

*Exhibit No.:*  
*Issues:* **Revised Accounting Schedules**  
*Witness:* **MoPSC Accountants**  
*Sponsoring Party:* **MoPSC Staff**  
*Case No.:* **GR-2001-292**  
*Date Prepared:* **May 31, 2001**

**MISSOURI PUBLIC SERVICE COMMISSION**  
**UTILITY SERVICES DIVISION**

**FILED**<sup>3</sup>  
MAY 31 2001  
Missouri Public  
Service Commission

**MISSOURI GAS ENERGY**  
**A DIVISION OF SOUTHERN UNION COMPANY**

**CASE NO. GR-2001-292**

**REVISED STAFF ACCOUNTING SCHEDULES**

*Jefferson City, Missouri*  
*May 2001*

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Missouri Gas Energy

Case: GR-01-292A

December 31, 2000

Revenue Requirement

Line	8.75% Return	8.89% Return	9.03% Return
(A)	(B)	(C)	(D)
1 Net Orig Cost Rate Base (Sch 2)	\$ 490,511,378	\$ 490,511,378	\$ 490,511,378
2 Rate of Return	8.75%	8.89%	9.03%
*****			
3 Net Operating Income Requirement	\$ 42,919,746	\$ 43,606,462	\$ 44,293,177
4 Net Income Available (Sch 9)	\$ 41,069,577	\$ 41,069,577	\$ 41,069,577
*****			
5 Additional NOI/BT Needed	\$ 1,850,169	\$ 2,536,885	\$ 3,223,600
*****			
6 Income Tax Requirement (Sch 11)			
7 Required Current Income Tax	\$ 9,260,713	\$ 9,692,674	\$ 10,124,634
8 Test Year Current Income Tax	\$ 8,096,914	\$ 8,096,914	\$ 8,096,914
*****			
9 Additional Current Tax Required	\$ 1,163,799	\$ 1,595,760	\$ 2,027,720
*****			
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	\$ 1,163,799	\$ 1,595,760	\$ 2,027,720
*****			
14 Gross Revenue Requirement	\$ 3,013,968	\$ 4,132,645	\$ 5,251,320
*****			

## Missouri Gas Energy

Case: GR-01-292A

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## Rate Base

Line Description		Amount
(A)		(B)
1	Total Plant in Service (Sch 3)	\$ 726,642,606
Subtract from Total Plant		
2	Depreciation Reserve (Sch 6)	\$ 216,231,812
-----		
3	Net Plant in Service	\$ 510,410,794
Add to Net Plant in Service		
4	Cash Working Capital (Sch 8)	\$ 2,059,950
5	Materials and Supplies Inventory	1,884,628
6	Prepayments	415,611
7	Gas Inventory	29,811,577
8	Alternative Minimum Tax Credit	12,363,267
9	Prepaid Pension Asset	7,822,837
Subtract from Net Plant		
10	Federal Tax Offset 0.5480 %	\$ 37,983
11	State Tax Offset 38.2190 %	445,532
12	City Tax Offset 0.0000 %	0
13	Interest Expense Offset 8.9320 %	2,330,824
14	Customer Advances for Construction	10,678,465
15	Customer Deposits	4,857,207
16	Deferred Income Taxes GO-94-234	3,606,147
17	Deferred Income Taxes-GO-97-301	906,050
18	Deferred Taxes on Allocated Plant	2,271,389
19	Offset GM-94-40 (Prehearing)	9,000,000
20	Deferred Taxes on Direct Plant	37,412,850
21	Deferred Taxes SLRP GR-98-140	2,386,441
22	Deferred Taxes on Year 2000 AAO	324,398
-----		
23	Total Rate Base	\$ 490,511,376
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## Missouri Gas Energy

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December 31, 2000

## 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	51,046	0	100.0000	0 P-2	51,046
3	303.000	Corrosion Control Management System	1,117,800	0	100.0000	0 P-3	1,117,800
4	303.000	Landbase Digitized Mapping	1,393,602	0	100.0000	0 P-35	1,393,602
5	303.000	Premise Data Sys (PDS) Comp 12/96	985,196	0	100.0000	0 P-36	985,196
6	303.000	AMR Project - Programming	415,236	0	100.0000	0 P-37	415,236
7	303.000	FPI Main Segmentation	894,795	0	100.0000	0 P-38	894,795
8	303.000	Geographic Info Systems - GIS	1,006,719	0	100.0000	0 P-39	1,006,719
9	303.000	Licensing Office Pro2000	54,012	0	100.0000	0 P-40	54,012
10	303.000	Stoner Low Pressure/Intermediate	154,584	0	100.0000	0 P-41	154,584
11	303.000	BASIC - Customer Billing System	294,516	0	100.0000	0 P-42	294,516
12	303.000	TCS System	189,193	0	100.0000	0 P-43	189,193
13	303.000	GEO Tax Software	79,294	0	100.0000	0 P-44	79,294
14	375.200	Structures - Distribution	13,964	0	100.0000	0 P-7	13,964
15	390.200	Structures - Utility Offices	1,286,800	40,557	100.0000	0 P-19	1,327,357
16	303.000	Customer Service System (CSS)	3,786,000	0	100.0000	0 P-45	3,786,000
17		Total	\$ 11,738,357	\$ 40,557		\$ 0	\$ 11,778,914
Distribution Plant							
18	374.100	Land	\$ 240,448	\$ 0	100.0000	\$ 0 P-4	\$ 240,448
19	374.200	Land Rights	993,492	0	100.0000	0 P-5	993,492
20	375.100	Structures	5,983,365	23,703	100.0000	0 P-6	6,007,068
21	375.200	Leasehold Improvements	0	0	0.0000	0	0
22	376.000	Mains	270,057,394	8,912,537	100.0000	0 P-8	278,969,931
23	378.000	Meas. & Reg. Sta. Equip. - General	10,354,134	67,890	100.0000	0 P-9	10,422,024
24	379.000	Meas. & Reg. Sta. Equip - City Gate	2,762,737	311,276	100.0000	0 P-10	3,074,013
25	380.000	Services	245,039,889	(991,824)	100.0000	0 P-11	248,048,065
26	381.000	Meters	28,138,572	11,933	100.0000	0 P-12	28,150,505
27	382.000	Meter Installations	49,673,982	300,711	100.0000	0 P-13	49,974,693
28	383.000	House Regulators	9,497,032	43,122	100.0000	0 P-14	9,540,154
29	385.000	Electronic Gas Measuring	293,923	26,165	100.0000	0 P-15	320,088
30	387.000	Other Equipment	0	0	100.0000	0 P-16	0
31		Total	\$ 627,034,968	\$ 8,705,513		\$ 0	\$ 635,740,481

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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							
32	389.000	Land	\$ 610,049	\$ 0	100.0000	\$ 0 P-17	\$ 610,049
33	390.100	Structures	465,528	51,773	100.0000	0 P-18	517,301
34	390.200	Leasehold Improvements	0	0	0.0000	0	0
35	391.000	Office Furniture & Equipment	3,017,576	9,254	100.0000	0 P-20	3,026,830
36	392.000	Transportation Equipment	4,601,351	0	100.0000	0 P-21	4,601,351
37	393.000	Stores Equipment	499,757	0	100.0000	0 P-22	499,757
38	394.000	Tools, Shop & Garage Equipment	4,535,973	3,333	100.0000	0 P-23	4,539,306
39	395.000	Laboratory Equipment	0	0	100.0000	0 P-24	0
40	396.000	Power Operated Equipment	535,765	0	100.0000	0 P-25	535,765
41	397.100	Communication Equipment - AMR	32,969,219	0	100.0000	0 P-26	32,969,219
42	397.200	Comm Equipment	1,478,273	38,562	100.0000	0 P-28	1,516,835
43	398.000	Miscellaneous Equipment	166,410	8,192	100.0000	0 P-27	174,602
44		Total	\$ 48,879,901	\$ 111,114		\$ 0	\$ 48,991,015
Allocated General Plant							
45	391.000	Allocated Corporate IT Plant	\$ 0	\$ 21,722,043	46.2720	\$ (1,014,620) P-29	\$ 9,036,604
46	391.000	Direct Assigned Corporate IT Plant	0	998,325	100.0000	0 P-30	998,325
47	391.100	Furniture & Fixtures	0	1,510,720	29.0714	0 P-31	439,187
48	390.000	Structures & Improvements	0	658,891	44.8883	0 P-32	295,765
49	397.000	Communication Equipment	0	11,224	37.5972	0 P-33	4,220
50	398.000	Miscellaneous Equipment	0	6,775	37.5972	0 P-34	2,547
51	303.000	Miscellaneous Intangible Plant	0	0	100.0000	0	0
52		Total	\$ 0	\$ 24,907,978		\$ (1,014,620)	\$ 10,776,648
Projected Plant Increases- 6/30/01							
53		Projected Increase - Intangible	\$ 0	\$ 441,748	100.0000	\$ 0 P-46	\$ 441,748
54		Projected Increase - Distribution	0	18,924,141	100.0000	0 P-47	18,924,141
55		Projected Increase - General Plant	0	(10,341)	100.0000	0 P-48	(10,341)
56		Total	\$ 0	\$ 19,355,548		\$ 0	\$ 19,355,548
*****							
57		Total Plant In Service	\$ 687,653,226	\$ 53,120,710		\$ (1,014,620)	\$ 726,642,606
*****							

