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Missouri Public
Service Commission

Exhibit No.:	
Issues:	REV-2 Accounting Schedules
Witness:	MoPSC Accountants
Sponsoring Party:	MO PSC Staff
Type of Exhibit:	True-Up Testimony
Case No.:	GR-98-140

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

MISSOURI GAS ENERGY A DIVISION OF SOUTHERN UNION COMPANY

CASE NO. GR-98-140

STAFF REVISED ACCOUNTING SCHEDULES

Jefferson City, Missouri
Revised-July 1998

Missouri Gas Energy
Case No. GR-98-140T
True-up Through May 31, 1998

Revenue Requirement

Gross Revenue Requirement	$12,902,913	$13,590,088	$14,277,263
Gross-up Factor	1.010306	1.010306	1.010306
	$13,035,890	$13,730,147	$14,424,404
Gross-down Factor	0.997761	0.997761	0.997761
Adjusted Gross Revenue Requirement	$13,006,703	$13,699,406	$14,392,108

SOUTHERN UNION COMPANY
CASE NO. GR-98-140

Weighted Cost of Capital as of December 31, 1997
for Southern Union Company
(Combined Basis)

Adjusted for AMR

			Weighted Cost of Capital Using Common Equity Return of:		
Capital Component	Percentage of Capital	Embedded Cost	**10.67%**	**10.93%**	**11.19%**
Common Stock Equity	38.50%	-----	4.11%	4.21%	4.31%
Preferred Stock	12.29%	9.84%	1.21%	1.21%	1.21%
Long-Term Debt	49.21%	8.08%	3.98%	3.98%	3.98%
Short-Term Debt	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%		9.30%	9.40%	9.50%

Notes: See Schedule 10 for the Capital Structure Ratios

See Schedule 12 of my Direct Testimony for the Embedded Cost of Preferred Stock

See Schedule 11 for the Embedded Cost of Long-Term Debt.

Missouri Gas Energy
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Revenue Requirement

Line		9.30% Return	9.40% Return	9.50% Return
	(A)	(B)	(C)	(D)
1	Net Orig Cost Rate Base (Sch 2)	$ 421,108,821	$ 421,108,821	$ 421,108,821
2	Rate of Return	9.30%	9.40%	9.50%
3	Net Operating Income Requirement	$ 39,163,120	$ 39,584,229	$ 40,005,338
4	Net Income Available (Sch 9)	$ 31,256,064	$ 31,256,064	$ 31,256,064
5	Additional NOIBT Needed	$ 7,907,056	$ 8,328,165	$ 8,749,274
6	Income Tax Requirement (Sch 11)			
7	Required Current Income Tax	$ 10,825,599	$ 11,091,665	$ 11,357,732
8	Test Year Current Income Tax	$ 5,829,742	$ 5,829,742	$ 5,829,742
9	Additional Current Tax Required	$ 4,995,857	$ 5,261,923	$ 5,527,990
10	Required Deferred ITC	$ 0	$ 0	$ 0
11	Test Year Deferred ITC	$ 0	$ 0	$ 0
12	Additional Deferred ITC Required	$ 0	$ 0	$ 0
13	Total Additional Tax Required	$ 4,995,857	$ 5,261,923	$ 5,527,990
14	Gross Revenue Requirement	$ 12,902,913	$ 13,590,088	$ 14,277,264

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Rate Base

Line	Description	Amount
	(A)	(B)
1	Total Plant in Service (Sch 3)	$ 606,561,621
	Subtract from Total Plant	
2	Depreciation Reserve (Sch 6)	$ 168,131,318
3	Net Plant in Service	$ 438,430,303
	Add to Net Plant in Service	
4	Cash Working Capital (Sch 8)	$ (3,806,739)
5	Materials and Supplies-Exempt	2,383,041
6	Prepayments - MGE	456,411
7	Prepayments - Corporate	0
8	Gas Inventory	21,516,000
9	SLRP AAO GO-92-185	5,776,280
10	SLRP AAO GO-94-234	12,399,117
11	SLRP AAO GO-97-301	3,060,876
12	Alternative Minimum Tax Credit	7,082,323
	Subtract from Net Plant	
13	Federal Tax Offset 1.2300 %	$ 61,110
14	State Tax Offset 1.2300 %	9,603
15	City Tax Offset 69.4490 %	56,043
16	Interest Expense Offset 15.3400 %	2,571,004
17	Customer Advances for Construction	8,237,590
18	Customer Deposits	8,624,195
19	Deferred Income Taxes GO-94-234	4,800,591
20	Deferred Income Taxes-GO-97-301	1,185,085
21	Deferred Taxes on Allocated Plant	1,715,465
22	Rate Base Offset per GM-94-40	18,000,000
23	Deferred Taxes on Direct Plant	20,928,105
24	Total Rate Base	$ 421,108,821

Missouri Gas Energy
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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Intangible Plant						
1	301.000	Organization	$ 15,600	$ 0	100.0000	$ 0	P-1	$ 15,600
2	302.000	Franchises & Consents	52,094	0	100.0000	0	P-2	52,094
3	303.000	Miscellaneous Intangible Plant	9,753,932	0	100.0000	1,308,941	P-3	11,062,873
4		Total	$ 9,821,626	$ 0		$ 1,308,941		$ 11,130,567
		Distribution Plant						
5	374.100	Land	$ 237,357	$ 0	100.0000	$ 0	P-4	$ 237,357
6	374.200	Land Rights	886,716	0	100.0000	0	P-5	886,716
7	375.100	Structures	5,730,558	0	100.0000	0	P-6	5,730,558
8	375.200	Leasehold Improvements	13,965	0	100.0000	0	P-7	13,965
9	376.000	Mains	235,077,913	0	100.0000	(346,037)	P-8	234,731,876
10	378.000	Meas. & Reg. Sta. Equip. - General	10,060,043	0	100.0000	0	P-9	10,060,043
11	379.000	Meas. & Reg. Sta. Equip - City Gate	2,547,404	0	100.0000	0	P-10	2,547,404
12	380.000	Services	215,841,156	0	100.0000	0	P-11	215,841,156
13	381.000	Meters	26,377,504	0	100.0000	0	P-12	26,377,504
14	382.000	Meter Installations	40,296,431	0	100.0000	0	P-13	40,296,431
15	383.000	House Regulators	8,916,620	0	100.0000	0	P-14	8,916,620
16	385.000	Electronic Gas Measuring	255,045	0	100.0000	0	P-15	255,045
17	387.000	Other Equipment	24,755	0	100.0000	0	P-16	24,755
18		Total	$ 546,265,467	$ 0		$ (346,037)		$ 545,919,430

