

FINNEGAN, CONRAD & PETERSON, L.C.

ATTORNEYS AND COUNSELORS AT LAW

1209 PENNTOWER OFFICE CENTER
3100 BROADWAY
KANSAS CITY, MISSOURI 64111

(816) 753-1122
TELECOPIER (816) 756-0373

JEREMIAH FINNEGAN, P.C.
STUART W. CONRAD
C. EDWARD PETERSON*

*ALSO ADMITTED IN
KANSAS AND MASSACHUSETTS

December 4, 2003

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison, P.O. Box 360
Jefferson City, MO 65102

FILED³

DEC 05 2003

Missouri Public
Service Commission

Re: Case No. GR-2004-0209
Missouri Gas Energy Rate Case

Dear Judge Roberts:

Enclosed for filing find an original and nine copies of a Position on Test Year and True-up on behalf of the University of Missouri - Kansas City, Central Missouri State University and Jackson County, Missouri. I tried to file this by EFIS, however, there was a problem on the system and I have not been able to register yet.

Also enclosed is a self-addressed and stamped envelope for you to return the extra copy with the file stamp thereon.

If you have any questions regarding this filing, please contact me.

Very truly yours,

FINNEGAN, CONRAD & PETERSON, L.C.

By: 

Jeremiah D. Finnegan

JDF:crb

Enclosures

cc: John Coffman, Office of Public Counsel
James C. Swearengen
Stuart W. Conrad

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
DEC 05 2003

Missouri Public
Service Commission

In the matter of Missouri Gas Energy's Tariffs)
to implement a General Rate Increase for)
Natural Gas Service.)

Case No. GR-2004-0209

POSITION ON TEST YEAR AND TRUE-UP

COMES NOW the University of Missouri - Kansas City ("UMKC"), Central Missouri State University ("CMSU"), and Jackson County, Missouri ("Jackson County"), Intervenors, and pursuant to the Suspension Order and Notice state as follows on the question of test year and true-up:

1. Intervenors oppose Missouri Gas Energy's ("MGE's") recommendation of a test year ending December 31, 2003 and support the Commission's Staff's proposal of a test year ending June 30, 2003 updated for known and measurable changes through December 31, 2003. It is our understanding that the Company filed this rate request based on a year ending June 30, 2003. Had it wanted a December 31, 2003 test year, it should have waited to file this case until it had experienced such a period. The time of filing a rate case rests solely with the Company.


2. Intervenors also oppose MGE's proposal for a true-up through April 30, 2004 and are of the opinion that a true-up is an unnecessary and burdensome procedure for all parties especially since the Staff is willing to consider known and measurable changes for a six month period beyond the test year. If a utility believes that it will incur substantial expenditures more than six months beyond the test year, it should either delay its filing for a rate increase until it can file a case with such expenditures in a verifiable and auditable test year or it can file a new rate case. A Company should not be allowed to game the system and make a mockery of the

limited 10 month suspension period available to the Commission by filing early based on one test year, then updating it for an additional six months and then seeking an additional four months on top of that for a true-up. Knowing that a true-up period is available only gives a Company an incentive to expend as much as possible in such period so that it may recover same in the rates approved in such rate case. It also requires the Commission Staff, Public Counsel and intervenors to prepare one case based on the Company's original test year, a second case based on Company's proposed new test year and finally a third case based on Company's true-up period. Counsel for Intervenor is not quite sure why the use of a true-up has become such an integral part of a rate case. A review of rate case proceedings in the past will reveal that for decades there was no such thing as a true-up in a rate proceeding. It is a recent phenomenon and the indiscriminate use thereof should be carefully scrutinized on a case-by-case basis. It should be denied in this case.

WHEREFORE, for the foregoing reasons Intervenor respectfully request that the Commission deny MGE's request to update its test year to December 31, 2003 and instead use the test year upon which the Company filed its case and that no true-up be authorized.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, LC

By 
JEREMIAH D. FINNEGAN, #18416
1209 Penntower Building
3100 Broadway
Kansas City, Missouri 64111
(816) 753-1122
(816) 756-0373 Facsimile

ATTORNEY FOR APPLICANTS

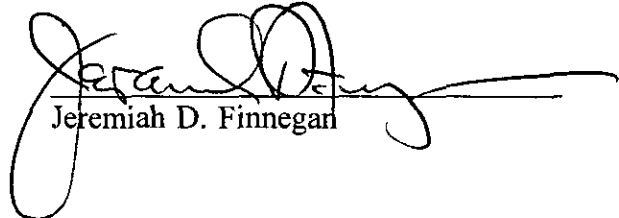
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was mailed, postage prepaid, this 4th day of December, 2003, to:

Mr. James C. Swearengen
Brydon, Swearengen & England, P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456

Mr. John Coffman, Esq.
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

Mr. Stuart W. Conrad
Finnegan, Conrad & Peterson, L.C.
1209 Penntower Building
3100 Broadway
Kansas City, Missouri 64111


Jeremiah D. Finnegan