

**SURREBUTTAL TESTIMONY**  
**OF**  
**TRAVIS ALLEN**  
**MISSOURI GAS ENERGY**  
**A DIVISION OF SOUTHERN UNION COMPANY**  
**CASE NO. GR-2004-0209**  
**TABLE OF CONTENTS**

<b>Introduction</b>	<b>1</b>
<b>Rebuttal of Witness Dunn's Rebuttal</b>	<b>2</b>
Broad-Brush Comparison	2
Canned Testimony	3
Inclusion of Panhandle's Embedded Cost of Long- Term Debt	4
Capital Structure	4
Arbitrary, Contrived, and Mechanistic DCF Calculation	9
Use of Sustainable Growth Rate	23
Unexplained Adjustments	25
Use of Inappropriate Source	28
Mischaracterizations	28
<b>Rebuttal of Witness Murray's Rebuttal</b>	<b>30</b>
CAPM Fundamental Flaw	30
<b>Corrections to Allen Direct</b>	<b>30</b>
<b>Corrections to Allen Rebuttal</b>	<b>33</b>
<b>Page 6 of Direct Testimony</b>	<b>34</b>
<b>Appendix G</b>	<b>35</b>