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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		General Plant-Direct						
19	389.000	Land	$ 610,761	$ 0	100.0000	$ 0	P-17	$ 610,761
20	390.100	Structures	438,094	0	100.0000	0	P-18	438,094
21	390.200	Leasehold Improvements	840,173	0	100.0000	0	P-19	840,173
22	391.000	Office Furniture & Equipment	3,455,132	0	100.0000	0	P-20	3,455,132
23	392.000	Transportation Equipment	2,261,120	0	100.0000	0	P-21	2,261,120
24	393.000	Stores Equipment	527,647	0	100.0000	0	P-22	527,647
25	394.000	Tools, Shop & Garage Equipment	4,121,053	0	100.0000	0	P-23	4,121,053
26	395.000	Laboratory Equipment	58,441	0	100.0000	0	P-24	58,441
27	396.000	Power Operated Equipment	1,245,056	0	100.0000	0	P-25	1,245,056
28	397.000	Communication Equipment	1,958,658	0	100.0000	0	P-26	1,958,658
29	397.100	Comm Equipment-AMR	27,099,056	0	100.0000	(2,863,912)	P-28	24,235,144
30	398.000	Miscellaneous Equipment	161,119	0	100.0000	0	P-27	161,119
31		Total	$ 42,776,310	$ 0		$ (2,863,912)		$ 39,912,398
		Allocated General Plant						
32	390.100	Structures	$ 0	$ 0	100.0000	$ 463,373	P-29	$ 463,373
33	391.000	Furnitures & Fixtures	0	0	100.0000	2,028,607	P-30	2,028,607
34	391.100	Off. Furn. & Fix. - Computer Equip.	0	0	100.0000	6,824,773	P-31	6,824,773
35	392.000	Transportation Equipment	0	0	100.0000	47,319	P-32	47,319
36	397.000	Communication Equipment	0	0	100.0000	140,707	P-33	140,707
37	398.000	Miscellaneous Equipment	0	0	100.0000	94,447	P-34	94,447
38		Total	$ 0	$ 0		$ 9,599,226		$ 9,599,226
39		Total Plant In Service	$ 598,863,403	$ 0		$ 7,698,218		$ 606,561,621

Missouri Gas Energy
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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Miscellaneous Intangible Plant	P-3		$ 1,308,941
1.	To reclassify the cost associated with Theodore Barry & Associates RFP to review the billing system to miscellaneous intangible plant. (Shaw)			$ 1,308,941
	Mains	P-8		$ (346,037)
1.	To adjust perbooks to reflect the removal of AFUDC. (Hyneman)			$ (346,037)
	Comm Equipment-AMR	P-28		$ (2,863,912)
1.	To adjust AMR plant to reflect actual ERTs being read by van for billing purposes at 5/31/98. (Hyneman)			$ (2,863,912)
2.	To include December AMR funding. (Hyneman)			
	Structures	P-29		$ 463,373
1.	To adjust test year plant to include allocated corporate plant. (Cox)			$ 463,373

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Furnitures & Fixtures	P-30		$ 2,028,607
1.	To adjust test year plant to include allocated corporate plant. (Cox)			$ 2,028,607
	Off. Furn. & Fix. - Computer Equip.	P-31		$ 6,824,773
1.	To adjust test year plant to include allocated corporate plant. (Cox)			$ 6,824,773
	Transportation Equipment	P-32		$ 47,319
1.	To adjust test year plant to include allocated corporate plant. (Cox)			$ 47,319
	Communication Equipment	P-33		$ 140,707
1.	To adjust test year plant to include allocated corporate plant. (Cox)			$ 140,707
	Miscellaneous Equipment	P-34		$ 94,447
1.	To adjust test year plant to include allocated corporate plant. (Cox)			$ 94,447

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Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		Intangible Plant			
1	301.000	Organization	$ 15,600	0.0000	$ 0
2	302.000	Franchises & Consents	52,094	0.0000	0
3	303.000	Miscellaneous Intangible Plant	11,062,873	0.0000	0
4		Total	$ 11,130,567		$ 0
		Distribution Plant			
5	374.100	Land	$ 237,357	0.0000	$ 0
6	374.200	Land Rights	886,716	2.1700	19,242
7	375.100	Structures	5,730,558	2.2800	130,657
8	375.200	Leasehold Improvements	13,965	0.0000	0
9	376.000	Mains	234,731,876	2.4000	5,633,565
10	378.000	Meas. & Reg. Sta. Equip. - General	10,060,043	3.0000	301,801
11	379.000	Meas. & Reg. Sta. Equip - City Gate	2,547,404	2.6600	67,761
12	380.000	Services	215,841,156	4.6800	10,101,366
13	381.000	Meters	26,377,504	1.6700	440,504
14	382.000	Meter Installations	40,296,431	2.0000	805,929
15	383.000	House Regulators	8,916,620	2.0500	182,791
16	385.000	Electronic Gas Measuring	255,045	3.3700	8,595
17	387.000	Other Equipment	24,755	6.3300	1,567
18		Total	$ 545,919,430		$ 17,693,778
		General Plant-Direct			
19	389.000	Land	$ 610,761	0.0000	$ 0
20	390.100	Structures	438,094	3.3300	14,589
21	390.200	Leasehold Improvements	840,173	0.0000	0
22	391.000	Office Furniture & Equipment	3,455,132	3.0600	105,727
23	392.000	Transportation Equipment	2,261,120	10.1300	229,051
24	393.000	Stores Equipment	527,647	3.3300	17,571
25	394.000	Tools, Shop & Garage Equipment	4,121,053	4.0000	164,842
26	395.000	Laboratory Equipment	58,441	4.0000	2,338
27	396.000	Power Operated Equipment	1,245,056	6.2500	77,816
28	397.000	Communication Equipment	1,958,658	4.5000	88,140
29	397.100	Comm Equipment-AMR	24,235,144	3.3700	816,724
30	398.000	Miscellaneous Equipment	161,119	6.2500	10,070
31		Total	$ 39,912,398		$ 1,526,868

