

Exhibit No.:	
Issue(s):	Tariff Recommendations/ Other Issues
Witness:	Barb Meisenheimer
Type of Exhibit:	Direct
Sponsoring Party:	Public Counsel
Case Number:	GR-2008-0060
Date Testimony Prepared:	January 18, 2008

DIRECT TESTIMONY

OF

BARBARA A. MEISENHEIMER

Submitted on Behalf of
the Office of the Public Counsel

Missouri Gas Utility, Inc.

Case No. GR-2008-0060

January 18, 2008

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

In the Matter of a General Rate Increase)
for Natural Gas Service Provided by)
Missouri Gas Utility, Inc.)

Case No. GR-2008-0060

AFFIDAVIT OF BARBARA A. MEISENHEIMER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Barbara A. Meisenheimer, of lawful age and being first duly sworn, deposes and states:

1. My name is Barbara A. Meisenheimer. I am Chief Utility Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

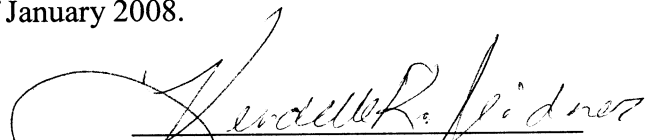


Barbara A. Meisenheimer

Subscribed and sworn to me this 18th day of January 2008.



KENDELLE R. SEIDNER
My Commission Expires
February 4, 2011
Cole County
Commission #07004782



Kendelle R. Seidner
Notary Public

My Commission expires February 4, 2011.

DIRECT TESTIMONY
OF
BARBARA MEISENHEIMER
CASE NO. GR-2008-0060
MISSOURI GAS UTILITY

Introduction

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. Barbara A. Meisenheimer, Chief Utility Economist, Office of the Public Counsel, P.O. 2230,
Jefferson City, Missouri 65102.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND.

A. I hold a Bachelor of Science degree in Mathematics from the University of Missouri-Columbia (UMC) and have completed the comprehensive exams for a Ph.D. in Economics from the same institution. My two fields of study are Quantitative Economics and Industrial Organization. My outside field of study is Statistics.

I have been with the Office of the Public Counsel since January 1996. I have testified on economic issues and policy issues in the areas of telecommunications, natural gas, electric, water and sewer. Specific to natural gas utilities, I have filed testimony in three Laclede rate cases, three MGE rate cases as well as rate cases for Atmos Gas, Aquila Gas, Ameren and Southern Missouri Natural Gas.

Over the past 14 years I have taught courses for the following institutions: University of Missouri-Columbia, William Woods University, and Lincoln University. I currently teach

1 undergraduate and graduate level economics courses and undergraduate statistics for
2 William Woods University.

3 **Q. HAVE YOU TESTIFIED PREVIOUSLY IN THIS CASE?**

4 A. No.

5 **Q. PLEASE SUMMARIZE YOUR DIRECT REVENUE REQUIREMENT TESTIMONY.**

6 A. My testimony addresses the following issues;

7 **Tariff Recommendations**

8 1. The Company has charged a Non-Sufficient Funds (NSF) charge not
9 allowed by its tariff.

10 2. There is evidence that the Company is charging disconnection and
11 reconnection rates inconsistent with its tariff.

12 3. The level of revenues associated with tariff changes should reflect any
13 increases adopted by the Commission in this case.

14 4. The Company should remove language stating that prices are subject to
15 change without notice.

16 **Other Issues**

17 5. The approved revenue requirement is not a guaranteed level of revenue
18 that a Company is entitled to recovery each year.

19 6. Any Weather Normalization Adjustment (WNA) proposal is premature.
20 To the extent that a WNA is considered it should be accompanied by a
21 symmetric proposal for annual true-ups as was contemplated by the
22 Legislature in Senate Bill 179.

Tariff Recommendations

Q. HAS THE COMMISSION AUTHORIZED THE COMPANY TO CHARGE CUSTOMERS A NSF CHARGE?

A. No. The Commission has not approved a NSF charge for the Company and no such charge appears in the company's tariff.

Q. HOW LONG HAS THE COMPANY CHARGED AN UNAUTHORIZED NSF CHARGE?

A. Based on the Company's response to Staff Data Request Number 126, it appears that the Company has inappropriately charged unauthorized NSF charges since November, 2005. For 2005, the Company charged a \$14 NSF charge. At some point in early 2006, the Company increased the unauthorized fee to \$30. The Company's response to Staff Data Request Number 126, illustrating the unauthorized charges is included in this testimony as Attachment 1.

Q. IS THERE EVIDENCE THAT THE AMOUNT OF NSF REVENUE COLLECTED IS MORE THAN THE AMOUNT REPORTED IN DATA REQUEST RESPONSE 126?

A. Yes. A file submitted to Public Counsel as part of the Company's workpapers contains records of NSF revenues posted in the Company's general ledger. For the test year period, the amount of net NSF revenue appears greater from the general ledger records, \$390 than the \$300 in NSF revenues reported over the same period in Data Request Response 126. A

1 copy of the file containing the general ledger entries and my calculations is included in this
2 testimony as Attachment 2.

3 **Q. WHAT ACTIONS DO YOU RECOMMEND?**

4 A. The Company should immediately stop charging NSF fees until such time as it has received
5 Commission authorization to impose such charges. The Company should review and if
6 necessary revise the occurrences and amount of NSF revenue reported in response to Data
7 Request 126. All unauthorized amounts collected should be returned to customers.
8 Additionally, Public Counsel is considering filing a complaint to seek penalties related to the
9 unauthorized collection of NSF fees.