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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\*\*\*\*\*  
Structures P-6 \$ 23,703  
\*\*\*\*\*

1. To recognize completed construction not yet classified to  
plant account (Account 106).  
(Lucas) \$ 23,703

\*\*\*\*\*  
Mains P-8 \$ 8,912,537  
\*\*\*\*\*

1. To recognize completed construction not yet classified to  
plant account (Account 106).  
(Lucas) \$ 8,912,537

\*\*\*\*\*  
Meas. & Reg. Sta. Equip. - General P-9 \$ 67,890  
\*\*\*\*\*

1. To recognize completed construction not yet classified to  
plant account (Account 106).  
(Lucas) \$ 67,890

\*\*\*\*\*  
Meas. & Reg. Sta. Equip - City Gate P-10 \$ 311,276  
\*\*\*\*\*

1. To recognize completed construction not yet classified to  
plant account (Account 106).  
(Lucas) \$ 311,276

\*\*\*\*\*  
Services P-11 \$ (991,824)  
\*\*\*\*\*

1. To reflect retirement of inactive meters.  
(Lucas) \$ (2,172,784)

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Adjustments to Total Plant

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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2.	To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 1,190,960	
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\*\*\*\*\*

Meters	P-12	\$ 11,933	
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\*\*\*\*\*

1.	To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 11,933	
----	---	-----------	--

\*\*\*\*\*

Meter Installations	P-13	\$ 300,711	
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\*\*\*\*\*

1.	To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 300,711	
----	---	------------	--

\*\*\*\*\*

House Regulators	P-14	\$ 43,122	
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\*\*\*\*\*

1.	To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 43,122	
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\*\*\*\*\*

Electronic Gas Measuring	P-15	\$ 26,165	
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\*\*\*\*\*

1.	To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 26,165	
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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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\*\*\*\*\*  
Structures P-18 \$ 51,773  
\*\*\*\*\*

- 1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus) \$ 46,773
- 2. To capitalize cost of installing sink and water heater by AD Jacobson Company invoice No.20-4308-1 (DR 239) (Lucus) \$ 5,000

\*\*\*\*\*  
Structures - Utility Offices P-19 \$ 40,557  
\*\*\*\*\*

- 1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus) \$ 40,557

\*\*\*\*\*  
Office Furniture & Equipment P-20 \$ 9,254  
\*\*\*\*\*

- 1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus) \$ 7,309
- 2. To capitalize cost to refinish office furniture. Charged to Account 921 (DR 239) (Lucus) \$ 1,945

\*\*\*\*\*  
Tools, Shop & Garage Equipment P-23 \$ 3,333  
\*\*\*\*\*

- 1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus) \$ 3,333



Adj	No Description	Total Co Adjustment	No Juris Adjustment
	Adjustments to Total Plant		
	Miscellaneous Equipment	\$ 8,192	
	1. To recognize completed construction not yet classified to plant account (Account 106).		
	(Lucas)		
	Comm Equipment	\$ 38,562	
	1. To recognize completed construction not yet classified to plant account (Account 106).		
	(Lucas)		
	Allocated Corporate IT Plant	\$ 21,722,043	\$ (1,014,620)
	P-29		
	1. To include Corporate allocated Information Technology (IT) plant.		
	(Hyneman)		
	2. To remove CSS Mainframe computer that is no longer in service.		
	(Hyneman)		
	3. To remove costs capitalized to CSS for a project that was cancelled. See DR 46 \$42,908 X 48.18474, C2M cabling - transfer printing and mailing of customer statements to CSG in Omaha.		
	(Hyneman)		
	4. To capitalize payment to Denver Solutions Group (D-49) for IT Equipment (\$24,283 X 45.91779 Allocator 200406).		
	(Hyneman)		
	5. To capitalize payment to C Tap LLC and Precision Camera & Video for IT Equipment (allocator 200401 D-51)		
	(Hyneman)		

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

\*\*\*\*\*  
Direct Assigned Corporate IT Plant           P-30                         \$     998,325  
\*\*\*\*\*

1. To include corporate IT plant directly assigned to MGE.  
   (Hyneman)   \$     998,325

\*\*\*\*\*  
Furniture & Fixtures                           P-31                         \$   1,510,720  
\*\*\*\*\*

1. To include corporate allocated office furniture and  
   equipment.  
   (Hyneman)   \$   1,510,720

\*\*\*\*\*  
Structures & Improvements                   P-32                         \$     658,891  
\*\*\*\*\*

1. To include corporate allocated plant.  
   (Hyneman)   \$     658,891

\*\*\*\*\*  
Communication Equipment                     P-33                         \$     11,224  
\*\*\*\*\*

1. To include corporate allocated plant.  
   (Hyneman)   \$     11,224

\*\*\*\*\*  
Miscellaneous Equipment                     P-34                         \$      6,775  
\*\*\*\*\*

1. To include corporate allocated plant.  
   (Hyneman)   \$      6,775

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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\*\*\*\*\*  
 Customer Service System (CSS) P-45  
 \*\*\*\*\*

1. No adjustment.

\*\*\*\*\*  
 Projected Increase - Intangible P-46 \$ 441,748  
 \*\*\*\*\*

1. To reflect projected plant increases from 12/31/00 through \$ 441,748  
 6/30/01.  
 (Lucus)

\*\*\*\*\*  
 Projected Increase - Distribution P-47 \$ 18,924,141  
 \*\*\*\*\*

1. To reflect projected plant increases from 12/31/00 through \$ 18,924,141  
 6/30/01.  
 (Lucus)

\*\*\*\*\*  
 Projected Increase - General Plant P-48 \$ (10,341)  
 \*\*\*\*\*

1. To reflect projected plant increases from 12/31/00 through \$ (10,341)  
 6/30/01.  
 (Lucus)

## Missouri Gas Energy

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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	51,046	0.0000	0
3	303.000	Corrosion Control Management System	1,117,800	0.0000	0
4	303.000	Landbase Digitized Mapping	1,393,602	0.0000	0
5	303.000	Premise Data Sys (PDS) Comp 12/96	985,196	0.0000	0
6	303.000	AMR Project - Programming	415,236	0.0000	0
7	303.000	FPI Main Segmentation	894,795	0.0000	0
8	303.000	Geographic Info Systems - GIS	1,006,719	0.0000	0
9	303.000	Licensing Office Pro2000	54,012	0.0000	0
10	303.000	Stoner Low Pressure/Intermediate	154,584	0.0000	0
11	303.000	BASIC - Customer Billing System	294,516	0.0000	0
12	303.000	TCS System	189,193	0.0000	0
13	303.000	GEO Tax Software	79,294	0.0000	0
14	375.200	Structures - Distribution	13,964	0.0000	0
15	390.200	Structures - Utility Offices	1,327,357	0.0000	0
16	303.000	Customer Service System (CSS)	3,786,000	0.0000	0
17		Total	\$ 11,778,914		\$ 0
Distribution Plant					
18	374.100	Land	\$ 240,448	0.0000	\$ 0
19	374.200	Land Rights	993,492	2.0900	20,764
20	375.100	Structures	6,007,068	1.6500	99,117
21	375.200	Leasehold Improvements	0	0.0000	0
22	376.000	Mains	278,969,931	1.4100	3,933,476
23	378.000	Meas. & Reg. Sta. Equip. - General	10,422,024	2.8600	298,070
24	379.000	Meas. & Reg. Sta. Equip - City Gate	3,074,013	2.1300	65,476
25	380.000	Services	248,048,065	2.2700	5,630,691
26	381.000	Meters	28,150,505	2.8600	805,104
27	382.000	Meter Installations	49,974,693	2.8600	1,429,276
28	383.000	House Regulators	9,540,154	2.4400	232,780
29	385.000	Electronic Gas Measuring	320,088	3.3300	10,659
30	387.000	Other Equipment	0	0.0000	0
31		Total	\$ 635,740,481		\$ 12,525,413