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Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		Allocated General Plant			
32	390.100	Structures	$ 463,373	3.3300	$ 15,430
33	391.000	Furnitures & Fixtures	2,028,607	3.0600	62,075
34	391.100	Off. Furn. & Fix. - Computer Equip.	6,824,773	10.0000	682,477
35	392.000	Transportation Equipment	47,319	10.1300	4,793
36	397.000	Communication Equipment	140,707	4.5000	6,332
37	398.000	Miscellaneous Equipment	94,447	6.2500	5,903
38		Total	$ 9,599,226		$ 777,010
39		Total Depreciation Expense	$ 606,561,621		$ 19,997,656

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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Intangible Plant						
1	301.000	Organization	$ 0	$ 0	100.0000	$ 0	R-1	$ 0
2	302.000	Franchises & Consents	0	0	100.0000	0	R-2	0
3	303.000	Miscellaneous Intangible Plant	3,793,124	0	100.0000	0	R-3	3,793,124
4		Total	$ 3,793,124	$ 0		$ 0		$ 3,793,124
		Distribution Plant						
5	374.100	Land	$ 0	$ 0	100.0000	$ 0	R-4	$ 0
6	374.200	Land Rights	200,838	0	100.0000	0	R-5	200,838
7	375.100	Structures	1,382,423	0	100.0000	0	R-6	1,382,423
8	375.200	Leasehold Improvements	846	0	100.0000	0	R-7	846
9	376.000	Mains	69,620,290	0	100.0000	0	R-8	69,620,290
10	378.000	Meas. & Reg. Sta. Equip. - General	2,253,281	0	100.0000	0	R-9	2,253,281
11	379.000	Meas. & Reg. Sta. Equip - City Gate	485,180	0	100.0000	0	R-10	485,180
12	380.000	Services	75,740,975	0	100.0000	0	R-11	75,740,975
13	381.000	Meters	2,966,257	0	100.0000	0	R-12	2,966,257
14	382.000	Meter Installations	4,940,941	0	100.0000	0	R-13	4,940,941
15	383.000	House Regulators	1,417,127	0	100.0000	0	R-14	1,417,127
16	387.000	Other Equipment	0	0	100.0000	0	R-15	0
17	385.100	Electronic Gas Measurement	6,941	0	100.0000	0	R-16	6,941
18		Total	$ 159,015,099	$ 0		$ 0		$ 159,015,099
		General Plant						
19	389.000	Land & Land Rights	$ 0	$ 0	100.0000	$ 0	R-17	$ 0
20	390.100	Structures	20,471	0	100.0000	0	R-18	20,471
21	390.200	Leasehold Improvements	348,438	0	100.0000	0	R-19	348,438
22	391.000	Office Furniture & Equipment	(338,332)	0	100.0000	0	R-20	(338,332)
23	392.000	Transportation Equipment	533,661	0	100.0000	0	R-21	533,661
24	393.000	Stores Equipment	176,517	0	100.0000	0	R-22	176,517
25	394.000	Tools, Shop & Garage Equipment	1,037,108	0	100.0000	0	R-23	1,037,108
26	395.000	Laboratory Equipment	(109,068)	0	100.0000	0	R-24	(109,068)
27	396.000	Power Operated Equipment	132,031	0	100.0000	0	R-25	132,031
28	397.000	Communication Equipment	(458,656)	0	100.0000	0	R-26	(458,656)
29	398.000	Miscellaneous Equipment	48,828	0	100.0000	0	R-27	48,828
30	397.100	Communication Equipment-AMR	667,277	0	100.0000	(70,520)	R-28	596,757
31		Total	$ 2,058,275	$ 0		$ (70,520)		$ 1,987,755

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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Corporate Allocated Reserve						
32		Corporate Allocated Reserve	$ 0	$ 0	100.0000	$ 3,335,340	R-29	$ 3,335,340
33		Total	$ 0	$ 0		$ 3,335,340		$ 3,335,340
34		Total Depreciation Reserve	$ 164,866,498	$ 0		$ 3,264,820		$ 168,131,318

Missouri Gas Energy
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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Communication Equipment-AMR	R-28		$ (70,520)
1.	To adjust reserve to reflect actual number of ERTs being read by the van for billing purposes at 5/31/98. (Hyneman)			$ (70,520)
	Corporate Allocated Reserve	R-29		$ 3,335,340
1.	To adjust depreciation reserve to reflect Staff's allocation of corporate depreciation reserveat May 31, 1998. (Cox)			$ 3,335,340

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Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) X (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Operation and Maintenance Expense						
1	Cash Vouchers	$ 24,489,712	37.7172	23.1000	14.6172	0.040047	$ 980,739
2	Bad Debt Expense	4,000,000	37.7172	34.0100	3.7072	0.010157	40,628
3	Net Payroll	14,822,033	37.7172	12.5000	25.2172	0.069088	1,024,025
4	Fica Withheld	1,790,598	37.7172	9.6000	28.1172	0.077033	137,935
5	Federal Income Tax Withheld	3,266,449	37.7172	15.5900	22.1272	0.060622	198,019
6	State Income Tax Withheld	906,825	37.7172	48.7600	(11.0428)	(0.030254)	(27,435)
7	City Tax Withheld	139,971	37.7172	20.2200	17.4972	0.047938	6,710
8	Resident State Tax Withheld	18,919	37.7172	30.7271	6.9901	0.019151	362
9	Vacation Expense	2,074,305	37.7172	335.6010	(297.8838)	(0.816120)	(1,692,882)
10	Sick Leave	1,081,822	37.7172	68.6400	(30.9228)	(0.084720)	(91,652)
11	Pensions	3,033,525	37.7172	215.0000	(177.2828)	(0.485706)	(1,473,401)
12	Medical Expense	3,176,538	37.7172	0.0000	37.7172	0.103335	328,248
13	Purchased Gas	268,838,581	37.7172	37.4190	0.2982	0.000817	219,641
14	Building Rents and Leases	474,197	37.7172	(14.6500)	52.3672	0.143472	68,034
15	Total Operation and Maintenance Expense	$ 328,113,475					$ (281,029)
	Taxes						
16	Property Taxes	$ 5,494,356	37.7172	182.0000	(144.2828)	(0.395295)	$ (2,171,891)
17	Franchise Taxes	27,696,861	37.7172	59.4100	(21.6928)	(0.059432)	(1,646,080)
18	City Earnings Taxes	0	37.7172	0.0000	37.7172	0.103335	0
19	Employer Portion of FICA	1,790,598	37.7172	9.6000	28.1172	0.077033	137,935
20	Federal and State Unemployment	32,162	37.7172	87.8200	(50.1028)	(0.137268)	(4,415)
21	Use Taxes	116,585	37.7172	76.1200	(38.4028)	(0.105213)	(12,266)
22	Sales Taxes	4,896,536	37.7172	24.9700	12.7472	0.034924	171,007
23	Total Taxes	$ 40,027,098					$ (3,525,710)
24	Total Cash Working Capital Req						$ (3,806,739)

