the customer service and reporting requirements identified in **Appendix C**.

4.   **Rate Design.**

a.   Rate design will continue the use of a customer charge, plus volumetric charge rate design. SNGMO will collect data concerning the impact of the resulting rate design in accordance with the process found in **Appendix D**.

b.   Development of current pro forma revenues will utilize the billing determinants attached hereto as **Appendix E**.

5.   **Transportation Service, including School Transportation**.

a.   School Transportation Program.   SNGMO's revised School Transportation Program tariff sheets will include the following provision:

> For each school meter location, the monthly customer charge and monthly volumetric commodity charge shall be billed at the companion sales rate for the applicable Summit Division and the applicable annual usage identified in each rate class and shall apply the applicable rate schedule: General Service, Commercial Service, Large General Service or Large Volume Service. Changes in usage volumes while enrolled in the school transportation may result in a change in class of service (and rates) as provided in the applicable rate schedules of this tariff for each metered facility. Customer charges shall be billed on a per account basis and not on a per school district basis. For purposes of qualifying for a specific sales rate schedule, only the applicable annual usage at the individual meter location will be considered.

b. Cash-out Provisions.

i. SNG's proposed tariff, Original Sheet No. 35, Cancelling 2nd Revised Sheet

No. 29 be modified, with the revision underlined below:

> **Cashout Provisions:**
> Month End Imbalance Volumes (c) shall be cashed out according to the appropriate Tables below by applying only one (1) Cashout Price to ALL of the imbalance volumes as determined by the calculated month end imbalance percentage, plus for negative imbalances or under deliveries: applicable upstream pipeline fuel, upstream pipeline capacity, and upstream pipeline commodity charges shall apply.

    ii. Cashout Tables: SNGMO's revised tariff sheets will provide that monthly

imbalances shall be cashed out in accordance with the following:

All Transportation Customers (except schools that are not required to have daily telemetry)		
Month Ending Imbalance % Level (+/-)	**Receipts > Deliveries Due Customer (+) Imbalance or Over Delivery**	**Deliveries > Receipts Due Company (-) Imbalance or Under Delivery**
	Cashout = Current Month Imbalance times:	**Cashout = Current Month Imbalance times:**
Up to and including 5%	Cashout Price Determinant (d) x 1.0	Cashout Price Determinant (d) x 1.0
greater than 5%, up to and including 15%	Cashout Price Determinant (d) x 0.9	Cashout Price Determinant (d) x 1.1
greater than 15%	Cashout Price Determinant (d) x 0.8	Cashout Price Determinant (d) x 1.2
The Cashout Price Determinant (d) shall use either the highest or lowest of the "Weekly weighted average prices" determined for each cashout month for all imbalances as described below.		
The average price for each week shall be the price for the applicable location in the referenced publication in the table entitled "Weekly weighted average prices", or the superseding reference if the publication titling is revised. The issues of such publication to be used in determining each Month's highest weekly average price and lowest weekly average price shall include all issues containing the above-referenced table with publication dates within the calendar month in which the imbalance occurred, plus the first publication of the next month after the imbalance occurred containing the above-referenced table (if applicable to month imbalance occurred). If the weekly price for one or more of the locations below is no longer published by *Gas Daily*, SNGMO will file a proposed tariff sheet suggesting a replacement to be used to		

determine the Cashout Price Determinant (d) for the applicable location(s) for each SNG service area. (For example: pricing location of Southern Star, Tx.-Okla.-Kan for Rogersville service area; pricing location of ANR, Okla. for the Gallatin Service area; or the specific pricing location being used by SNG for gas supply for each service area)
For positive imbalances (over-delivery), the Cashout Price Determinant (d) shall be the lowest of the "Weekly weighted average prices" for the applicable location(s) for the month in which the imbalance occurred. For negative imbalances (under-delivery), the Cashout Price Determinant (d) shall be the highest of the "Weekly weighted average prices" for the applicable location(s) for the month in which the imbalance occurred.

School Transportation Only (Schools that are not required to have daily telemetry)		
Month Ending Imbalance % Level (+/-)	**Receipts > Deliveries** **Due Customer (+) Imbalance or Over Delivery** **Cashout = Current Month Imbalance times:**	**Deliveries > Receipts** **Due Company (-) Imbalance or Under Delivery** **Cashout = Current Month Imbalance times:**
Up to and including 5%	Cashout Price Determinant (d) x 1.0	Cashout Price Determinant (d) x 1.0
greater than 5%, up to and including 15%	Cashout Price Determinant (d) x 0.9	Cashout Price Determinant (d) x 1.1
greater than 15%	Cashout Price Determinant (d) x 0.8	Cashout Price Determinant (d) x 1.2
The Cashout Price Determinant (d) shall use the first-of-the-month index price published in *Inside F.E.R.C.'s Gas Market Report* for the applicable pricing location(s) for the month immediately following the month in which the imbalance occurred. (For example: pricing location of Southern Star Central Gas Pipeline, Inc. for Rogersville service area; pricing location of ANR Pipeline Co. - Oklahoma for the Gallatin Service area; or the specific pricing location being used by SNG for gas supply for each service area). If the first-of the-month price for one or more of the locations above is no longer published by Platt's Inside FERC's Gas Market Report, SNGMO will file a proposed tariff sheet suggesting a replacement to be used to determine the Cashout Price Determinant (d) for the applicable location(s) for each SNG service area.		