## Missouri Gas Energy

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## Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
	(A)		(B)	(C)	(D)
General Plant-Direct					
32	389.000	Land	\$ 610,049	0.0000	\$ 0
33	390.100	Structures	517,301	2.0000	10,346
34	390.200	Leasehold Improvements	0	0.0000	0
35	391.000	Office Furniture & Equipment	3,026,830	8.0600	243,962
36	392.000	Transportation Equipment	4,601,351	8.7000	400,318
37	393.000	Stores Equipment	499,757	2.7000	13,493
38	394.000	Tools, Shop & Garage Equipment	4,539,306	2.3800	108,035
39	395.000	Laboratory Equipment	0	0.0000	0
40	396.000	Power Operated Equipment	535,765	8.3300	44,629
41	397.100	Communication Equipment - AMR	32,969,219	5.0000	1,648,461
42	397.200	Comm Equipment	1,516,835	6.2500	94,802
43	398.000	Miscellaneous Equipment	174,602	3.8500	6,722
44		Total	\$ 48,991,015		\$ 2,570,768
Allocated General Plant					
45	391.000	Allocated Corporate IT Plant	\$ 9,036,604	10.0000	\$ 903,660
46	391.000	Direct Assigned Corporate IT Plant	998,325	10.0000	99,833
47	391.100	Furniture & Fixtures	439,187	3.2200	14,142
48	390.000	Structures & Improvements	295,765	2.0000	5,915
49	397.000	Communication Equipment	4,220	6.2500	264
50	398.000	Miscellaneous Equipment	2,547	3.8500	98
51	303.000	Miscellaneous Intangible Plant	0	10.0000	0
52		Total	\$ 10,776,648		\$ 1,023,912
Projected Plant Increases- 6/30/01					
53		Projected Increase - Intangible	\$ 441,748	10.0000	\$ 44,175
54		Projected Increase - Distribution	18,924,141	1.9700	372,806
55		Projected Increase - General Plant	(10,341)	5.2500	(543)
56		Total	\$ 19,355,548		\$ 416,438
57		Total Depreciation Expense	\$ 726,642,606		\$ 16,536,531

## Missouri Gas Energy

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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	Corrosion Control Management System	668,696	0	100.0000	0 R-3	668,696
4	303.000	Landbase Digitized Mapping	571,657	0	100.0000	0 R-4	571,657
5	303.000	Premise Data Sys (PDS) Comp 12/96	985,196	0	100.0000	0 R-7	985,196
6	303.000	AMR Project - Programming	80,740	0	100.0000	0 R-19	80,740
7	303.000	FPI Main Segmentation	577,867	0	100.0000	0 R-30	577,867
8	303.000	Geographic Info Systems - GIS	440,661	0	100.0000	0 R-31	440,661
9	303.000	Licensing Office Pro2000	4,051	0	100.0000	0 R-32	4,051
10	303.000	Stoner Low Pressure/Intermediate	67,665	0	100.0000	0 R-33	67,665
11	303.000	BASIC - Customer Billing System	78,137	0	100.0000	0 R-34	78,137
12	303.000	TCS System	29,975	0	100.0000	0 R-35	29,975
13	303.000	GEO Tax Software	13,216	0	100.0000	0 R-36	13,216
14	375.200	Structures - Distribution	13,965	0	100.0000	0 R-37	13,965
15	390.200	Structures - Utility Offices	428,470	0	100.0000	0 R-38	428,470
16	303.000	Customer Service System (CSS)	2,295,122	0	100.0000	0 R-39	2,295,122
17		Total	\$ 6,255,418	\$ 0		\$ 0	\$ 6,255,418
Distribution Plant							
18	374.100	Land	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
19	374.200	Land Rights	236,712	0	100.0000	0 R-5	236,712
20	375.100	Structures	1,211,729	0	100.0000	0 R-6	1,211,729
21	375.200	Leasehold Improvements	0	0	0.0000	0	0
22	376.000	Mains	79,610,487	0	100.0000	0 R-8	79,610,487
23	378.000	Meas. & Reg. Sta. Equip. - General	2,115,436	0	100.0000	0 R-9	2,115,436
24	379.000	Meas. & Reg. Sta. Equip - City Gate	557,730	0	100.0000	0 R-10	557,730
25	380.000	Services	101,156,743	(2,172,784)	100.0000	0 R-11	98,983,959
26	381.000	Meters	2,591,815	0	100.0000	0 R-12	2,591,815
27	382.000	Meter Installations	6,657,549	0	100.0000	0 R-13	6,657,549
28	383.000	House Regulators	967,223	0	100.0000	0 R-14	967,223
29	387.000	Other Equipment	0	0	100.0000	0 R-15	0
30	385.100	Electronic Gas Measurement	40,948	0	100.0000	0 R-16	40,948
31		Total	\$ 195,146,372	\$ (2,172,784)		\$ 0	\$ 192,973,588

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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)
General Plant							
32	389.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0 R-17	\$ 0
33	390.100	Structures & Improvements	114,795	0	100.0000	0 R-18	114,795
34	390.200	Leasehold Improvements	0	0	0.0000	0	0
35	391.000	Office Furniture & Equipment	(785,447)	0	100.0000	0 R-20	(785,447)
36	392.000	Transportation Equipment	1,068,272	0	100.0000	0 R-21	1,068,272
37	393.000	Stores Equipment	188,469	0	100.0000	0 R-22	188,469
38	394.000	Tools, Shop & Garage Equipment	1,233,385	0	100.0000	0 R-23	1,233,385
39	395.000	Laboratory Equipment	(164,763)	164,763	100.0000	0 R-24	0
40	396.000	Power Operated Equipment	(320,069)	0	100.0000	0 R-25	(320,069)
41	397.000	Communication Equipment	(1,268,850)	0	100.0000	0 R-26	(1,268,850)
42	398.000	Miscellaneous Equipment	79,268	0	100.0000	0 R-27	79,268
43	397.100	Communication Equipment-AMR	4,572,289	0	100.0000	0 R-28	4,572,289
44		Total	\$ 4,717,349	\$ 164,763		\$ 0	\$ 4,882,112
Corporate Allocated Reserve							
45	391.000	Allocated Corporate IT Plant	\$ 0	\$ 8,476,231	46.2720	\$ (1,007,713) R-29	\$ 2,914,409
46	391.000	Direct Assigned Corporate IT Plant	0	389,137	100.0000	0 R-41	389,137
47	391.100	Furniture & Fixtures	0	503,248	29.0714	0 R-42	146,301
48	390.000	Structures & Improvements	0	490,424	44.8883	0 R-43	220,143
49	397.000	Communications Equipment	0	(244,486)	37.5972	0 R-44	(91,920)
50	398.000	Miscellaneous Equipment	0	(53,401)	37.5972	0 R-45	(20,077)
51	303.000	Miscellaneous Intangible Plant	0	0	100.0000	0 R-46	0
52		Total	\$ 0	\$ 9,561,153		\$ (1,007,713)	\$ 3,557,993
Projected Increases - 6/30/01							
53		Projected Increase through 6/30/01	\$ 0	\$ 8,562,701	100.0000	\$ 0 R-40	\$ 8,562,701
54		Total	\$ 0	\$ 8,562,701		\$ 0	\$ 8,562,701
55		Total Depreciation Reserve	\$ 206,119,139	\$ 16,115,833		\$ (1,007,713)	\$ 216,231,812

(Hyneman)

1. To include corporate allocated reserve. \$ 389,137

\*\*\*\*\*  
 Direct Assigned Corporate IT Plant R-41 \$ 389,137  
 \*\*\*\*\*

(Lucus)

12/31/00 through 6/30/01.

1. To include estimated increase in depreciation reserve from \$ 8,562,701

\*\*\*\*\*  
 Projected Increase through 6/30/01 R-40 \$ 8,562,701  
 \*\*\*\*\*

(Hyneman)

computer.

2. To remove depreciation reserve for retired CSS Mainframe \$ (1,007,713)

(Hyneman)

1. To include corporate allocated reserve. \$ 8,476,231

\*\*\*\*\*  
 Allocated Corporate IT Plant R-29 \$ 8,476,231 \$ (1,007,713)  
 \*\*\*\*\*

(Lucus)

income statement over 5 years.