Missouri Gas Energy
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Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Operating Revenues						
1	480.000	Residential Sales	$ 279,149,175	$ 0	100.0000	$ (194,241,608)	S-1	$ 84,907,567
2	481.100	Commercial and Industrial Sales	125,263,751	0	100.0000	(97,057,909)	S-2	28,205,842
3	483.000	Sales for Resale (Large Volume)	6,092	0	100.0000	0	S-3	6,092
4	487.000	Forfeit Discount/Late Payment	1,242,706	0	100.0000	(310,677)	S-4	932,029
5	488.000	Miscellaneous Service Revenue	1,761,718	0	100.0000	210,714	S-5	1,972,432
6	489.000	Transport. of Gas For Others	11,870,160	0	100.0000	(2,404,066)	S-6	9,466,094
7	400.000	Revenue Gas Costs	0	0	100.0000	268,838,581	S-7	268,838,581
8	493.000	Rent From Property	19,580	0	100.0000	0	S-8	19,580
9	495.000	Other Gas Revenues	(159,425)	0	100.0000	0	S-9	(159,425)
10		Total	$ 419,153,757	$ 0		$ (24,964,965)		$ 394,188,792
		Operation & Maintenance Expense						
11	805.000	Gas Purchases	$ 268,838,581	$ 0	100.0000	$ 0	S-11	$ 268,838,581
12	870.000	Operation, Supervision and Engineer	465,436	0	100.0000	(11,832)	S-12	453,604
13	871.000	Distribution and Load Dispatching	2,460	0	100.0000	(20)	S-13	2,440
14	872.000	Compressor Station Labor Exp.	251	0	100.0000	(8)	S-14	243
15	874.000	Mains and Service Expenses	2,368,514	0	100.0000	(268)	S-15	2,368,246
16	875.000	Distributing Regulating Station Exp	708,787	0	100.0000	(8,162)	S-16	700,625
17	876.000	Measuring & Regulating - Station Ex	24,950	0	100.0000	(549)	S-17	24,401
18	877.000	Meas. & Reg. Station - City Gate	3,242	0	100.0000	(90)	S-18	3,152
19	878.000	Meter & House Regulator Expense	4,856,693	0	100.0000	(55,668)	S-19	4,801,025
20	879.000	Customer Installation Expenses	2,628,716	0	100.0000	(69,017)	S-20	2,559,699
21	880.000	Other Expenses	1,476,246	0	100.0000	(323,289)	S-21	1,152,957
22	881.000	Rents	113,320	0	100.0000	(3,208)	S-22	110,112
23	885.000	Maintenance Supervision & Engineer	228,171	0	100.0000	(2,585)	S-23	225,586
24	886.000	Maint. of Structures & Improvements	108,035	0	100.0000	(1,884)	S-24	106,151
25	887.000	Maintenance of Mains	6,748,199	0	100.0000	(24,054)	S-25	6,724,145
26	889.000	Maint.Meas./Reg.Station-General	210,413	0	100.0000	(3,715)	S-26	206,698
27	890.000	Maint.Meas.& Reg.Station Equip	83,447	0	100.0000	(1,663)	S-27	81,784
28	891.000	Maint. of Meas. & Reg. - City Gate	2,027	0	100.0000	(48)	S-28	1,979
29	892.000	Maintenance of Services	230,562	0	100.0000	(8,298)	S-29	222,264
30	893.000	Maint. of Meters & House Regulators	427,509	0	100.0000	(10,897)	S-30	416,612
31	894.000	Maintenance of Other Equipment	237,843	0	100.0000	(3,540)	S-31	234,303
32	901.000	Customer Accounts - Supervision	470,424	0	100.0000	(16,429)	S-32	453,995
33	902.000	Meter Reading Expense	3,391,172	0	100.0000	(2,281,425)	S-33	1,109,747
34	903.000	Customer Records & Collection Exp.	7,785,179	0	100.0000	(21,803)	S-34	7,763,376
35	904.000	Uncollectible Accounts	9,111,551	0	100.0000	(4,773,716)	S-35	4,337,835
36	905.000	Miscellaneous Customer Accounts Exp	63,763	0	100.0000	9,432	S-36	73,195

Accounting Schedule: 9
Williams
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Missouri Gas Energy
Case: GR-98-140T
True-up Through May 31, 1998

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
37	908.000	Customer Assistance	356,534	0	100.0000	9,018	S-37	365,552
38	909.000	Information/Instruction Advertising	154,288	0	100.0000	(57,669)	S-38	96,619
39	910.000	Miscellaneous Customer Service Exp.	6,471	0	100.0000	0	S-39	6,471
40	911.000	Sales & Advertising - Supervision	190,365	0	100.0000	(6,847)	S-40	183,518
41	912.000	Demonstrating & Selling Expenses	670,805	0	100.0000	(23,588)	S-41	647,217
42	913.000	Advertising Expense - Sales	5,812	0	100.0000	(4,982)	S-42	830
43	916.000	Miscellaneous Sales Expense	20,172	0	100.0000	(407)	S-43	19,765
44	920.000	Administrative & General Salaries	3,597,216	0	100.0000	(348,216)	S-44	3,249,000
45	921.000	Office Supplies and Expenses	2,952,983	0	100.0000	5,593	S-45	2,958,576
46	922.000	Administrative Expenses Transferred	(420,504)	0	100.0000	0	S-46	(420,504)
47	923.000	Outside Services Employed	1,886,487	0	100.0000	(189,494)	S-47	1,696,993
48	924.000	Property Insurance	(16,678)	0	100.0000	0	S-48	(16,678)
49	925.000	Injuries and Damages	1,145,779	0	100.0000	(41,020)	S-49	1,104,759
50	926.000	Employee Pensions and Benefits	3,220,991	0	100.0000	3,368,479	S-50	6,589,470
51	928.000	Regulatory Commission Expense	1,262,845	0	100.0000	455,998	S-51	1,718,843
52	930.000	Miscellaneous General Expenses	434,628	0	100.0000	(158,475)	S-52	276,153
53	931.000	Rents	535,230	0	100.0000	(11,413)	S-53	523,817
54	932.000	Maint. of General Plant	21,861	0	100.0000	0	S-54	21,861
55	935.000		291,586	0	100.0000	(759)	S-55	290,827
56			0	0	100.0000	0		0
57		Corporate Overheads:	0	0	100.0000	0		0
58	903.000	Cust. Records & Collections Exp	0	0	100.0000	0	S-62	0
59	920.000	Admin. & Gen. Salaries	0	0	100.0000	2,522,629	S-63	2,522,629
60	921.000	Office Supplies & Expense	0	0	100.0000	186,475	S-68	186,475
61	923.000	Outside Services Employed	0	0	100.0000	0	S-64	0
62	924.000	Property Insurance	0	0	100.0000	0	S-70	0
63	926.000	Employee Pensions & Benefits	0	0	100.0000	356,954	S-65	356,954
64	930.000	Miscl. General Expense	0	0	100.0000	2,631,821	S-69	2,631,821
65	931.000	Rents	0	0	100.0000	129,752	S-67	129,752
66		Total	$ 326,902,362	$ 0		$ 1,211,113		$ 328,113,475
		Depreciation Expense						
67	403.000	Depreciation Expense	$ 16,425,367	$ 0	100.0000	$ 3,572,289	S-56	$ 19,997,656
68	404.405	Amortization Expense	770,619	0	100.0000	1,374,578	S-57	2,145,197
69	403.100	Other Depreciation Expense	0	0	100.0000	(311,660)	S-66	(311,660)
70		Total	$ 17,195,986	$ 0		$ 4,635,207		$ 21,831,193