    c.   School Program Shipper Priority. The below paragraph 10, will be added to the

provisions found on Proposed Tariff Sheet 49:

    10.   Delivery Priority
    Each Shipper taking service under the Missouri School Program will possess the
    same delivery priority as retail sales customers to the extent The Pool Operator
    delivers and is allocated natural gas to the TBS from the upstream pipeline.

d.   Capacity Release. SNGMO will add the following clarifying language to its

capacity release provisions for school transportation service:

> When a school switches from sales service to the Missouri Transportation Program and when the Company has excess capacity available that may be released, any capacity released by the Company to the Pool Operator will be released for the full term of that capacity and will be non-recallable for the term of the agreement. Any capacity released by the Company to the Pool Operator will be released at the full demand rate charged by the upstream pipeline and the Pool Operator is directly responsible for any commodity related charges imposed by the upstream pipeline.

e.   Pool Operator Agreement. SNGMO will include in its tariff a requirement for the

pool operator to execute a written agreement with SNG, and a standard form for the pool operator

agreement in the general form of that attached hereto as **Appendix F**.

f.   Transportation Service – Miscellaneous Tariff Issues.

i.   SNGMO will modify its tariff language for fees that are charged to school

transportation customers (shippers) and/or pool operators that aggregate the pipeline

capacity and supply requirements for a pool of school transportation customers and include

the following changes (changes underlined):

> The Pool Operator shall be responsible for pipeline imbalances on the LDC's system, cash-outs, penalties, overrun gas charges or other charges it may create with the pipeline suppliers. All balancing charges or balancing-related obligations shall be the responsibility of the Pool Operator. Should the Pool Operator fail to satisfy such obligation, each individual Shipper within such Pool Group shall remain responsible for their obligations. The Pool Operator shall enter into a group balancing agreement with the Company for a term of not less than one year. Revenues collected from cash-out charges, imbalances, penalties, overrun charges and other similar charges the pool operator may create will be credited back to the PGA/ACA account.

ii.   SNGMO will include the following tariff language in its transportation

service tariffs:

> The Company shall credit any revenues collected from Transportation customers (including schools) for any cashouts, imbalances, penalties, overrun charges and

other similar charges to be used in the development of the Actual Cost Adjustment ("ACA") factor of the Company's Purchased Gas Adjustment ("PGA") Clause.

g.   Page Numbering Error. SNGMO will correct the numbering errors contained in its

proposed transportation tariff sheets described as follows:

SNG's proposed Tariff Sheet 45, Availability, refers to all provisions of the Transportation Service, Tariff Sheet Nos. 23 to 41C. Tariff Sheet Nos. 23-24A pertain to Large Volume Service ("LVS"), which is for gas sales, not transportation service. The Transportation Service Tariff Sheet Nos. in the proposed tariff are 25 to 43C.

h.   Telemetry. SNGMO will add the following language to its proposed Tariff Sheet

46, e:

Telemetry of special metering that provides the Company with electronic meter reading to determine each transportation customers daily usage will not be required for school transportation program, except for individual school meters over one hundred thousand therms annually (10,000 dekatherms/year).

i.   Aggregation and Balancing. SNGMO's proposed Pool Operator charge of $250.00

per month for each Pool will be replaced with a $0.004 per therm Aggregation and Balancing

Charge applied to delivered volumes. Revenues associated with this charge will be booked in

Account 400 (Operating Revenues).

6.   **Issues Settled**. This Stipulation is intended to settle the following issues as

identified in the "List of Issues, List and Order of Witnesses, Order of Opening and Order of Cross-

Examination," filed with the Commission on August 14, 2014: II.B, C, E, F, and J; IV. A though O;

V.C (unless it is impacted by Issue II.H.), D, and E; and, VI.A.

7.   **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 Alicia Picard, Renato Nitura, Phil Lock, Seoung Joun Won, John A.

Robinett, Michael J. Ensrud, Kim Cox, Michelle Bocklage, and Henry E. Warren in this proceeding shall be received into evidence without the necessity of those witnesses taking the witness stand.

General Provisions

8.   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.

9   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.

10.   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.

11.   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.

12.   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.

Respectfully submitted,

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//S// by dlc _____ Richard S. Brownlee III, Bar #22422 RSBIII, LLC 121 Madison Street Jefferson City, MO 65101 (573) 616-1911 rbrownlee@rsblobby.com Attorney for Missouri School Boards' Association	STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION /s/ John D. Borgmeyer John D. Borgmeyer Deputy Legal Counsel Missouri Bar No. 61992 Attorney for the Staff of the Missouri Public Service Commission P.O. Box 360 Jefferson City, Missouri 65102 Telephone: (573) 751-5472 Fax: (573) 751-9285 Email: john.borgmeyer@psc.mo.gov

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 18th day of August, 2014, to:
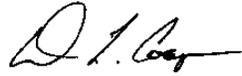
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