10 **Q. WOULD PUBLIC COUNSEL OBJECT TO THE COMMISSION AUTHORIZING AN NSF FEE FOR THE**
11 **COMPANY?**

12 A. Public Counsel would not object to the Company receiving authorization from the
13 Commission to tariff and charge a cost based NSF fee effective with new tariffs approved in
14 this case.

15 **Q. WHY DO YOU BELIEVE THAT THE COMPANY IS CHARGING DISCONNECTION AND**
16 **RECONNECTION RATES INCONSISTENT WITH ITS TARIFF?**

17 A. In reviewing data request responses and in follow up discussion with the Company it became
18 clear that MGU has been charging customers one \$30.00 fee to disconnect service and
19 another \$30.00 fee to reconnect service. This “double charge” is inconsistent with Sheet 54

1 of the Company's current tariff which appears to set forth a single combined charge
2 encompassing activities of both disconnecting and reconnecting the service of a residential
3 customer absent fraudulent use or catastrophe. Sheet 54 specifically references the \$30 fee
4 only in reference to Reconnections addressed by Rule No. 14 but not Discontinuance of
5 Service which is addressed instead by Rule No. 13;

6 *Effective with the effective date of this tariff sheet, charges for*
7 *disconnection/reconnection of service as described in Rule No. 14,*
8 *Page 70 of this tariff shall be as follows:*

9 *(1) Residential customers - \$30*

10 ...

11 **Q. HOW LONG HAS THE COMPANY DOUBLE CHARGED CONSUMERS?**

12 A. Based on discussions with the Company, it is my understanding that the Company may have
13 regularly double charged since 2005.

14 **Q. HOW ARE REVENUES ASSOCIATED WITH DISCONNECTION AND RECONNECTION FEES**
15 **IDENTIFIED IN THE COMPANY'S RECORDS?**

16 A. The Company's general ledger postings reflect the use of various terms to denote these
17 revenues including disconnection, lock, reconnection and unlock.

1 **Q. IS THERE EVIDENCE THAT THE AMOUNT OF THESE REVENUES REPORTED FROM THE**
2 **MISCELLANEOUS REVENUE FILE DIFFERS FROM TH AMOUNT REPORTED IN DATA REQUEST**
3 **RESPONSE 126?**

4 A. Yes. The Miscellaneous Revenue file submitted to Public Counsel as part of the Company's
5 workpapers contains records of revenues associated with activities of disconnections,
6 reconnections, locks and unlocks posted in the Company's general ledger. For the test year
7 period, the amount of net revenues from these activities is \$3080. This amount differs
8 somewhat from the \$3270 reported over the same period in Data Request Response 126. A
9 copy of the file containing the general ledger entries and my calculations is included in this
10 testimony as Attachment 2.

11 **Q. WHAT ACTIONS DO YOU RECOMMEND?**

12 A. The Company should immediately stop charging both a disconnection and a reconnection
13 charge. The Company should review and if necessary revise the occurrences and amounts of
14 revenue reported in response to Data Request 126. Based on the Company's
15 characterization that its general practice is to charge the \$30 fee twice, half of the amounts
16 collected should be returned to customers. Additionally, Public Counsel is considering filing
17 a complaint to seek penalties regarding excess collection of these charges.

1 **Q. DO YOU HAVE CONCERNS WITH THE COMPANY REVISING ITS TARIFF TO CHARGE TWO**
2 **DISTINCT FEES, ONE FOR DISCONNECT AND ONE FOR RECONNECT?**

3 A. Public Counsel would need to review and would likely have questions regarding the specific
4 terms of any such proposal. For example, if distinctly tariffed, would the Company apply
5 the charge only when Rule No. 14 on Discontinuance of Service was the cause of
6 disconnection or would the Company seek to apply the charge to customers that will no
7 longer receive service for other reasons?

8 **Q. SHOULD THE IMPACT OF ANY TARIFF CHANGES BE REFLECTED IN THE RATE MAKING**
9 **PROCESS?**

10 A. Yes. To the extent that more or less revenue would be generated as the result of a tariff
11 change, that revenue impact should be quantified and reflected in determining rates.

12 **Q. DO YOU HAVE A RECOMMENDATION WITH RESPECT TO A CHANGE IN THE TARIFF**
13 **LANGUAGE ON SHEET 82?**

14 A. Yes. The Company should remove the phrase "Prices are subject to change without notice."
15 from the text on Sheet 82 because consistent with rate regulation the rates to be charged are
16 not subject to change without notice.

Other Issues

Q. SHOULD THE REVENUE REQUIREMENT APPROVED BY THE COMMISSION IN THIS CASE BE VIEWED AS A GUARANTEED LEVEL OF REVENUE THE COMPANY IS ENTITLED TO RECOVER EACH YEAR AFTER RATES ARE SET?

A. No. The Commission's ordered non-gas revenue requirement is not a fixed or guaranteed level of revenue that a Company is entitled to recovery each year. Instead, the level of revenue requirement approved by the Commission is a target level of costs including expenses, taxes and return on investment that an efficiently run company, barring unforeseen events has the opportunity to recover under long term average weather conditions. The Commission approved revenue requirement accounts for and is intricately related to potential weather variations that may affect costs and revenues from year to year. The process of normalizing demand determinates to account for weather and establishing a rate of return sufficient to attract investment despite the risk of weather variations are probably the two most obvious elements linking weather variations to revenue requirement. After the revenue requirement is determined, rates are set at a level anticipated to recover the target level of costs. However, the ratemaking process only reflects the anticipated cost and revenues at a snap shot in time. It does not guarantee or limit levels of either future costs or revenues and is not designed or intended to provide uniform recovery each year. Once rates are set, by efficiency or luck a Company has an opportunity to earn a return above that incorporated in the revenue requirement. Likewise, by inefficiency or luck a Company faces the potential to earn a return below that incorporated in the revenue requirement. This

1 process mimics a competitive business environment by creating incentives for the Company
2 to minimize costs.