Missouri Gas Energy
Case: GR-98-140T
True-up Through May 31, 1998

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Other Operating Expenses						
71	408.000	Taxes Other	$ 33,634,081	$ 0	100.0000	$ (26,179,400)	S-58	$ 7,454,681
72		Total	$ 33,634,081	$ 0		$ (26,179,400)		$ 7,454,681
73		Total Operating Expenses	$ 377,732,429	$ 0		$ (20,333,080)		$ 357,399,349
74		Net Income Before Taxes	$ 41,421,328	$ 0		$ (4,631,885)		$ 36,789,443
		Current Income Taxes						
75	409.000	Current Income Taxes	$ 11,694,131	$ 0	100.0000	$ (5,864,389)	S-59	$ 5,829,742
76		Total	$ 11,694,131	$ 0		$ (5,864,389)		$ 5,829,742
		Deferred Income Taxes						
77	410.411	Deferred Income Taxes	$ 5,176,222	$ 0	100.0000	$ (5,472,585)	S-60	$ (296,363)
78	411.400	Investment Tax Credit - Net	0	0	100.0000	0	S-61	0
79		Total	$ 5,176,222	$ 0		$ (5,472,585)		$ (296,363)
80		Total Income Taxes	$ 16,870,353	$ 0		$ (11,336,974)		$ 5,533,379
81		Net Operating Income	$ 24,550,975	$ 0		$ 6,705,089		$ 31,256,064

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
	Residential Sales S-1		$ (194,241,608)
1.	To adjust test year revenues to reflect Satff's annualization at current tariffed rates. (Shaw)		$ 3,665,421
2.	To normalize test year Residential revenues to reflect Staff's weather normalization. (Shaw)		$ (2,013,518)
3.	To adjust Residential test year revenues to reflect customer growth. (Shaw)		$ 1,848,213
4.	To adjust test year revenues to remove gas cost revenues, and miscellaneous journal entries. (Shaw)		$ (197,741,724)
	Commercial and Industrial Sales S-2		$ (97,057,909)
1.	To annualize SGS and LGS test year revenues to current tariffed rates. (Shaw)		$ 1,050,939
2.	To normalize SGS and LGS test year revenues for weather. (Shaw)		$ (839,343)
3.	To adjust SGS and LGS test year revenues to reflect customer growth. (Shaw)		$ 475,454
4.	To adjust test year revenues to remove gas cost revenues, gross receipts taxes & miscellaneous journal entries. (Shaw)		$ (97,381,376)

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
5.	To adjust SGS and LGS sales for rate switching to Account No. 489. (Beck)			$ (247,188)
6.	To adjust test year to reflect rate switching during the update period. (Shaw)			$ (116,395)
	Forfeit Discount/Late Payment	S-4		$ (310,677)
1.	To adjust test year revenues to reflect Staff's annualized level of delayed payment charges. (Solt)			$ (310,677)
	Miscellaneous Service Revenue	S-5		$ 210,714
1.	To adjust test year revenues to reflects Staff's annualization of reconnect charges. (Solt)			$ 210,714
	Transport. of Gas For Others	S-6		$ (2,404,066)
1.	To adjust test year revenues to reflect the imputation from contracted flex rates to the full margin transportation rates. (Imhoff)			$ 138,470
2.	To adjust test year expense to reflect Staff's annualization of transportation revenues. (Beck)			$ 252,476
3.	To adjust test year expesne to reflect Staff's annualization of weather normalized transportation volumes. (Beck)			$ (55,200)

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year expense to increase transportation revenues to reflect SGS and LGS rate switching. (Beck)		$ 140,395
5.	To adjust test year expense to reflect Staff's adjustment of transportation revenues to reflect changes in operations. (Beck)		$ (103,849)
6.	To adjust test year revenues to reflect Staff's adjustment to transportation revenues for changes in customers. (Beck)		$ 1,891
7.	To adjust test year expense to reflect Staff's adjustment for known and measurable rate switching during the update period. (Beck)		$ 93,173
8.	To adjust test year expense to reflect Staff's adjustment for known and measurable changes in operations for the update period. (Beck)		$ (17,394)
9.	To adjust test year revenues to reflect known and measurable changes in Economic Development discounts. (Beck)		$ 22,937
10.	To adjust test year revenues to remove gas cost revenues, gross receipts taxes & miscellaneous journal entries. (Beck)		$ (2,876,965)
	Revenue Gas Costs S-7		$ 268,838,581
1.	To include purchased gas costs in revenues. (Shaw)		$ 268,838,581

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
	Operation, Supervision and Engineer S-12		$ (11,832)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (21,643)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 6,833
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 3,730
4.	To adjust test year payroll to reflect May 31, 1998 True-up. (Williams)		$ (752)
	Distribution and Load Dispatching S-13		$ (20)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (28)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 9
3.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (1)

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
	Compressor Station Labor Exp. S-14		$ (8)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (12)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 4
3.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		
	Mains and Service Expenses S-15		$ (268)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (20,497)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 6,471
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 14,470
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (712)