1. To remove debit reserve balance for amortization on the \$ 164,763

\*\*\*\*\*  
 Laboratory Equipment R-24 \$ 164,763  
 \*\*\*\*\*

(Lucus)

1. To reflect retirement of inactive meters. \$ (2,172,784)

\*\*\*\*\*  
 Services R-11 \$ (2,172,784)  
 \*\*\*\*\*

No Description

Adjustment

Adjustment

Adj

Total Co

Mo Juris

Adjustments to Depreciation Reserve

Missouri Gas Energy  
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14:10 05/30/2001

Lucus



Missouri Gas Energy

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Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

***** Furniture & Fixtures	R-42	\$ 503,248	*****
-------------------------------	------	------------	-------

1. To include corporate allocated reserve. (Hyneman)		\$ 503,248	
---	--	------------	--

***** Structures & Improvements	R-43	\$ 490,424	*****
------------------------------------	------	------------	-------

1. To include corporate allocated reserve. (Hyneman)		\$ 490,424	
---	--	------------	--

***** Communications Equipment	R-44	\$ (244,486)	*****
-----------------------------------	------	--------------	-------

1. To include corporate allocated reserve. (Hyneman)		\$ (244,486)	
---	--	--------------	--

***** Miscellaneous Equipment	R-45	\$ (53,401)	*****
----------------------------------	------	-------------	-------

1. To include corporate allocated reserve. (Hyneman)		\$ (53,401)	
---	--	-------------	--

Missouri Gas Energy

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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)
<b>Operation and Maintenance Expense</b>							
1	Cash Vouchers	\$ 29,122,800	43.0000	28.0000	15.0000	0.041096	\$ 1,196,831
2	Bad Debt Expense	3,455,836	43.0000	43.0000	0.0000	0.000000	0
3	Net Payroll	16,083,990	43.0000	12.5000	30.5000	0.083562	1,344,010
4	Fica Withheld	1,774,630	43.0000	12.5000	30.5000	0.083562	148,292
5	Federal Income Tax Withheld	3,172,249	43.0000	12.5000	30.5000	0.083562	265,079
6	State Income Tax Withheld	875,845	43.0000	22.0000	21.0000	0.057534	50,391
7	City Tax Withheld	128,476	43.0000	20.2200	22.7800	0.062411	8,018
8	Resident State Tax Withheld	15,645	43.0000	30.7271	12.2729	0.033624	526
9	Vacation Expense Nonunion	313,128	43.0000	182.5000	(139.5000)	(0.382192)	(119,675)
10	Pensions and OPEBs	(556,071)	43.0000	43.0000	0.0000	0.000000	0
11	Medical Expense	3,195,996	43.0000	0.0000	43.0000	0.117808	376,514
12	Building Rents and Leases	433,570	43.0000	(14.6500)	57.6500	0.157945	68,480
13	Vacation Expense Union	830,091	43.0000	388.1500	(345.1500)	(0.945616)	(784,947)
14	Outside Legal Expense	988,027	43.0000	51.8100	(8.8100)	(0.024137)	(23,848)
15	Other Leases	887,174	43.0000	(20.8000)	63.8000	0.174795	155,074
16	<b>Total Operation and Maintenance Expense</b>	<b>\$ 60,721,386</b>					<b>\$ 2,684,745</b>
<b>Taxes</b>							
17	Property Taxes	\$ 6,744,597	43.0000	182.0000	(139.0000)	(0.380822)	\$ (2,568,491)
18	State Franchise Taxes	294,237	43.0000	289.0000	(246.0000)	(0.673973)	(198,308)
19	Employer Portion of FICA	1,774,630	43.0000	12.5000	30.5000	0.083562	148,292
20	Federal and State Unemployment	43,880	43.0000	102.0000	(59.0000)	(0.161644)	(7,093)
21	Use Taxes	30,185	43.0000	38.0000	5.0000	0.013699	414
22	Sales Taxes	5,420,783	43.0000	38.0000	5.0000	0.013699	74,259
23	Gross Receipts Tax	27,690,995	43.0000	58.0000	(15.0000)	(0.041096)	(1,137,989)
24	Purchase Gas Expense	279,598,590	43.0000	39.0000	4.0000	0.010959	3,064,121
25	<b>Total Taxes</b>	<b>\$ 321,597,897</b>					<b>\$ (624,795)</b>
*****							
26	<b>Total Cash Working Capital Req</b>						<b>\$ 2,059,950</b>
*****							

## 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	\$ 296,474,501	\$ (203,878,181)	100.0000	\$ 0 S-1	\$ 92,596,320
2	481.100 Commercial and Industrial	126,028,130	(92,276,503)	100.0000	0 S-2	33,751,627
3	483.000 Sales for Resale (Large Volume)	4,912	0	100.0000	0 S-3	4,912
4	487.000 Forfeit Discount/Late Payment	983,440	0	100.0000	0 S-4	983,440
5	488.000 Miscellaneous Service Revenue	1,217,295	2,095,230	100.0000	0 S-5	3,312,525
6	489.000 Transport. of Gas For Others	13,362,735	(4,721,486)	100.0000	0 S-6	8,641,249
7	400.000 Revenue Gas Costs	0	0	100.0000	0 S-7	0
8	493.000 Rent From Property	0	0	100.0000	0 S-8	0
9	495.000 Other Gas Revenues	68,552	(34,293)	100.0000	0 S-9	34,259
10	Adjust for Future Adjustments	0	0	100.0000	0 S-74	0
11	Total	\$ 438,139,565	\$ (298,815,233)		\$ 0	\$ 139,324,332
Operation & Maintenance Expense						
12	805.000 Other Gas Purchases	\$ 279,598,590	\$ (279,598,590)	100.0000	\$ 0 S-11	\$ 0
13	870.000 Operation, Supervision and Engineer	937,672	4,873	100.0000	0 S-12	942,545
14	871.000 Distribution and Load Dispatching	20,193	83	100.0000	0 S-13	20,276
15	872.000 Compressor Station Labor Exp.	1,375	(563)	100.0000	0 S-14	812
16	874.000 Mains and Service Expenses	2,659,695	13,852	100.0000	0 S-15	2,673,547
17	875.000 Distributing Regulating Station Exp	610,461	17,800	100.0000	0 S-16	628,261
18	876.000 Measuring & Regulating - Station Ex	885	(544)	100.0000	0 S-17	341
19	877.000 Meas. & Reg. Station - City Gate	15,549	(652)	100.0000	0 S-18	14,897
20	878.000 Meter & House Regulator Expense	4,382,171	141,566	100.0000	0 S-19	4,523,737
21	879.000 Customer Installation Expenses	2,467,761	45,695	100.0000	0 S-20	2,513,456
22	880.000 Other Expenses	1,135,231	(14,214)	100.0000	0 S-21	1,121,017
23	881.000 Rents	121,136	0	100.0000	0 S-22	121,136
24	885.000 Maintenance Supervision & Engineer	524,476	4,462	100.0000	0 S-23	528,938
25	886.000 Maint. of Structures & Improvements	210,430	7,539	100.0000	0 S-24	217,969
26	887.000 Maintenance of Mains	6,713,827	176,459	100.0000	0 S-25	6,890,286
27	889.000 Maint.Meas./Reg.Station-General	289,508	4,593	100.0000	0 S-26	294,101
28	890.000 Maint.Meas.& Reg.Station Equip	147,448	5,934	100.0000	0 S-27	153,382
29	891.000 Maint. of Meas. & Reg. - City Gate	15,283	573	100.0000	0 S-28	15,856
30	892.000 Maintenance of Services	225,256	7,046	100.0000	0 S-29	232,302
31	893.000 Maint. of Meters & House Regulators	956,242	30,402	100.0000	0 S-30	986,644
32	894.000 Maintenance of Other Equipment	336,723	2,828	100.0000	0 S-31	339,551
33	901.000 Customer Accounts - Supervision	657,796	2,154	100.0000	0 S-32	659,950
34	902.000 Meter Reading Expense	597,624	17,498	100.0000	0 S-33	615,122
35	903.000 Customer Records & Collection Exp.	8,343,253	(2,261)	100.0000	0 S-34	8,340,992
36	904.000 Uncollectible Accounts	4,005,044	318,248	100.0000	0 S-35	4,323,292