3 Utility regulation does not create an “entitlement” for the utility to earn a
4 Commission determined return that fully compensates the utility for its cost of service. If
5 that were the case, there would be no reason to determine an appropriate level of a risk
6 adjusted return that should be included in a utility’s rates. Instead, utility regulation is
7 intended to mimic the outcomes and market environment that is faced by competitive firms.
8 The use of utility regulation to simulate a competitive environment and encourage the
9 benefits that would accrue if the industry were suitable for a competitive structure has been
10 referred to as the competitive market paradigm. This paradigm was described by Dr. James
11 Bonbright on page 93 of *Principles of Public Utility Rates* in the following manner:

12 Regulation, it is said, is a substitute for competition. Hence its
13 objective should be to compel a regulated enterprise, despite its
14 possession of complete or partial monopoly, to charge rates
15 approximating those which it would charge if free from regulation
16 but subject to market forces of competition. In short, regulation
17 should be not only a substitute for competition, but a closely imitative
18 substitute.

19 While viewed by investors as undesirable, earnings uncertainty serves an important
20 role in the efficient operation of competitive markets by providing inherent protections for
21 consumers. Earnings uncertainty motivates competitive business entities to minimize costs
22 and to strive for customer satisfaction. Eliminating earnings uncertainty in a regulated
23 environment would have a similar detrimental affect on consumers as would eliminating

1 earnings uncertainty in an unregulated market. However, in a competitive environment,
2 consumers retain the ability to reduce or forgo purchases in response to excessive prices or
3 poor service.

4 In recognition and in consideration of the service it provides as a natural monopoly, a
5 local gas distribution company is granted an additional concession not ordinarily available in
6 a competitive business environment. It is allowed to request a rate review to, when justified,
7 realign revenue to costs. This concession together with other concessions made by the PSC
8 and other governmental entities more than adequately addresses issues of potential under
9 earnings. For example, direct pass through of costs such as those flowed through the PGA,
10 have substantially shifted weather related risks to consumers. It is undesirable and
11 unnecessary to shift all earnings risk to consumers.

12 **Q. CAN YOU CITE ANY ANALYSIS BY A RECOGNIZED UTILITY INDUSTRY EXPERT THAT**
13 **SUPPORTS YOUR BELIEF THAT UTILITY COMMISSIONS GENERALLY SET RATES AT A LEVEL**
14 **WHICH ALLOWS UTILITIES THE OPPORTUNITY (AS OPPOSED TO A GUARANTEE) TO ATTAIN**
15 **THEIR AUTHORIZED RETURN?**

16 A. Yes, the following quote from page 202 of A. J. G. Priest's *Principles of Public Utility*
17 *Regulation* supports this widely recognized regulatory principle:

18 ...the utility's return allowance might be compared with a fishing or hunting license
19 with a limit on the catch. Such a license does not guarantee that the holder will catch
20 anything at all; it simply makes the catch legal (up to a specified limit) provided the
21 holder is successful in his own efforts.

1 **Q. WHAT ARE WEATHER NORMALIZATION ADJUSTMENTS (WNAS)?**

2 A. WNAs are adjustments to revenues frequently generated by factors that are used to adjust
3 billing volumes or volumetric rates. Utilities seek WNAs in an effort to offset revenue lost
4 from customers reducing use below the expected or “weather normalized” use upon which
5 rates were initially set.

6 **Q. CAN A WNA BE IMPLEMENTED AT THIS TIME?**

7 A. No. I have been advised by Public Counsel’s legal staff that a WNA adjustment can not be
8 implemented prior to the Commission establishing rules regarding the WNA requests.

9 **Q. DOES SENATE BILL 179 MANDATE WNAS?**

10 A. No. In adopting SB 179 the Legislature did not mandate a WNA. To the extent that a WNA is
11 considered it should be accompanied by a symmetric proposal for annual true-ups as was
12 contemplated by the Legislature in Senate Bill 179.

13 **Q. DESCRIBE CASES WHERE THE COMMISSION HAS BEEN ASKED TO APPROVE A WEATHER**
14 **NORMALIZATION ADJUSTMENT?**

15 A. Missouri Gas Energy (MGE) asked this Commission to approve weather normalization
16 adjustments in Case No. GT-95-429 and GR-2004-0209. Its requests were denied.

17 **Q. WHY DID THE COMMISSION DENY MGE’S PAST REQUESTS FOR WEATHER NORMALIZATION**
18 **ADJUSTMENTS?**

1 A. The Commission found in Case No. GT-95-429 that “the weather normalization clause tariff,
2 as proposed, is unjust, unreasonable, and contrary to the law and should be rejected.” In GR-
3 2004-0209, the Commission found that the Company’s weather normalization proposal
4 would change rates unlawfully, would contradict good public policy and rejected the
5 proposal even on an experimental basis.

6 **Q. DO YOU HAVE ADDITIONAL CONCERNS WITH WEATHER NORMALIZATION ADJUSTMENTS?**

7 A. Yes. WNAs affect the effective rate consumers pay for service, make it confusing if not
8 nearly impossible for consumers to calculate their bills and shield utilities from the
9 consequences of inefficiency as well as normal business risks associated with weather and
10 customer choice.