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
	Distributing Regulating Station Exp S-16		$ (8,162)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (26,970)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 8,515
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 11,230
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (937)
	Measuring & Regulating - Station Ex S-17		$ (549)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (1,044)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 330
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 201

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (36)
	Meas. & Reg. Station - City Gate S-18		$ (90)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (139)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 44
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 10
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (5)
	Meter & House Regulator Expense S-19		$ (55,668)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (187,096)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 59,070

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 78,855
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (6,497)
	Customer Installation Expenses S-20		$ (69,017)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (120,934)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 38,181
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 17,936
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (4,200)
	Other Expenses S-21		$ (323,289)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (36,366)

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 11,482
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)			$ 2,858
4.	To remove miscellaneous controller accruals. (Hyneman)			$ (300,000)
5.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (1,263)
	Rents	S-22		$ (3,208)
1.	To adjust test year expense to annualize costs of leased equipment at Manchester Mobile Village. (Cox)			$ (3,208)
	Maintenance Supervision & Engineer	S-23		$ (2,585)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (9,532)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 3,010

Missouri Gas Energy
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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 4,268
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (331)
	Maint. of Structures & Improvements S-24		**$ (1,884)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (3,631)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 1,146
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 727
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (126)
	Maintenance of Mains S-25		**$ (24,054)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (220,309)

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True-up Through May 31, 1998

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 69,556
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 104,279
4.	To adjust test year expense to reflect the over/(under) clearing of the clearing accounts. (Williams)		$ 79,585
5.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (7,651)
6.	To adjust test year clearings for true-up of fleet leases. (Cox)		$ (49,514)
	Maint.Meas./Reg.Station-General S-26		**$ (3,715)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (8,324)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 2,628
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 2,270

Missouri Gas Energy
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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (289)
	Maint.Meas.& Reg.Station Equip S-27		**$ (1,663)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (3,258)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 1,029
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 679
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (113)
	Maint. of Meas. & Reg. - City Gate S-28		**$ (48)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (83)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 26

Missouri Gas Energy
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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)			$ 12
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (3)
	Maintenance of Services	S-29		$ (8,298)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (19,913)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 6,287
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)			$ 6,020
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (692)
	Maint. of Meters & House Regulators	S-30		$ (10,897)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (16,846)

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 5,319
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 1,215
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (585)
	Maintenance of Other Equipment S-31		**$ (3,540)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (5,679)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 1,793
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 543
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (197)

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
	Customer Accounts - Supervision S-32		$ (16,429)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (23,516)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 7,425
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 479
4.	To adjust test year payroll to reflect May 31, 1998 true-up. (Williams)		$ (817)
	Meter Reading Expense S-33		$ (2,281,425)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (89,160)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 28,150
3.	To eliminate from test year expense the cost of the outside contractors who did meter reading. (Hyneman)		$ (1,110,051)

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 30,871
5.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (3,096)
6.	To eliminate from cost of service an amount for excess meter readers and vehicle loadings at May 31, 1998 for the true-up. (Williams)		$ (608,875)
7.	To eliminate from cost of service anticipated overtime savings as a result of meter reader transfers. (Williams)		$ (155,611)
8.	To eliminate additional subcontractor overtime costs as a result of meter reader transfers. (Williams)		$ (373,653)
	Customer Records & Collection Exp. S-34		$ (21,803)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (209,950)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 66,286
3.	To adjust test year expense to reflect the inclusion in rates for the interest expense associated with customer deposits as agreed to for settlement purposes. (Canady)		$ 819,299

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year expense to reflect Staff's elimination of Dues and Donations booked to account # 903 as agreed to for settlement purposes. (Canady)		$ (30)
5.	To adjust test year expense to annualize costs of leased equipment for the phone center recording equipment. (Cox)		$ 70,114
6.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 22,746
7.	To adjust test year expense to reflect Staff's annualization of lease expense for the call center/telecommunications. (Cox)		$ 113,472
8.	To remove from test year expense billing error costs included in Account 903. (Shaw)		$ (370,388)
9.	To reclassify the costs associated with Theodore Barry & Associates RFP to review the billing system to miscellaneous intangible plant. (Shaw)		$ (237,970)
10.	To remove billing improvement costs not in service at Dec. 31, 1997. (Shaw)		$ (38,091)
11.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (7,291)
12.	To adjust test year expense to reflect savings related to billing system improvements. (Shaw)		$ (250,000)

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Uncollectible Accounts	S-35		$ (4,773,716)
1.	N/A			
2.	N/A.			
3.	N/A.			
4.	To adjust Company's updated proforma to Staff's normalized uncollectible ratio of bad debts of 1.02% of test year General Service Revenues. (Shaw)			$ (4,786,551)
5.	To adjust test year uncollectibles to reflect impact of revenue growth for the true-up. (Shaw)			$ 12,835
	Miscellaneous Customer Accounts Exp	S-36		$ 9,432
1.	To adjust test year expense to annualize operating expenses for the 39th and Main customer service center. (Cox)			$ 9,432
	Customer Assistance	S-37		$ 9,018
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (6,752)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 2,132

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To adjust test year expense to reflect Staff's 50 % disallowance of community relations & public affairs departments. (Canady)		$ (33,682)
4.	To adjust test year expense to reflect the normalization of the weatherization program. (Hyneman)		$ 47,554
5.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (234)
	Information/Instruction Advertising S-38		**$ (57,669)**
1.	To adjust test year expense to reflect Staff's annualization of advertising as adjusted for settlement purposes. (Canady)		$ (57,669)
	Sales & Advertising - Supervision S-40		**$ (6,847)**
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (9,522)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 3,006
3.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (331)

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Demonstrating & Selling Expenses	S-41		$ (23,588)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (32,807)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 10,358
3.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (1,139)
	Advertising Expense - Sales	S-42		$ (4,982)
1.	To adjust test year expense to reflect Staff's annualization of advertising as adjusted for settlement purposes. (Canady)			$ (4,982)
	Miscellaneous Sales Expense	S-43		$ (407)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (566)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 179
3.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (20)

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment		Mo Juris Adjustment
	Administrative & General Salaries	S-44		$	(348,216)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$	(181,164)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$	57,197
3.	To adjust test year expense to reflect Staff's 50 % disallowance of community relations & public affairs departments. (Canady)			$	(217,958)
4.	N/A.				
5.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$	(6,291)
	Office Supplies and Expenses	S-45		$	5,593
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$	(1,100)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$	347
3.	To adjust test year expense to reflect Staff's elimination of travel cost associated with an age discrimination law suit. (Williams)			$	(506)