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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)
37	905.000	Miscellaneous Customer Accounts Exp	226,620	(4,382)	100.0000	0 S-36	222,238
38	908.000	Customer Assistance	344,488	(54)	100.0000	0 S-37	344,434
39	909.000	Information/Instruction Advertising	53,043	0	100.0000	0 S-38	53,043
40	910.000	Miscellaneous Customer Accounts Exp	8,161	0	100.0000	0 S-39	8,161
41	911.000	Sales & Advertising - Supervision	106,156	79	100.0000	0 S-40	106,235
42	912.000	Demonstrating & Selling Expenses	947,470	(287,409)	100.0000	0 S-41	660,061
43	913.000	Advertising Expense - Sales	0	0	100.0000	0 S-42	0
44	916.000	Miscellaneous Sales Expense	6,237	0	100.0000	0 S-43	6,237
45	920.000	Administrative & General Salaries	2,564,656	(98,015)	100.0000	0 S-44	2,466,641
46	921.000	Office Supplies and Expenses	2,726,877	(78,166)	100.0000	0 S-45	2,648,711
47	922.000	Administrative Expenses Transferred	(408,925)	0	100.0000	0 S-46	(408,925)
48	923.000	Outside Services Employed	2,307,589	(361,121)	100.0000	0 S-47	1,946,468
49	924.000	Property Insurance	77,688	0	100.0000	0 S-48	77,688
50	925.000	Injuries and Damages	1,123,657	252,795	100.0000	0 S-49	1,376,452
51	926.000	Employee Pensions and Benefits	5,766,483	43,048	100.0000	0 S-50	5,809,531
52	928.000	Regulatory Commission Expense	1,454,879	135,445	100.0000	0 S-51	1,590,324
53	930.000	Miscellaneous General Expenses	243,219	(83,395)	100.0000	0 S-52	159,824
54	931.000	Rents	463,947	(35,993)	100.0000	0 S-53	427,954
55	932.000	Maint. of General Plant	90,361	(2,578)	100.0000	0 S-54	87,783
56	431.000	Interest on Customer Deposits	386,897	(58,427)	100.0000	0 S-55	328,470
57		Corporate Payroll Related	0	5,067,681	100.0000	(1,329,779) S-62	3,737,902
58		Corporate - Nonpayroll Related	0	3,305,241	100.0000	(391,497) S-63	2,913,744
59	807.000	Purchase Gas Expense (Payment Bond)	186,500	(186,500)	100.0000	0 S-75	0
60		Total	\$ 333,649,632	\$ (271,206,970)		\$ (1,721,276)	\$ 60,721,386
Depreciation Expense							
61	403.000	Depreciation Expense	\$ 21,816,176	\$ 0	100.0000	\$ (5,279,645) S-56	\$ 16,536,531
62	404.405	Amortization Expense	910,128	2,688,262	100.0000	0 S-57	3,598,390
63	403.100	Other Depreciation Expense	0	334,661	100.0000	0 S-66	334,661
64		Total	\$ 22,726,304	\$ 3,022,923		\$ (5,279,645)	\$ 20,469,582
Other Operating Expenses							
65	408.000	Payroll Taxes	\$ 1,618,628	\$ 215,184	100.0000	\$ 0 S-58	\$ 1,833,812
66	408.000	Property Taxes	6,544,654	460,955	100.0000	0 S-71	7,005,609
67	408.000	Gross Receipts Tax	27,690,995	(27,690,995)	100.0000	0 S-72	0
68	408.000	State Franchise Taxes	294,237	129,578	100.0000	0 S-73	423,815
69		Miscellaneous Expense	0	0	0.0000	0 S-80	0
70		Total	\$ 36,148,514	\$ (26,885,278)		\$ 0	\$ 9,263,236

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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)
71		Total Operating Expenses	\$ 392,524,450	\$ (295,069,325)		\$ (7,000,921)	\$ 90,454,204
72		Net Income Before Taxes	\$ 45,615,115	\$ (3,745,908)		\$ 7,000,921	\$ 48,870,128
Current Income Taxes							
73	409.000	Current Income Taxes	\$ 9,667,876	\$ 0	100.0000	\$ (1,570,962) S-59	\$ 8,096,914
74		Total	\$ 9,667,876	\$ 0		\$ (1,570,962)	\$ 8,096,914
Deferred Income Taxes							
75	410.411	Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ (296,363) S-60	\$ (296,363)
76	411.400	Investment Tax Credit - Net	0	0	100.0000	0 S-61	0
77		Total	\$ 0	\$ 0		\$ (296,363)	\$ (296,363)
78		Total Income Taxes	\$ 9,667,876	\$ 0		\$ (1,867,325)	\$ 7,800,551
79		Net Operating Income	\$ 35,947,239	\$ (3,745,908)		\$ 8,868,246	\$ 41,069,577

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Adjustments to Income Statement

-----  
 Adj   Total Co                     Mo Juris  
 No Description   Adjustment                   Adjustment  
 -----

\*\*\*\*\*  
 Residential Sales   S-1   \$ (203,878,181)  
 \*\*\*\*\*

- |  |    |               |
|--|----|---------------|
| 1. To adjust residential revenue to reflect 365 days of consumption - KC District.<br>(Russo)        | \$ | 14,535        |
| 2. To adjust residential revenue to reflect 365 days of consumption - St Joseph District.<br>(Russo) | \$ | 695           |
| 3. To adjust residential revenue to reflect 365 days of consumption - Joplin District.<br>(Russo)    | \$ | 2,592         |
| 4. To adjust residential revenues to reflect normal weather - KC District.<br>(Russo)                | \$ | 3,223,647     |
| 5. To adjust residential revenue to reflect normal weather - St. Joseph District.<br>(Russo)         | \$ | 276,021       |
| 6. To adjust residential revenue to reflect normal weather - Joplin District.<br>(Russo)             | \$ | 268,708       |
| 7. To remove gross receipts tax.<br>(Russo)  | \$ | (18,534,879)  |
| 8. To remove unbilled revenues.<br>(Russo)   | \$ | (1,308,633)   |
| 9. To remove gas cost revenues.<br>(Russo)   | \$ | (184,075,825) |
| 10. To remove take or pay costs.<br>(Russo)  | \$ | (5,565,729)   |

## Missouri Gas Energy

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## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
11. To annualize customer growth in the Kansas City district. (Russo)	\$ 1,364,946	
12. To annualize customer growth in the Joplin district. (Russo)	\$ 217,788	
13. To adjust for Actual Cost Adjustment (ACA). (Russo)	\$ 1,869,918	
14. To adjust residential revenue to reflect 365 days of consumption - KC District. (Russo)	\$ 4,380	
15. To adjust residential revenues to reflect normal weather. (Russo)	\$ (704,748)	
16. To annualize customer growth in the Kansas City district. (Russo)	\$ (931,597)	
*****		
Commercial and Industrial	S-2	\$ (92,276,503)
*****		
1. To remove gross receipts tax. (Russo)	\$ (8,836,426)	
2. To remove gas cost revenues. (Russo)	\$ (84,676,418)	
3. To remove take or pay costs. (Russo)	\$ (2,636,097)	
4. To adjust for Actual Cost Adjustment (ACA). (Russo)	\$ 938,822	
5. To adjust SGS and LGS sales for rate switching to Account No. 489. (Beck)	\$ (82,352)	

## Missouri Gas Energy

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## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
6. To adjust LVS customer charge revenue for changes in customer levels. (Beck)		
7. To adjust LGS revenue to reflect 365 days of consumption - KC District. (Russo)	\$ 2,212	
8. To adjust LGS revenue to reflect 365 days of consumption - Joplin District. (Russo)	\$ 657	
9. To adjust LGS revenue to reflect 365 days of consumption - St. Joseph district. (Russo)	\$ 26	
10. To adjust LGS revenue to reflect normal weather - KC district. (Russo)	\$ 170,810	
11. To adjust LGS revenue to reflect normal weather - Joplin district. (Russo)	\$ 22,919	
12. To adjust LGS revenue to reflect normal weather - St. Joseph district. (Russo)	\$ 13,300	
13. To annualize customer growth in the KC district - LGS. (Russo)		
14. To annualize customer in the Joplin district - LGS. (Russo)		
15. To adjust SGS revenue to reflect 365 days of consumption - KC district. (Russo)	\$ 12,295	
16. To adjust SGS revenue to reflect 365 days of consumption - Joplin district. (Russo)	\$ 2,472	



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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
17. To adjust SGS revenue to reflect 365 days of consumption - St. Joseph district. (Russo)	\$ 482	
18. To adjust SGS revenues to reflect normal weather - KC district. (Russo)	\$ 1,199,416	
19. To adjust SGS revenue to reflect normal weather - Joplin district. (Russo)	\$ 140,302	
20. To adjust SGS revenues to reflect normal weather - St. Joseph district. (Russo)	\$ 100,577	
21. To annualize growth in the KC district - SGS. (Russo)	\$ 1,034,555	
22. To annualize customer growth in the Joplin district - SGS (corrected). (Russo)	\$ 223,001	
23. To annualize customer growth in the St. Joseph district - SGS (corrected). (Russo)	\$ 94,371	
24. To adjust SGS and LGS sales for rate switching. (Beck)	\$ (1,427)	

\*\*\*\*\*  
 Forfeit Discount/Late Payment S-4  
 \*\*\*\*\*

1. No adjustment required.

## Missouri Gas Energy

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## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

\*\*\*\*\*  
Miscellaneous Service Revenue                    S-5                    \$    2,095,230  
\*\*\*\*\*

- |  |    |           |
|--|----|-----------|
| 1. To remove gross receipts tax.<br>(Russo)  | \$ | (68,559)  |
| 2. To impute off-system sales revenue.<br>(Wallis)   | \$ | 1,083,055 |
| 3. To adjust revenues to (1) reflect an increase in<br>reconnection charge (2) an increase in the return check<br>charge, and (3) reflect charges related to Connection and<br>Transfer Services (UPDATED).<br>(Elvington) | \$ | 1,080,734 |
| 4. No adjustment.  |    |           |

\*\*\*\*\*  
Transport. of Gas For Others                    S-6                    \$    (4,721,486)  
\*\*\*\*\*