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes.

Missouri Public Service Commission**Data Request**

Data Request No.	0126
Company Name	Missouri Gas Utility, Inc.-Investor(Gas)
Case/Tracking No.	GR-2008-0060
Date Requested	1/11/2008
Issue	Tariff Issue - Other Tariff Issues
Requested From	Timothy R Johnston
Requested By	Michael Ensrud
Brief Description	Are there revenue sources that are not tariffed

See Attachment

Description	SEE ATTACHMENT
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Due Date	1/31/2008
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The attached information provided to Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. GR-2008-0060 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the Missouri Gas Utility, Inc.-Investor(Gas) office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Missouri Gas Utility, Inc.-Investor(Gas) and its employees, contractors, agents or others employed by or acting in its behalf.

Security	Public
Rationale	NA

With Proprietary and Highly Confidential Data Requests a Protective Order must be on file.

DRS CONCERNING MISCELLANIOUS TARIFFS

MGU's response to DR 101 shows various revenues being generated, but the characterization of these revenue streams does not match the tariffed-rate terminology. Please provide a description of the type of service provided related to these revenue classes.

A) Where is MGU's NSF (Non-Sufficient Funds) Charge tariffed?

DNM RESPONSE: The NSF charges are not a tariffed charge. They are a justified expense. The charges shown are the actual expenses that MGU incurred during the timeframe from year 1 to current.

B) Concerning the number of occurrences of NSF charges, please provide the following from January 2005 to current by month:

(B * C = D)

Year 1

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
11/28/2005	1	\$14.00	\$14.00
11/29/2005	1	\$14.00	\$14.00
12/2/2005	1	\$14.00	\$14.00
12/6/2005	1	\$14.00	\$14.00
FY Year 1 Total	4	\$56.00	\$56.00

Year 2

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
4/18/2006	1	\$30.00	\$30.00
6/14/2006	2	\$30.00	\$60.00
7/24/2006	1	\$30.00	\$30.00
9/14/2006	1	\$30.00	\$30.00
10/2/2006	1	\$30.00	\$30.00
11/24/2006	1	\$30.00	\$30.00
12/28/2006	1	\$30.00	\$30.00
3/9/2007	1	\$30.00	\$30.00
3/15/2007	1	\$30.00	\$30.00
FY Year 2 Total	10	\$30.00	\$300.00

Year 3

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
5/1/2007	1	\$30.00	\$30.00
6/27/2007	1	\$30.00	\$30.00
8/10/2007	1	\$30.00	\$30.00
FYD Year 3 Total	3	\$90.00	\$90.00

C) What is a "Lock Fee"? Where is it tariffed?

DNM RESPONSE: The "Lock Fee" as labeled on the Account Activity report is the same as a Disconnect/Reconnect, Charge Trip Charge for Lockoff fee as described in the MGU tariff Sheet 54.

- D) Concerning the number of occurrences of NSF charges, please provide the following from January 2005 to current by month:

DNM RESPONSE: Assuming Lock Fees, not NSF charges are outlined below.

Year 1

(B * C = D)

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>	<u>Column D</u>
4/22/2005	disconnect & reconnect chrgs	10	\$ 30.00	\$ 300.00
10/25/2005	lock chrg 1743-01	1	\$ 30.00	\$ 30.00
FY Year 1 Total		11	\$ 30.00	\$ 330.00

Year 2

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>	<u>Column D</u>
8/18/2006	lock fee 1491-01,1639-04	2	\$ 30.00	\$ 60.00
3/31/2007	disconnect chg	10	\$ 30.00	\$ 300.00
FY Year 2 Total		12		\$ 360.00

Year 3

<u>Column A</u>	<u>Column B</u>	-	<u>Column C</u>	<u>Column D</u>
6/14/2007	Charge Trip Charge for Lockoffs	16	\$ 30.00	\$ 480.00
FYD Year 3 Total		16		\$ 480.00

- E) If the term "Lock Fee" is another name for a tariffed charge, please combine the number of occurrences for both terms.

- F) What is an "Unlock Fee"? Where is it tariffed?

DNM RESPONSE: The "Unlock Fee" as labeled on the Account Activity report is the same as charges for Disconnection/Reconnection of service Turn-On fee as described in the MGU tariff Sheet 54.

- G) Concerning the number of occurrences of NSF charges, please provide the following from January 2005 to current by month:

DNM RESPONSE: Assuming Unlock Fees, not NSF charges outlined below.

Year 1

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>	<u>Column D</u>
5/19/2005	unlock fee	1	\$30.00	\$ 30.00
9/23/2005	unlock/lock fees several accts(includes 2 \$20 trip charges)	7	\$30.00	\$ 250.00
9/26/2005	unlock fee 1270-01	1	\$30.00	\$ 30.00
10/18/2005	pd coll & unlock 1325-01	1	\$30.00	\$ 30.00
10/26/2005	unlock chrg 1743-01	1	\$30.00	\$ 30.00
11/2/2005	Unlock fee	1	\$30.00	\$ 30.00
12/20/2005	reconnect fee	4	\$30.00	\$ 120.00
1/23/2006	Unlock fee 1639-03	1	\$30.00	\$ 30.00
FY Year 1 Total				\$ 550.00

Year 2

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
-----------------	-----------------	-----------------	-----------------

