

Missouri Gas Energy
Case No. GR-2004-0209
Revenue Requirement Reconciliation

Line No.			
1	MGE - Revenue Requirement		48,425,342
2			
3	Rate of Return & Capital Structure		
4	Value of Capital Structure Issue - Staff / Company	(16,055,572)	
5	Capital Structure impact on Interest Expense Deduction	(\$1,638,197)	
6	Rev. Req. Value of Return on Equity	(\$6,803,957)	
7	Sub-Total Rate of Return and Capital Structure Differences		(\$24,497,726)
8			
9	Rate Base Issues :		
10	Error In Company Workpaper (Intangibles)	\$8,181	
11	To adjust plant to reflect 12/31/2003	\$1,596,514	
12	To remove inactive services from plant	(\$25,797)	
13	To reflect plant not yet classified	\$72,914	
14	Corporate Allocated Plant	\$154	
15	Corporate Allocated Reserve	\$18	
16	To remove credit balances	\$153,658	
17	To adjust reserve to reflect 12/31/2003	(\$856,895)	
18	To remove inactive services from reserve	\$25,797	
19	Correction of Depreciation Entry	(\$91,841)	
20	To remove CCS Texas Only Enhancements	\$5,625	
21	Cash Working Capital	(\$703,439)	
22	Materials & Supplies	\$28,510	
23	Gas Inventory	(\$394,955)	
24	Prepayments - MGE	(\$10,924)	
25	Prepaid Pension Asset	(\$215,726)	
26	Alternative Minimum Tax Credit	(\$1,284,706)	
27	SLRP Order GO-92-185	(\$320,439)	
28	SLRP Order GO-94-234	(\$691,759)	
29	SLRP Order GO-97-301	(\$175,314)	
30	SLRP Order GR-98-140	(\$822,799)	
31	SLRP Order GR-2001-282	(\$93,109)	
32	Income Tax Offsets	(\$9,381)	
33	Interest Offset	(\$272,187)	
34	Customer Advances	(\$30,353)	
35	Customer Deposits	\$5,742	
36	Deferred Income Taxes GO-94-234	\$26,559	
37	Deferred Income Taxes GO-97-301	\$6,556	
38	Deferred Income Taxes GR-98-140	\$19,668	
39	Deferred Income Taxes GR-2001-292	(\$21,233)	
40	Deferred Taxes on Allocated Plant	(\$6,170)	
41	Deferred Taxes on Direct Plant	(\$338,470)	
42	Deferred taxes on AAO-2000	(\$25,140)	
43	Sub Total - Rate Base Issues		(\$4,440,740)
44			
45	Income Statement - Revenue Issues		
46	Customer Growth	(\$735,257)	
47	Weather Normalization	(\$1,020,512)	
48	Reclassification (Apt)	(\$467,795)	
49	Load Attrition	(\$1,629,718)	
50	Large Volume Switching	\$58,121	
51	Flex Rate Annualization	(\$176,293)	
52	Service Charge Changes	\$1,395,364	
53	Gross Receipts	(\$55,915)	
54	Unreconciled Difference in Co Wkpps	\$439	
55	Capacity Release Revenues	(\$1,340,400)	
56	Miscellaneous Revenue	(\$3)	
57	Sub Total - Revenue Adjustments		(\$3,971,968)
58			
59	Income Statement - Expense Issues		
60	Total Oper.& Maint. Expense - Unadjusted	(3,001)	
61	Annualization of Pension Expense	(1,012,682)	

62	Annualization of 401k Expense	(17,389)	
63	Annualization of Retirement Power	(21,577)	
64	Annualization of Life, Disability and LTD Insurance	(26,350)	
65	Annualization of FAS 106 Accrual	29,974	
66	Annualization of FAS 106 Amortization	(213,709)	
67	Annualization of SLRP	(4,848)	
68	Annualization of Other Benefits	(7,854)	
69	Amortization of Prepaid Pension	(407,089)	
70	Bad Debt-Denial of Service	(750,000)	
71	Bad Debt Expense	(1,336,020)	
72	Annualize Customer Deposit Interest	(4,088)	
73	KC income taxes paid	15,631	
74	Annualize State Franchise Tax	(65,398)	
75	Annualize Property Taxes	(175,607)	
76	Annualize Lease Expense	1,672	
77	Remove non-recurring Outside Services	(159,772)	
78	Weatherization Program	(160,000)	
79	Environmental Response Fund	(750,000)	
80	Reflect change from FAS 87 to ERISA minimum	35,226	
81	Cost of removal/salvage	673,327	
82	Payroll Taxes	(99,321)	
83	Employee Medical / Dental Benefits	(464,791)	
84	Injuries & Damages	(15,818)	
85	Payroll Annualization	52,522	
86	Regulatory Commission Expense	(187,409)	
87	Advertising Expense	(16,705)	
88	Miscellaneous Expenses	(18,548)	
89	Dues & Donations	(55,482)	
90	TWE Clearing	(14,001)	
91	Stores Clearing	(22,705)	
92	Paid Time Off Clearing	(49,091)	
93	Information Technology	(23,303)	
94	Amortization Expense	(720,220)	
95	Annualize Depreciation Expense	(5,092,372)	
96	Incentive Compensation	(240,151)	
97	Corporate Expenses	(2,563,651)	
98	Customer and Governmental Relations Dept	(43,613)	
99	Shared Services	54,065	
100			(\$13,880,147)
101			
102	Amortization of ITC	481,020	
103	Difference in Current Income Tax Rate	(42,351)	
104	Add Tax Factor Gross Up Difference	(806,285)	
105	Sub Total - Income Tax Differences		(\$367,616)
106	Total Value of All Issues		(\$47,158,196)
107			
108	Staff Revenue Requirement		\$1,267,146
109			
110	OPC Issues:		
111	Return on Equity		(\$81,861)
112	Capital Structure		\$3,847,479
113	Revenue:		
114	Off System Sales/Capacity Release Revenue		(\$159,600)
115	Expenses:		
116	Dues and Donations		(\$1,858)
117	Payroll		(\$139,662)
118	Payroll Taxes		\$171,199
119	Customer And Governmental Relations Department		(\$183,583)
120	6th SLRP		(\$133,553)
121	Weatherization Program		\$51,000
122	Efficient Energy Program		\$126,156
123	Low Income		\$337,000
124	OPC Revenue Requirement		\$5,099,863