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year expense to reflect Staff's annualization of Dues and Donations booked to account # 921 as adjusted for settlement purposes. (Canady)		$ (626)
5.	To adjust test year expense to reflect Staff's annualization of leased equipment for copiers. (Cox)		$ (4,300)
6.	To adjust test year expense to annualize operating expenses for the 39th and Main customer service center. (Cox)		$ 5,940
7.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)		$ 10,743
8.	To adjust test year expense to reflect Staff's annualization of call center/telecommunications. (Cox)		$ 48,335
9.	To adjust test year expense to reflect Staff's 50 % disallowance of community relations & public affairs departments. (Canady)		$ (53,202)
10.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)		$ (38)

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Outside Services Employed S-47 $ (189,494)
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Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
1.	To remove outside service expense associated with Lobbying, Age Discrimination Lawsuit and street cut issue. (Cox)		$ (189,640)
2.	To adjust outside service to reflect settlement of issue. (Cox)		$ 146

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Injuries and Damages	S-49		$ (41,020)
1.	To adjust test year expense to reflect Staff's annualized level of injuries and damages insurance premiums, workman's compensation, general liability and auto liability claims. (Williams)			$ (41,020)
	Employee Pensions and Benefits	S-50		$ 3,368,479
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (7)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 2
3.	To adjust test year expense to reflect Staff's 50 % disallowance of community relations & public affairs departments. (Canady)			$ (7,875)
4.	To adjust test year expense to reflect Staff's annualization of Pensions, OPEB's and other employee benefits. (Williams)			$ 3,376,359
5.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
	Regulatory Commission Expense S-51		$ 455,998
1.	To adjust test year expense to reflect Staff's annualization of the PSC assessment. (Canady)		$ 381,251
2.	To adjust test year expense to reflect Staff's annualization of Rate Case expense. (Canady)		$ 74,747
	Miscellaneous General Expenses S-52		$ (158,475)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)		$ (1,281)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)		$ 404
3.	To adjust test year expense to reflect Staff's annualization of Dues and Donations booked to account # 930 as adjusted for settlement. (Canady)		$ (70,184)
4.	To adjust test year expense to reflect Staff's annualization of advertising as adjusted for settlement. (Canady)		$ (94,349)
5.	To adjust test year expense to reflect Staff's 50 % disallowance of community relations & public affairs departments. (Canady)		$ (3,861)

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
6.	Add to case to reflect settlement of dues and donations issue. (Canady)			$ 10,840
7.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (44)
Rents		S-53		$ (11,413)
1.	To adjust test year expense to annualize costs of Building lease for 3850 Main Street land and facilities leases. (Cox)			$ 10,000
2.	To adjust test year expense to reflect Staff's annualization of lease costs of Broadway building. (Cox)			$ (21,413)
		S-55		$ (759)
1.	To adjust test year expense to reflect Staff's annualized payroll at Sept. 30, 1997. (Williams)			$ (1,256)
2.	To adjust test year expense to reflect Staff's increase to annualized payroll for know and measurable changes thru Dec. 31, 1997. (Williams)			$ 396
3.	To adjust test year expense to reflect Staff's annualization of fleet lease charged to expense thru the transportation & work equipment clearing account. (Cox)			$ 145
4.	To adjust test year payroll to reflect the May 31, 1998 true-up. (Williams)			$ (44)

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Depreciation Expense	S-56		$ 3,572,289
1.	To annualize depreciation expense based on plant in service at December 31, 1997 (Hyneman)			$ 3,572,289
	Amortization Expense	S-57		$ 1,374,578
1.	To remove test year amount of amortiation expense. (Hyneman)			$ (770,619)
2.	To amortize SLRP AAO GO-97-301 deferrals over 20 years. (Hyneman)			$ 153,044
3.	To amortize SLRP AAO GO-94-234 deferrals over 20 years. (Hyneman)			$ 664,238
4.	To amortize SLRP AAO GO-92-185 deferrals over 20 years. (Hyneman)			$ 375,696
5.	To amortize Misc Intangible Plant at 5/31/98 to include capitalized TBA costs. (Hyneman)			$ 890,136
6.	To adjust test year expesne to reflect the amortization of Leasehold Improvements at 5/31/98. (Hyneman)			$ 62,083
	Taxes Other	S-58		$ (26,179,400)
1.	To adjust test year expense to reflect Staff's annualization of FICA taxes at Sept. 30, 1997. (Williams)			$ (127,236)

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
2.	To adjust test year expense to reflect Staff's annualization of FUTA taxes at Sept. 30, 1997. (Williams)		$ (4,832)
3.	To adjust test year expense to reflect Staff's annualization of SUTA taxes at Sept. 30, 1997. (Williams)		$ (42,677)
4.	To adjust test year expense to reflect Staff's annualization of FICA taxes for known and measurable changes through Dec. 31, 1997. (Williams)		$ 16,504
5.	To adjust test year expense to reflect Staff's annualization of FUTA taxes for known and measurable changes through Dec. 31, 1997. (Williams)		$ 689
6.	To adjust test year expense to reflect Staff's annualization of FICA taxes for sales bonuses paid. (Williams)		$ 15,800
7.	To annualize property tax expense. (Hyneman)		$ 965,951
8.	To remove gross receipts taxes from cost of service. (Shaw)		$ (27,696,861)
9.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers. (Cox)		$ 162,874
10.	To adjust test year expesne to Staff's annualized level of franchise tax expense. (Shaw)		$ 521,481
11.	To adjust payroll tax expense to reflect the true-up at May 31, 1998. (Williams)		$ 8,907

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Current Income Taxes	S-59		$ (5,864,389)
1.	To adjust current income taxes to a level consistent with Staff adjusted operating income (Hyneman)			$ (5,864,389)
	Deferred Income Taxes	S-60		$ (5,472,585)
1.	To recognize amortizaion of deferred ITC consistent with the Stipulation and Agreement in Case No. GM-94-40 (Hyneman)			$ (5,472,585)
	Admin. & Gen. Salaries	S-63		$ 2,522,629
1.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers. (Cox)			$ 2,793,206
2.	To adjust Company's corporate allocation to Company to eliminate budgeted merit increases (Cox)			$ (104,364)
3.	To adjust Company's allocation of corporate cost to MGE to eliminate budgeted incentive compensation. (Cox)			$ (362,962)
4.	To adjust Company's allocation of corporate cost to MGE to eliminate salaries, benefits and travel costs for the Chairman of the Board department. (Hyneman)			$ (187,057)
5.	To adjust Joint and Common cost to reflect settlement of issue. (Cox)			$ 193,301