4/20/2006	Reconnect fee -several a/c's	8	\$30.00	\$ 240.00
5/31/2006	unlock fee 1025-01	1	\$30.00	\$ 30.00
6/22/2006	Unlock fee 1025-01,1601-01,1812-01,1813-	4	\$30.00	\$ 120.00
7/21/2006	reconnect chg several accts	7	\$30.00	\$ 210.00
8/18/2006	unlock fee 1491-01	1	\$30.00	\$ 30.00
8/18/2006	lock fee 1491-01,1639-04	2	\$30.00	\$ 60.00
8/22/2006	reconnec/disconnect chgs	7	\$30.00	\$ 210.00
9/19/2006	reconnection chrgs	6	\$30.00	\$ 180.00
10/16/2006	dep chg and unlock fee 1699-03	1	\$30.00	\$ 30.00
10/23/2006	chg dep and unlock fee 1929-03	1	\$30.00	\$ 30.00
10/24/2006	reconnection charges	29	\$30.00	\$ 870.00
11/2/2006	reconnection chg 1137-02	1	\$30.00	\$ 30.00
11/7/2006	reconnect chg 1005-03	1	\$30.00	\$ 30.00
11/10/2006	reconnection charge 1281-01,1691-02	2	\$30.00	\$ 60.00
11/17/2006	reconnection chg 1049-01	1	\$30.00	\$ 30.00
11/20/2006	reconnection chg	5	\$30.00	\$ 150.00
12/15/2006	reconnection chg several accts	8	\$30.00	\$ 240.00
1/18/2007	reconnection chg	3	\$30.00	\$ 90.00
2/1/2007	dep, unlock, collections 1836-04	1	\$30.00	\$ 30.00
2/1/2007	collections, dep, unlock 1021-01	1	\$30.00	\$ 30.00
2/6/2007	unlock & dep 1956-02	1	\$30.00	\$ 30.00
2/14/2007	reconnection chg 2072-02	1	\$30.00	\$ 30.00
2/14/2007	reconnection chg 1955-04, 1888-02	2	\$30.00	\$ 60.00
3/16/2007	trip chg 1943,1722,1049	2	\$30.00	\$ 60.00
3/16/2007	reconnect chg 1134-01	1	\$30.00	\$ 30.00
FY Year 2 Total				\$ 2,910.00

Year 3

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>	
4/13/2007	disconnect, reconnect chg 1626-02,1639-0	3	\$30.00	\$ 90.00
6/14/2007	Unlock fees 1696,1137	3	\$30.00	\$ 90.00
6/14/2007	unlock fee 1829	1	\$30.00	\$ 30.00
6/30/2007	Reconnect Charge	5	\$30.00	\$ 150.00
7/12/2007	reconnections chg 1763-02,1206-03	2	\$30.00	\$ 60.00
8/16/2007	reconnection chg - several accounts	9	\$30.00	\$ 270.00
9/13/2007	reinstate charges multiple accounts	11	\$30.00	\$ 330.00
FYD Year 3 Total				\$ 1,020.00

H) If the term "Unlock Fee" is another term for a tariffed charge, please combine the number of occurrences for both terms.

I) What is a "Billmaster / Bill Master / Bill Ma" revenue? Are these the same activities? Where is it tariffed?

DNM RESPONSE: The revenues attributable to "Billmaster/Bill Master/Bill Ma", as labeled on the Account Activity report, are the Late Payment Charge(s) as per tariff rates, GS Sheet 10, GSI

Sheet 12, CS Sheet 14, CSI Sheet 16, LVS Sheet 17, LVSI Sheet 20, ISS Sheet 22, and Missouri School Pilot Program Transportation Service Rate Schedule Sheet 43.

- J) Concerning the number of occurrences of NSF charges, please provide the following from January 2005 to current by month:

DNM RESPONSE: Assuming Billmaster charges and not NSF Charges are itemized below.

Year 1 (B * C = D)

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>	<u>Column D</u>
11/30/2005	Nov 2005 Revenue per Billmaster	1	\$65.96	\$65.96
12/31/2005	Dec 2005 Late Charges	1	\$149.39	\$149.39
1/31/2006	Jan 2006 Gas Revenue per Billmaster	1	\$328.39	\$328.39
2/28/2006	Late Charge	1	\$460.47	\$460.47
3/31/2006	Mar 2006 Gas Revenue per Billmaster	1	\$464.58	\$464.58
FY Year 1 Total				\$ 1,468.79

Year 2

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>	<u>Column D</u>
4/30/2006	Apr 2006 Gas Revenue per Billmaster	1	\$439.65	\$439.65
5/31/2006	May 2006 Gas Revenue per Billmaster	1	\$500.53	\$500.53
6/30/2006	June 2006 Gas Revenue per Billmaster	1	\$349.35	\$349.35
7/31/2006	July 2006 Gas Revenue per Billmaster	1	\$61.33	\$61.33
8/31/2006	August 2006 Gas Revenue per Billmaster	1	\$42.45	\$42.45
9/30/2006	September 2006 Gas Revenue per Billmaster	1	\$53.93	\$53.93
10/31/2005	October 2006 Gas Revenue per Billmaster	1	\$46.01	\$46.01
11/30/2006	Record November 2006 Gas Revenue per Billmaster	1	\$96.25	\$96.25
12/31/2006	Record December 2006 Gas Revenue per Billmaster	1	\$275.22	\$275.22
1/31/2007	Record January 2007 Gas Revenue per Billmaster	1	\$373.13	\$373.13
2/28/2007	Record Feb 2007 Gas Revenue per Billmaster	1	\$469.49	\$469.49
3/31/2007	Record Mar 2006 Gas Revenue per Billmaster	1	\$884.39	\$884.39
FY Year 2 Total				\$ 3,591.73