- |  |    |             |
|--|----|-------------|
| 1. To remove gross receipts tax.<br>(Russo)  | \$ | (174,753)   |
| 2. To remove take or pay costs.<br>(Russo)   | \$ | (4,307,022) |
| 3. To adjust Transportation revenues to reflect settlement of<br>flex-rate charges and elimination of revenues from GST.<br>(Imhoff) | \$ | (388,739)   |
| 4. To reflect a decrease in revenues relating to the Economic<br>Development Rider.<br>(Imhoff)                                      | \$ | (14,312)    |
| 5. To adjust test year revenues to reflect Staff's normal<br>weather.<br>(Beck)  |    |             |

Missouri Gas Energy

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

6. To adjust test year revenues to reflect SGS and LGS rate switching. (Beck)	\$ 44,846	
--	-----------	--

7. To adjust test year revenues for changes in Transportation customer levels. (Beck)		
--	--	--

8. To adjust test year revenues to reflect abnormally low volumes due to extreme weather in December 2000 (updated from \$116,783). (Beck)	\$ 118,494	
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\*\*\*\*\*  
Other Gas Revenues S-9 \$ (34,293)  
\*\*\*\*\*

1. To include miscellaneous revenues. (Russo)	\$ 34,259	
--	-----------	--

2. To remove non-jurisdictional revenues. (Russo)	\$ (68,552)	
--	-------------	--

3. No adjustment required.		
----------------------------	--	--

\*\*\*\*\*  
Other Gas Purchases S-11 \$ (279,598,590)  
\*\*\*\*\*

1. To remove purchase gas cost. (Russo)	\$ (279,598,590)	
--	------------------	--

\*\*\*\*\*  
Operation, Supervision and Engineer S-12 \$ 4,873  
\*\*\*\*\*

1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ 4,873	
--	----------	--

Adj	No Description	Total Co	Mo Juris
	2. To remove bonus payments included in per books test year account balance. (Vesely)		
	1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	83	
	Distribution and Load Dispatching	\$ 83	
	2. To remove bonus payments included in per books test year account balance. (Vesely)		
	1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	83	
	Compressor Station Labor Exp.	\$ (563)	
	2. To remove bonus payments included in per books test year account balance. (Vesely)		
	1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	13,852	
	Mains and Service Expenses	\$ 13,852	
	2. To remove bonus payments included in per books test year account balance. (Vesely)		
	1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	13,852	

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Adj No Description		Total Co Adjustment	Mo Juris Adjustment
*****			
Distributing Regulating Station Exp	S-16	\$ 17,800	
*****			
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ 17,800	
2. To remove bonus payments included in per books test year account balance. (Vesely)			
*****			
Measuring & Regulating - Station Ex	S-17	\$ (544)	
*****			
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ (544)	
*****			
Meas. & Reg. Station - City Gate	S-18	\$ (652)	
*****			
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ (652)	
2. To remove bonus payments included in per books test year account balance. (Vesely)			
*****			
Meter & House Regulator Expense	S-19	\$ 141,566	
*****			
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ 141,566	

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Adjustments to Income Statement

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Customer Installation Expenses                    S-20                    \$            45,695  
 \*\*\*\*\*

1. To annualize payroll at December 31, 2000 plus projected  
 increases through 6/30/01.  
 (Vesely)                    \$            45,695

2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Other Expenses                                    S-21                    \$            (14,214)  
 \*\*\*\*\*

1. To remove 50 percent of meals and entertainment expense  
 (type code 341)  
 (Hyneman)                    \$            (6,886)

2. To annualize payroll at December 31, 2000 plus projected  
 increases through 6/30/01.  
 (Vesely)                    \$            (7,328)

3. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Maintenance Supervision & Engineer            S-23                    \$            4,462  
 \*\*\*\*\*

1. To annualize payroll at December 31, 2000 plus projected  
 increases through 6/30/01.  
 (Vesely)                    \$            4,462

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----		
2. To remove bonus payments included in per books test year account balance. (Vesely)		
*****		
Maint. of Structures & Improvements S-24	\$ 7,539	
*****		
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ 7,539	
2. To remove bonus payments included in per books test year account balance. (Vesely)		
*****		
Maintenance of Mains S-25	\$ 176,459	
*****		
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ 176,459	
2. To remove bonus payments included in per books test year account balance. (Vesely)		
*****		
Maint.Meas./Reg.Station-General S-26	\$ 4,593	
*****		
1. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$ (285)	
2. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ 4,878	

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

3. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Maint.Meas.& Reg.Station Equip                    S-27                    \$            5,934  
 \*\*\*\*\*

1. To annualize payroll at December 31, 2000 plus projected  
 increases through 6/30/01.  
 (Vesely)                    \$            5,934

2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Maint. of Meas. & Reg. - City Gate                S-28                    \$            573  
 \*\*\*\*\*

1. To annualize payroll at December 31, 2000 plus projected  
 increases through 6/30/01.  
 (Vesely)                    \$            573

2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Maintenance of Services                            S-29                    \$            7,046  
 \*\*\*\*\*

1. To annualize payroll at December 31, 2000 plus projected  
 increases through 6/30/01.  
 (Vesely)                    \$            7,046

2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)



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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

\*\*\*\*\*  
 Maint. of Meters & House Regulators            S-30                            \$        30,402  
 \*\*\*\*\*

- 1. To remove 50 percent of meals and entertainment expense            \$        (299)  
 (type code 341)  
 (Hyneman)
- 2. To annualize payroll at December 31, 2000 plus projected            \$        30,701  
 increases through 6/30/01.  
 (Vesely)
- 3. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Maintenance of Other Equipment                S-31                            \$        2,828  
 \*\*\*\*\*

- 1. To annualize payroll at December 31, 2000 plus projected            \$        2,828  
 increases through 6/30/01.  
 (Vesely)
- 2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Customer Accounts - Supervision                S-32                            \$        2,154  
 \*\*\*\*\*

- 1. To eliminate payments to former employees under severance  
 agreements.  
 (Hyneman)
- 2. To annualize payroll at December 31, 2000 plus projected            \$        2,154  
 increases through 6/30/01.  
 (Vesely)

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

3. To remove bonus payments included in per books test year  
account balance.  
(Vesely)

Meter Reading Expense	S-33	\$	17,498
-----------------------	------	----	--------

1. To annualize payroll at December 31, 2000 plus projected  
increases through 6/30/01.  
(Vesely)

2. To remove bonus payments included in per books test year  
account balance.  
(Vesely)

Customer Records & Collection Exp.	S-34	\$	(2,261)
------------------------------------	------	----	---------

1. To remove 50 percent of meals and entertainment expense  
(type code 341)  
(Hyneman)

2. To annualize payroll at December 31, 2000 plus projected  
increases through 6/30/01.  
(Vesely)

3. To remove bonus payments included in per books test year  
account balance.  
(Vesely)

4. To reflect increase in customer collection costs - Company  
adjustment H-23 (prehearing).  
(Hyneman)

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Adj No Description		Total Co Adjustment	Mo Juris Adjustment
*****			
Uncollectible Accounts	S-35	\$ 318,248	
*****			
1. Prehearing settlement number includes true-up. (Russo)		\$ 318,248	
*****			
Miscellaneous Customer Accounts Exp	S-36	\$ (4,382)	
*****			
1. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)		\$ (4,303)	
2. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ (79)	
*****			
Customer Assistance	S-37	\$ (54)	
*****			
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ (54)	
2. To remove bonus payments included in per books test year account balance. (Vesely)			
*****			
Sales & Advertising - Supervision	S-40	\$ 79	
*****			
1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ 79	

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

2. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

\*\*\*\*\*  
 Demonstrating & Selling Expenses                    S-41                    \$    (287,409)  
 \*\*\*\*\*

1. To remove cost of promotional advertising.                    \$    (7,883)  
 (Lucus)

2. To remove 50 percent of meals and entertainment expense                    \$    (3,499)  
 (type code 341)  
 (Hyneman)

3. To eliminate payments to former employees under severance  
 agreements.  
 (Hyneman)

4. To annualize payroll at December 31, 2000 plus projected                    \$    (263,718)  
 increases through 6/30/01.  
 (Vesely)

5. To remove bonus payments included in per books test year  
 account balance.  
 (Vesely)

6. To remove costs of MP Gold database and meter 300,000 meter                    \$    (12,309)  
 credits (\$18,464) and amortize over approximate life of  
 available credits - 3 years.  
 (Hyneman)

\*\*\*\*\*  
 Administrative & General Salaries                    S-44                    \$    (98,015)  
 \*\*\*\*\*