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
6.	To adjust corporate payroll for changes through May 31, 1998. (Cox)		$ 247,130
7.	To adjust corporate payroll during true-up period to remove Lindemann and Brennan salary increase. (Cox)		$ (15,625)
8.	To adjust corporate payroll during true-up period to remove Mergers and Acquisitions Vice President position. (Cox)		$ (41,000)
	Employee Pensions & Benefits S-65		$ 356,954
1.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers. (Cox)		$ 425,223
2.	To adjust test year expense to reflect Staff's annualization of FAS 87 Pension amortied average gain balance over 5-years. (Williams)		$ 101,083
3.	To adjust test year expense to reflect Staff's annualization of SERP to Actual payment basis. (Williams)		$ (100,563)
4.	To adjust test year expense to reflect Staff's annualization of medical, dental and life to a paid basis. (Williams)		$ (48,041)
5.	To adjust test year expense to reflect Staff's adjustment of FAS # 106 OPEB's to amortize average gain balance over 5-years. (Williams)		$ (2,928)
6.	To adjust test year expense to reflect Staff's elimination of workman's compensation assumption for corporate employees (Cox)		$ (17,820)

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Other Depreciation Expense	S-66		$ (311,660)
1.	To remove depreciation expense related to Power Operated Equipment loaded through O&M Clearing Accounts through 5/31/98. (Hyneman)			$ (306,867)
2.	To remove depreciation expense related to Corporate Allocated Transportation Equipment (Cox)			$ (4,793)
	Rents	S-67		$ 129,752
1.	N/A.			
2.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers. (Cox)			$ 193,563
3.	To adjust Company's allocation of corporate costs to MGE to eliminate rent other overhead costs for the New York office. (Hyneman)			$ (63,811)
	Office Supplies & Expense	S-68		$ 186,475
1.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers. (Cox)			$ 186,475

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Miscl. General Expense	S-69		$ 2,631,821
1.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers. (Cox)			$ 3,297,209
2.	To adjust Company's allocated corporate costs to MGE to eliminate capital expenditures allocated to expense. (Cox)			$ (578,184)
3.	To adjust Company's allocated corporate cost to MGE to eliminate SGA dues and 54% of AGA dues. (Canady)			$ (25,944)
4.	To adjust expense to reflect Staff elimination of legal costs from the corporate model. (Cox)			$ (61,260)
	Property Insurance	S-70		
1.	To adjust test year expense to include corporate allocated expense per MGE's Workpapers.			

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Income Tax

Line		Test Year	9.30% Return	9.40% Return	9.50% Return
	(A)	(B)	(C)	(D)	(E)
1	Net Income Before Taxes (Sch 9)	$ 36,789,443	$ 49,692,356	$ 50,379,531	$ 51,066,707
	Add to Net Income Before Taxes				
2	Book Depreciation Expense	$ 21,831,193	$ 21,831,193	$ 21,831,193	$ 21,831,193
3	COLI Amortization	122,709	122,709	122,709	122,709
4	Total	$ 21,953,902	$ 21,953,902	$ 21,953,902	$ 21,953,902
	Subtr from Net Income Before Taxes				
5	Interest Expense 3.9800 %	$ 16,760,131	$ 16,760,131	$ 16,760,131	$ 16,760,131
6	Book Depreciation Expense	21,831,193	21,831,193	21,831,193	21,831,193
7	Preferred Stock Dividend 1.21%	5,095,417	5,095,417	5,095,417	5,095,417
8	Total	$ 43,686,741	$ 43,686,741	$ 43,686,741	$ 43,686,741
9	Net Taxable Income	$ 15,056,604	$ 27,959,517	$ 28,646,692	$ 29,333,868
	Provision for Federal Income Tax				
10	Net Taxable Income	$ 15,056,604	$ 27,959,517	$ 28,646,692	$ 29,333,868
11	Deduct Missouri Income Tax 100.0 %	$ 780,735	$ 1,449,793	$ 1,485,425	$ 1,521,058
12	Deduct City Income Tax	80,697	149,850	153,533	157,216
13	Federal Taxable Income	14,195,172	26,359,874	27,007,734	27,655,594
14	Total Federal Tax	$ 4,968,310	$ 9,225,956	$ 9,452,707	$ 9,679,458
	Provision for Missouri Income Tax				
15	Net Taxable Income	$ 15,056,604	$ 27,959,517	$ 28,646,692	$ 29,333,868
16	Deduct Federal Income Tax 50.0 %	$ 2,484,155	$ 4,612,978	$ 4,726,354	$ 4,839,729
17	Deduct City Income Tax	80,697	149,850	153,533	157,216
18	Missouri Taxable Income	12,491,752	23,196,689	23,766,806	24,336,923
19	Total Missouri Tax	$ 780,735	$ 1,449,793	$ 1,485,425	$ 1,521,058

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Income Tax

Line		Test Year	9.30% Return	9.40% Return	9.50% Return
	(A)	(B)	(C)	(D)	(E)
	Provision for City Income Tax				
20	Net Taxable Income	$ 15,056,604	$ 27,959,517	$ 28,646,692	$ 29,333,868
21	Deduct Federal Income Tax	$ 4,968,310	$ 9,225,956	$ 9,452,707	$ 9,679,458
22	Deduct Missouri Income Tax	780,735	1,449,793	1,485,425	1,521,058
23	City Taxable Income	9,307,559	17,283,768	17,708,560	18,133,352
24	Total City Tax	$ 80,697	$ 149,850	$ 153,533	$ 157,216
	Summary of Provision for Income Tax				
25	Federal Income Tax	$ 4,968,310	$ 9,225,956	$ 9,452,707	$ 9,679,458
26	Missouri Income Tax	780,735	1,449,793	1,485,425	1,521,058
27	City Income Tax	80,697	149,850	153,533	157,216
28	Total	$ 5,829,742	$ 10,825,599	$ 11,091,665	$ 11,357,732
	Deferred Income Taxes				
29	Deferred Investment Tax Credit	$ 0	$ 0	$ 0	$ 0
30	Amortization of ITC per GM-94-40	(296,363)	(296,363)	(296,363)	(296,363)
31	Total	$ (296,363)	$ (296,363)	$ (296,363)	$ (296,363)
32	Total Income Tax	$ 5,533,379	$ 10,529,236	$ 10,795,302	$ 11,061,369