Year 3

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>	<u>Column D</u>
4/30/2007	Record April07 Revenue per Billmaster	1	\$439.65	\$439.65
5/31/2007	Record May07 Revenue per Billmaster	1	\$500.53	\$500.53
6/30/2007	Record June 07 Revenue per Billmaster	1	\$349.35	\$349.35
7/31/2007	Record July07 Revenue per Billmaster	1	\$61.33	\$61.33
8/31/2007	Record August 2007 Revenue per Billmaster	1	\$42.45	\$42.45
9/30/2007	Record Sept07 Revenue per Billmaster	1	\$53.93	\$53.93
FYd Year 3 Total				\$ 1,606.36

- K) If the term "Billmaster / Bill Master / Bill Ma" is another term for a tariffed charge, please combine the number of occurrences for both terms.

L) What is (are) an "A/C Rev Chrgs"? Where is it tarified?

DNM RESPONSE: An "A/C Rev Chrgs" is not a "tarified charge" or a tariff reversal charge but is just good principle business. It typically is a reversal of charges whereby a customer did pay on time however the payment was delayed by the US Postal Service. On a couple of occasions a group of customers payments didn't make it to MGU and we still don't know why. Their checks never made it to the lockbox and never were cashed. MGU could blindly accept the charge and wait for the customer to complain to the MPSC. Occasionally a disconnect/reconnect was done by mistake because the customer was inadvertently disconnected because the payment was posted to an incorrect account when processed through the lockbox. For example, one check made for multiple accounts with one billing stub was applied to a single account instead of multiple accounts as the customer intended. Mistakes do happen and there needs to be a way to set it right. As seen below, the amounts typically are very small. The one charge for \$192.95 was to credit back an industrial customer the accepted late payment charges for an incorrect over billing.

M) Concerning the number of occurrences of NSF charges, please provide the following from January 2005 to current by month:

<u>Year 1</u>			(B * C = D)
<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
8/18/2005	1	\$1.64	\$1.64
8/30/2005	1	\$.11	\$.11
9/26/2005	1	\$.12	\$.12
9/29/2005	1	\$.05	\$.05
10/18/2005	1	\$.23	\$.23
1/26/2006	1	\$22.03	\$22.03
1/26/2006	1	\$1.89	\$1.89
2/21/2006	1	\$.51	\$.51
3/1/2006	1	\$2.23	\$2.23
FY Year 1 Total			\$28.81

Year 2

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
4/11/2006	1	\$3.47	\$3.47
4/27/2006	1	\$1.38	\$1.38
5/12/2006	1	\$.75	\$.75
6/29/2006	1	\$1.14	\$1.14
6/30/2006	1	\$.28	\$.28
7/10/2006	1	\$.12	\$.12
7/14/2006	1	\$2.61	\$2.61
7/26/2006	1	\$.12	\$.12
8/28/2006	1	\$.22	\$.22
8/28/2006	1	\$.24	\$.24
8/29/2006	1	\$.12	\$.12
9/1/2006	1	\$30.51	\$30.51
9/7/2006	1	\$30.00	\$30.00
10/30/2006	1	\$30.00	\$30.00
11/7/2006	1	\$30.00	\$30.00
11/27/2006	1	\$.33	\$.33
1/3/2007	1	\$.13	\$.13
1/3/2007	1	\$1.05	\$1.05
1/3/2007	1	\$.31	\$.31
1/5/2007	1	\$3.64	\$3.64
1/26/2007	1	\$.33	\$.33
1/29/2007	1	\$2.19	\$2.19
2/5/2007	1	\$.79	\$.79
2/6/2007	1	\$24.02	\$24.02
2/20/2007	1	\$3.66	\$3.66
2/20/2007	1	\$.57	\$.57
2/22/2007	1	\$2.55	\$2.55
3/31/2007	1	\$192.95	\$192.95
FY Year 2 Total			\$363.48

Year 3

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
4/4/2007	1	\$2.99	\$2.99
5/7/2007	1	\$3.41	\$3.41
5/8/2007	1	\$1.10	\$1.10
6/14/2007	1	\$30.00	\$30.00
6/20/2007	1	\$.54	\$.54
7/19/2007	1	\$16.12	\$16.12
8/16/2007	1	\$30.00	\$30.00
9/19/2007	1	\$30.00	\$30.00
FYD Year 3 Total			\$114.16

N) If the term "A/C Rev Chrgs" is another term for a tariffed charge, please combine the number of occurrences for both terms.