1. To eliminate payments to former employees under severance  
 agreements.  
 (Hyneman)

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## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To eliminate payments to former employees under severance agreements. (Hyneman)		
3. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ (5,629)	
4. To remove bonus payments included in per books test year account balance. (Vesely)		
5. To remove 50 percent of Public Affairs and Community Services Dept payroll costs. (Wood)	\$ (92,386)	
*****		
Office Supplies and Expenses S-45	\$ (78,166)	
*****		
1. To remove payments to Blue Hills Country Club (Type Code 390). (Wood)	\$ (2,548)	
2. To capitalize cost oTo capitalize cost of installing sink and water heater by AD Jacobson Company invoice # 20-4308-1 (DR 239) (Hyneman)		\$ (5,000)
3. No adjustment made.		
4. To remove cost of promotional advertising. (Lucus)	\$ (3,453)	
5. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$ (27,455)	
6. To eliminate payments to former employees under severance agreements. (Hyneman)	\$ (5,000)	

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Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
7.	To remove costs associated with second Christmas Party (DR 239, vendor 3926, TC 390, WA 230400) (Hyneman)	\$ (1,138)	
8.	To remove costs to refinish office furniture that should be capitalized. See Adjustment P-20.2 (DR 239 Cheap Antiques). (Hyneman)	\$ (1,945)	
9.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ (297)	
10.	To remove Y2K costs booked in the test year. (Oligschlaeger)	\$ (70,088)	
11.	To include Staff's annualized Y2K deferral amortization. (Oligschlaeger)	\$ 93,355	
12.	To adjust bonus payments and incentive compensation for all accounts as determined at prehearing. (Vesely)	\$ 5,600	
13.	To remove 50 percent of nonpayroll Public Affairs and community Services Dept costs. (Wood)	\$ (23,711)	
14.	To reflect decrease in lease expense - MGE adjustment H-20 (Prehearing). (Hyneman)	\$ (36,486)	

\*\*\*\*\*  
 Outside Services Employed S-47 \$ (361,121)  
 \*\*\*\*\*

1. No adjustment made.
2. To remove lobbying payments made to Arnold and Associates. (Wood) \$ (6,500)

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
3. To remove expenses for lobbying activities provided by Richard Wiles and Associates (account 923 TC 436) (Wood)	\$ (24,000)	
4. To remove payments to Polsinelli, White, Vardeman and Pangrac & Associates for nonregulated activities - see MGE adjustment H-25. (Hyneman)	\$ (20,459)	
5. To remove nonrecurring legal and outside vendor costs (Hyneman)	\$ (93,926)	
6. To adjust per hour legal fees paid to affiliate Fleischman & Walsh to \$300 per hour (\$87,770), remove payments for expenses that are not explained (\$12,060) and correct for an overbilling (\$1,155). (Hyneman)	\$ (100,915)	
7. To eliminate payments to former employees under severance agreements. (Hyneman)	\$ (86,145)	
8. To remove legal payment to Barton (invoice 2/29/00) to include in the corporate allocation of legal expenses. (Hyneman)	\$ (1,760)	
9. To remove 50 percent of nonpayroll Public Affairs and community Services Dept costs. (Wood)	\$ (27,416)	
*****		
Injuries and Damages S-49	\$ 252,795	
*****		
1. To annualize based on 5-year average of recoverable workers compensation and auto & general liability claims paid (1996 through 2000). (Wood)	\$ 253,275	

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## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	(480)
*****		
Employee Pensions and Benefits	S-50	\$ 43,048
*****		
1. To adjust test year medical expense to reflect a 3-year average of costs. Calculated with a 75.0935% expense factor. (Fischer)	\$	(313,329)
2. To adjust test year dental expense to reflect a 3-year average of costs. Calculated with a 75.0935% expense factor. (Fischer)	\$	(34,815)
3. To adjust test year Life, AD&D, and LTD insurance costs to reflect an annualized level of costs. Calculated with a 75.0935% expense factor. (Fischer)	\$	18,205
4. To adjust test year SERP for MGE retirees to a pay-as-you-go cost basis. Calculated with a 75.0935% expense factor. (Fischer)	\$	(60,188)
5. No adjustment made.		
6. To adjust test year COLI to reflect the 5-year amortization of costs associated with the prior accrual of COLI and IRS tax liability. (Fischer)	\$	180,782
7. To adjust test year 401(k) and Shadow 401(k) costs to reflect an annualized level of costs including an estimated wage increase of 4% prior to the June 30, 2001 true-up. Calculated with a 75.0935% expense factor. (Fischer)	\$	151,056



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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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8. To adjust test year 401(k) Retirement Power costs to reflect an annualized level of costs including an estimated wage increase of 4% prior to the June 30, 2001 true up. Calculated with a 75.0935% expense factor. (Fischer)	\$	7,967
9. To adjust FAS 87 pension costs of MGE Plan B to reflect the most current estimate for the plan year beginning July 1, 2001. Calculated with a 75.0935% expense factor. (Fischer)	\$	(3,128)
10. No adjustment made.		
11. To adjust FAS 106 OPEB costs of MGE to reflect the most current estimates for the plan year beginning July 1, 2001. Calculated with a 75.0935% expense factor. (Fischer)	\$	100,137
12. No adjustment made.		
13. To remove 50 percent of pension costs for Public Affairs and Community Services Dept employees. (Wood)	\$	(3,639)

\*\*\*\*\*  
 Regulatory Commission Expense                      S-51                      \$            135,445  
 \*\*\*\*\*

1. To remove test year expense for account 928. (Wood)	\$	(1,454,879)
2. To annualize PSC assessment based on the \$1,276,682 FY 2001 assessment (FY 2000 assessment \$1,361,233) (Wood)	\$	1,276,682
3. To normalize an annual level of rate case expense (\$600,000 over 2 years). (Wood)	\$	300,000

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Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To include a normalized level of costs for Commission-ordered depreciation study every 5 years. (Wood)	\$ 7,444	
5.	To include costs of NARUC assessment. (Wood)	\$ 6,198	
*****			
	Miscellaneous General Expenses S-52	\$ (83,395)	
*****			
1.	To include MGE's adjustment H-21 removal of country club dues. (Wood)	\$ (9,253)	
2.	To remove preliminary survey costs of an abandoned project as nonrecurring - construction of fire training school on land owned by MGE (DR 239) (Hyneman)	\$ (2,500)	
3.	To remove costs of promotional and institutional advertising. (Lucus)	\$ (19,183)	
4.	To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$ (1,571)	
5.	To remove 50 percent of nonpayroll Public Affairs and community Services Dept costs. (Wood)	\$ (7,571)	
6.	To remove dues paid by MGE to various civic and social groups. (Wood)	\$ (43,317)	

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Rents	S-53	\$ (35,993)
*****		
1. To offset Broadway lease expense by parking lot rent received from Broadway Ford (DR 290). (Hyneman)	\$	(5,616)
2. To reflect decrease in lease expense - MGE adjustment H-20 (Prehearing). (Hyneman)	\$	(30,377)
*****		
Maint. of General Plant	S-54	\$ (2,578)
*****		
1. To reflect decrease in lease expense - MGE adjustment H-20 (Prehearing). (Hyneman)	\$	(2,578)
*****		
Interest on Customer Deposits	S-55	\$ (58,427)
*****		
1. To annualize interest on customer deposits using December 31, 2000 balances of commercial (\$2,216,081) deposits at 3.5% and residential (\$2,641,126) deposits at 9.5% (Hyneman)	\$	(58,427)
*****		
Depreciation Expense	S-56	\$ (5,279,645)
*****		
1. To annualize depreciation expense based on MGE plant in service on December 31, 2000, corporate allocated plant, and the projected plant increases for MGE through June 30, 2001. (Lucus)		\$ (5,279,645)
2. Adjustment moved to S-66.3 (Hyneman)		

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Amortization Expense	S-57	\$ 2,688,262
*****		
1. To annualize amortization of leasehold improvements and miscellaneous intangible plant. (Lucus)	\$	(43,045)
2. To amortize MGE's service line replacement program (SLRP) deferrals over 10 years. (Oligschlaeger)	\$	2,741,716
3. To amortize debit reserve balance in Reserve account 395 Laboratory Equipment. (Lucus)	\$	32,953
4. To remove Y2K amortization book in test year. (Oligschlaeger)	\$	(43,362)
*****		
Payroll Taxes	S-58	\$ 215,184
*****		
1. To annualize payroll taxes based on payroll at 12/31/00 plus projected increases through 6/30/01. (Vesely)	\$	222,272
2. To remove 50 percent of the payroll taxes related to Public Affairs and Community Services Dept employees. (Wood)	\$	(7,088)
*****		
Current Income Taxes	S-59	\$ (1,570,962)
*****		
1. To annualize current income taxes. (Hyneman)	\$	(1,570,962)