****Customer Account Numbers Have Been Removed****

				BB	Debit	Credit	Net Chge	EB
400-488-000-0000-0-06	OPREV-Misc Service Revenue			0.00				
01	4/11/2006 GJ-001246 G/L	void chg			3.47	0.00		3.47
01	4/13/2006 CA-000314 G/L	Doc: 041306 04/13/06 CA Reverse of A			0.00	30.00		26.53-
01	4/18/2006 BM-000358 G/L	Doc: 4-24-06 04/18/06 NSF Payment			0.00	30.00		56.53-
01	4/20/2006 GJ-001260 G/L	Reconnect fee -several a/c's			0.00	240.00		296.53-
01	4/27/2006 GJ-001311 G/L	rev late fee			1.38	0.00		295.15-
01	4/30/2006 GJ-001330 G/L	Apr 2006 Gas Revenue per Billmaster			0.00	439.65		734.80-
02	5/12/2006 GJ-001321 G/L	void late chg			0.75	0.00		734.05-
02	5/15/2006 CA-000285 G/L	Doc: 5-16-06 05/15/06 Revers ACH Paym			0.00	30.00		764.05-
02	5/31/2006 GJ-001341 G/L	unlock fee			0.00	30.00		794.05-
02	5/31/2006 GJ-001357 G/L	May 2006 Revenue per Billmaster			0.00	500.53		1,294.58-
03	6/9/2006 BM-000394 G/L	Doc: 6-12-06 06/09/06 NSF Payment			0.00	30.00		1,324.58-
03	6/13/2006 CA-000303 G/L	Doc: 6-13-06 06/13/06 NSF ACH Payment			0.00	30.00		1,354.58-
03	6/14/2006 BM-000400 G/L	Doc: 6-16-06 06/14/06 NSF Payment			30.00	0.00		1,324.58-
03	6/14/2006 BM-000427 G/L	Doc: 7-21-2006 06/14/06 Revers Nsf paym			0.00	30.00		1,354.58-
03	6/14/2006 BM-000428 G/L	Doc: 7-21-06 06/14/06 Nsf Payment			0.00	30.00		1,384.58-
03	6/14/2006 GJ-001343 G/L	credit adjustment			16.38	0.00		1,368.20-
03	6/22/2006 GJ-001337 G/L	Unlock fee			0.00	120.00		1,488.20-
03	6/29/2006 GJ-001352 G/L	closed a/c rev chrgs			1.14	0.00		1,487.06-
03	6/30/2006 GJ-001350 G/L	void chgs			0.28	0.00		1,486.78-
03	6/30/2006 GJ-001359 G/L	June 2006 Revenue per Billmaster			0.00	349.35		1,836.13-
04	7/10/2006 GJ-001348 G/L	void chg			8.00	0.00		1,828.13-
04	7/10/2006 GJ-001349 G/L	void chgs			0.12	0.00		1,828.01-
04	7/11/2006 BM-000432 G/L	Doc: 7-25-06 07/11/06 Nsf Payment			30.00	0.00		1,798.01-
04	7/11/2006 BM-000435 G/L	Doc: 7-25-06 07/11/06 Revers Nsf Paym			0.00	30.00		1,828.01-
04	7/14/2006 GJ-001372 G/L	void chgs			2.61	0.00		1,825.40-
04	7/18/2006 GJ-001375 G/L	chg fees			0.00	50.00		1,875.40-
04	7/18/2006 GJ-001376 G/L	chg fees			0.00	80.00		1,955.40-
04	7/21/2006 GJ-001450 G/L	reconnect chg several accts			0.00	210.00		2,165.40-
04	7/24/2006 BM-000433 G/L	Doc: 7-25-06 07/24/06 Revers Nsf paym			0.00	30.00		2,195.40-
04	7/26/2006 GJ-001445 G/L	void chg			0.12	0.00		2,195.28-
04	7/31/2006 GJ-001460 G/L	July 2006 Revenue per Billmaster			0.00	61.33		2,256.61-
05	8/18/2006 GJ-001464 G/L	collection trip charge			0.00	100.00		2,356.61-
05	8/18/2006 GJ-001465 G/L	unlock fee			0.00	30.00		2,386.61-
05	8/18/2006 GJ-001466 G/L	lock fee			0.00	60.00		2,446.61-
05	8/22/2006 GJ-001484 G/L	reconnec/disconnect chgs			0.00	210.00		2,656.61-
05	8/28/2006 GJ-001479 G/L	rev late fee			0.22	0.00		2,656.39-
05	8/28/2006 GJ-001488 G/L	void late chg			0.24	0.00		2,656.15-
05	8/29/2006 GJ-001481 G/L	void chrg cust moved 7/7/06			0.12	0.00		2,656.03-
05	8/31/2006 GJ-001521 G/L	August 2006 Revenue per Billmaster			0.00	42.45		2,698.48-
06	9/1/2006 GJ-001482 G/L	void charges			30.51	0.00		2,667.97-
06	9/7/2006 GJ-001504 G/L	rev unlock charge a/c			30.00	0.00		2,637.97-
06	9/14/2006 BM-000500 G/L	Doc: 10-06-06 09/14/06 NSF Payment			0.00	30.00		2,667.97-
06	9/19/2006 GJ-001528 G/L	reconnection chrgs			0.00	180.00		2,847.97-
06	9/30/2006 GJ-001567 G/L	September 2006 Revenue per Billmaster			0.00	53.93		2,901.90-
07	10/2/2006 GJ-001571 G/L	Charge NSF Fee			0.00	30.00		2,931.90-
07	10/16/2006 GJ-001585 G/L	dep chg and unlock fee			0.00	30.00		2,961.90-
07	10/23/2006 GJ-001592 G/L	chg dep and unlock fee			0.00	30.00		2,991.90-
07	10/24/2006 GJ-001598 G/L	reconnection charges			0.00	870.00		3,861.90-
07	10/27/2006 GJ-001595 G/L	trip charge			0.00	30.00		3,891.90-
07	10/30/2006 GJ-001582 G/L	void chg			30.00	0.00		3,861.90-

07	10/31/2006	GJ-001616	G/L	void late chg	2.95	0.00	3,858.95-		
07	10/31/2006	GJ-001721	G/L	October 2006 Gas Revenue per Billmaster	0.00	46.01	3,904.96-		
08	11/1/2006	GJ-001615	G/L	dep, lock, unlock chg	0.00	80.00	3,984.96-		
08	11/1/2006	GJ-001689	G/L	Reverse GJ-001615 Posted to wrong compan	80.00	0.00	3,904.96-		
08	11/2/2006	GJ-001619	G/L	reconnection chg	0.00	30.00	3,934.96-		
08	11/7/2006	GJ-001623	G/L	void chg	30.00	0.00	3,904.96-		
08	11/7/2006	GJ-001624	G/L	reconnect chg	0.00	30.00	3,934.96-		
08	11/10/2006	GJ-001676	G/L	reconnection charge	0.00	60.00	3,994.96-		
08	11/15/2006	GJ-001674	G/L	trip charge	0.00	20.00	4,014.96-		
08	11/17/2006	GJ-001700	G/L	reconnection chg	0.00	30.00	4,044.96-		
08	11/20/2006	GJ-001699	G/L	reconnection chg	0.00	150.00	4,194.96-		
08	11/24/2006	CA-000444	G/L	Doc: 11/30/06 11/24/06 NSF Payment	0.00	30.00	4,224.96-		
08	11/27/2006	GJ-001793	G/L	void late chg	0.33	0.00	4,224.63-		
08	11/30/2006	GJ-001804	G/L	Record November 2006 Revenue per Bill Ma	0.00	96.25	4,320.88-		
09	12/15/2006	GJ-001848	G/L	reconnection chg several accts	0.00	240.00	4,560.88-		
09	12/28/2006	BM-000586	G/L	Doc: 1-11-07 12/28/06 NSF PAyment	0.00	30.00	4,590.88-		
09	12/31/2006	GJ-001883	G/L	Record December 2006 Revenue Per Billmas	0.00	275.22	4,866.10-		
10	1/3/2007	GJ-001849	G/L	void late chg	0.13	0.00	4,865.97-		
10	1/3/2007	GJ-001850	G/L	void chg	1.05	0.00	4,864.92-		
10	1/3/2007	GJ-001851	G/L	void late chg	0.31	0.00	4,864.61-		
10	1/5/2007	GJ-001893	G/L	void late chrg gov	3.64	0.00	4,860.97-		
10	1/9/2007	GJ-001853	G/L	void late chg	49.97	0.00	4,811.00-		
10	1/17/2007	BM-000603	G/L	Doc: 1-31-07 01/17/07 NSF Payment	0.00	30.00	4,841.00-		
10	1/18/2007	GJ-001899	G/L	reconnection chg	0.00	90.00	4,931.00-		
10	1/26/2007	BM-000613	G/L	Doc: 2-06-07 01/26/07 NSF Payment	0.00	30.00	4,961.00-		
10	1/26/2007	GJ-001904	G/L	rev late chr govmnt	0.33	0.00	4,960.67-		
10	1/29/2007	GJ-001930	G/L	Void chg	2.19	0.00	4,958.48-		
10	1/31/2007	GJ-001969	G/L	Record Jan07 Revenue Per Bill Master	0.00	373.13	5,331.61-		
11	2/1/2007	GJ-001932	G/L	dep, unlock, collections	0.00	30.00	5,361.61-		
11	2/1/2007	GJ-001934	G/L	collections, dep, unlock	0.00	30.00	5,391.61-		
11	2/5/2007	GJ-001962	G/L	rev late chrg paymnt posted wron	0.79	0.00	5,390.82-		
11	2/6/2007	GJ-001937	G/L	void chg	24.02	0.00	5,366.80-		
11	2/6/2007	GJ-001940	G/L	unlock & dep	0.00	30.00	5,396.80-		
11	2/14/2007	GJ-001974	G/L	reconnection chg	0.00	30.00	5,426.80-		
11	2/14/2007	GJ-002009	G/L		0.00	60.00	5,486.80-		
11	2/20/2007	GJ-001996	G/L	void late chrg \$ given to MGU office	3.66	0.00	5,483.14-		
11	2/20/2007	GJ-002005	G/L	void charge	0.57	0.00	5,482.57-		
11	2/22/2007	GJ-002006	G/L	void charge	2.55	0.00	5,480.02-		
11	2/28/2007	GJ-002036	G/L	Record Feb2007 Revenue Per Bill Master	0.00	469.49	5,949.51-		
12	3/9/2007	BM-000647	G/L	Doc: 3-22-07 03/09/07 NSF Payment	0.00	30.00	5,979.51-		
12	3/15/2007	BM-000648	G/L	Doc: 3-22-07 03/15/07 Nsf payment	0.00	30.00	6,009.51-		
12	3/16/2007	GJ-002050	G/L	void chgs	2.05	0.00	6,007.46-		
12	3/16/2007	GJ-002051	G/L	trip chg	0.00	60.00	6,067.46-		
12	3/16/2007	GJ-002052	G/L	reconnect chg	0.00	30.00	6,097.46-		
12	3/31/2007	GJ-002043	G/L	Record Mar2007 Revenue Per Bill Master	0.00	884.39	6,981.85-		
12	3/31/2007	GJ-002072	G/L	disconnect chg	0.00	300.00	7,281.85-		
12	3/31/2007	GJ-002074	G/L	void chg	192.95	0.00	7,088.90-		
					0.00	582.83	7,671.73	7,088.90-	7,088.90-

Total Disconnection and Reconnection Revenue	Debit	Credit	Net
	\$ -	\$ 2,760	\$ 2,760
Total Lock and Unlock Revenue	Debit	Credit	Net
	\$ 30	\$ 350	\$ 320
Total NSF Revenue	Debit	Credit	Net
	\$ 60	\$ 450	\$ 390