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Deferred Income Taxes	S-60	\$ (296,363)
*****		
1. To reflect the amortization of investment tax credit per the Stipulation and Agreement in Case No. GM-94-40. (Hyneman)		\$ (296,363)
*****		
Corporate Payroll Related	S-62	\$ 5,067,681
*****		
1. To include allocated corporate payroll-related costs. (Hyneman)	\$ 5,067,681	
2. To adjust test year SERP for the Southern Union plan costs, removing expenses from MGE cost of service. Calculated with Southern Union's corporate allocation model rates and expense factors. (Fischer)		\$ (847,620)
3. To adjust FAS 87 pension costs of Southern Union Plan A to reflect the Staff's methodology and the most current actuarial estimates for the plan year beginning July 1, 2001. Calculated with Southern Union's corporate allocation model rates and expense factors. (Fischer)		\$ 73,152
4. To adjust test year dental expense to reflect a 3-year average of costs. Calculated with a 75.0935% expense factor. (Fischer)		\$ 30,970
5. To remove certain corporate meals and entertainment expenses. (Hyneman)		\$ (19,610)
6. To eliminate corporate payroll and benefits for Messrs. Brennan, Lindemann and Ms. Schiehle. (Hyneman)		\$ (203,917)

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
7. To remove salaries and benefits which should be charged to merger and acquisition activities. (Hyneman)		\$ (265,830)
8. To remove salaries and benefits associated with the Southwest Gas Company litigation. (Hyneman)		\$ (96,924)
*****		
Corporate - Nonpayroll Related S-63	\$ 3,305,241	\$ (391,497)
*****		
1. To include corporate allocated and directly assigned nonpayroll costs. (Hyneman)	\$ 3,305,241	
2. To remove amount paid for SGA dues (\$13,500 X MGE Corp allocation (allocator 200802) 54.08172% = \$7,301 x MGE expense ratio 79.2495% = \$5,786). (Hyneman)		\$ (5,786)
3. To remove the percentage of AGA's 2000 Budget allocated to Government Relations - Annual Dues \$267,680 (WP D133) X 23.04% (DR 52) = \$61,673 X 36.84311% (All entities allocator 200801 = \$22,722 X MGE expense ratio 79.2495% = \$18,007 (Hyneman)		\$ (18,007)
4. To remove costs of former manufactured gas sites directly assigned to MGE \$337,605 x MGE Expense factor 79.2495% (D-98). (Hyneman)		\$ (267,550)
5. To remove entertainment expense (D-137), corporate advertising (D-148) and excess accounting dues (D-124) paymet to Lone Star Riverboat (D-37) (Hyneman)		\$ (3,425)

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## Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
6.	To remove costs associated with New York City office (Rent \$254,411 +Rent Tax \$9,922 = \$264,333 X MGE Corp allocation (allocator 200801)36.84311% = \$97,388 x MGE expense ratio 79.2495% = \$77,180). (Hyneman)		\$ (77,180)
7.	To adjust legal expense allocated to MGE for improper allocations (Barton and Vandenburg), redacted description of services (Blackwell Sanders) and no description of services (Frank Denius). (Hyneman)		\$ (8,637)
8.	To remove from expense and capitalize payment in December 1999 of \$24,283.38 to Denver Solutions Group (allocator 200406 45.91779 and expense factor of 79.2495). (Hyneman)		\$ (8,837)
9.	To remove from expense and capitalize purchase of IT equipment from C Tap LLC and Precision Camera & Video (allocator 200401 47.32593% and expense factor of 79.2495% D-51). (Hyneman)		\$ (2,075)
*****			
	Other Depreciation Expense S-66	\$ 334,661	
*****			
1.	To reflect depreciation booked to clearing accounts Acct 392 Transportation Equipment (Corrected). (Hyneman)	\$ (354,051)	
2.	To reflect depreciation booked to clearing accounts Acct 396 Power Operated Equipment (Corrected). (Hyneman)	\$ (24,912)	
3.	To include a 5-year average of net salvage. (Hyneman)	\$ 713,624	

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-----  
Adj No Description Total Co Adjustment Mo Juris Adjustment  
-----

\*\*\*\*\*  
Property Taxes S-71 \$ 460,955  
\*\*\*\*\*

- 1. To annualize property taxes.  
(Wood) \$ 460,955
- 2. To reduce property tax expense by the amount of property  
taxes deferred under SLRP for the 12 months ended December  
2000.  
(Wood)

\*\*\*\*\*  
Gross Receipts Tax S-72 \$ (27,690,995)  
\*\*\*\*\*

- 1. To remove gross receipts tax.  
(Russo) \$ (27,690,995)

\*\*\*\*\*  
State Franchise Taxes S-73 \$ 129,578  
\*\*\*\*\*

- 1. To annualize state franchise taxes.  
(Hyneman) \$ 129,578

\*\*\*\*\*  
Adjust for Future Adjustments S-74  
\*\*\*\*\*

- 1. To adjust operating revenues to allow for impact of  
corrections and changes from prehearing conference.  
(Hyneman)

\*\*\*\*\*  
Purchase Gas Expense (Payment Bond) S-75 \$ (186,500)  
\*\*\*\*\*

- 1. To remove cost of gas supply payment bond paid to Duke  
Energy.  
(Wallis) \$ (186,500)



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## Income Tax

Line	Test Year	8.75% Return	8.89% Return	9.03% Return	
(A)	(B)	(C)	(D)	(E)	
1	Net Income Before Taxes (Sch 9)	\$ 48,870,128	\$ 51,884,096	\$ 53,002,773	\$ 54,121,448
*****					
Add to Net Income Before Taxes					
2	Book Depreciation Expense	\$ 20,469,582	\$ 20,469,582	\$ 20,469,582	\$ 20,469,582
3	COLI Amortization	303,497	303,497	303,497	303,497
4	Total	\$ 20,773,079	\$ 20,773,079	\$ 20,773,079	\$ 20,773,079
Subtr from Net Income Before Taxes					
5	Interest Expense 5.3200 %	\$ 26,095,205	\$ 26,095,205	\$ 26,095,205	\$ 26,095,205
6	Book Depreciation Expense	20,469,582	20,469,582	20,469,582	20,469,582
7	Preferred Stock Dividend .43%	2,109,316	2,109,316	2,109,316	2,109,316
8	Total	\$ 48,674,103	\$ 48,674,103	\$ 48,674,103	\$ 48,674,103
*****					
9	Net Taxable Income	\$ 20,969,104	\$ 23,983,072	\$ 25,101,749	\$ 26,220,424
*****					
Provision for Federal Income Tax					
10	Net Taxable Income	\$ 20,969,104	\$ 23,983,072	\$ 25,101,749	\$ 26,220,424
11	Deduct Missouri Income Tax 100.0 %	\$ 1,165,734	\$ 1,333,289	\$ 1,395,480	\$ 1,457,670
12	Deduct City Income Tax	0	0	0	0
13	Federal Taxable Income	19,803,370	22,649,783	23,706,269	24,762,754
14	Total Federal Tax	\$ 6,931,180	\$ 7,927,424	\$ 8,297,194	\$ 8,666,964
Provision for Missouri Income Tax					
15	Net Taxable Income	\$ 20,969,104	\$ 23,983,072	\$ 25,101,749	\$ 26,220,424
16	Deduct Federal Income Tax 50.0 %	\$ 3,465,590	\$ 3,963,712	\$ 4,148,597	\$ 4,333,482
17	Deduct City Income Tax	0	0	0	0
18	Missouri Taxable Income	17,503,514	20,019,360	20,953,152	21,886,942
19	Total Missouri Tax	\$ 1,165,734	\$ 1,333,289	\$ 1,395,480	\$ 1,457,670

Missouri Gas Energy

Case: GR-01-292A

December 31, 2000

Income Tax

Line	Test Year	8.75% Return	8.89% Return	9.03% Return	
(A)	(B)	(C)	(D)	(E)	
<b>Provision for City Income Tax</b>					
20	Net Taxable Income	\$ 20,969,104	\$ 23,983,072	\$ 25,101,749	\$ 26,220,424
21	Deduct Federal Income Tax	\$ 6,931,180	\$ 7,927,424	\$ 8,297,194	\$ 8,666,964
22	Deduct Missouri Income Tax	1,165,734	1,333,289	1,395,480	1,457,670
23	City Taxable Income	12,872,190	14,722,359	15,409,075	16,095,790
24	Total City Tax	\$ 0	\$ 0	\$ 0	\$ 0
<b>Summary of Provision for Income Tax</b>					
25	Federal Income Tax	\$ 6,931,180	\$ 7,927,424	\$ 8,297,194	\$ 8,666,964
26	Missouri Income Tax	1,165,734	1,333,289	1,395,480	1,457,670
27	City Income Tax	0	0	0	0
28	Total	\$ 8,096,914	\$ 9,260,713	\$ 9,692,674	\$ 10,124,634
<b>Deferred Income Taxes</b>					
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	\$ 7,800,551	\$ 8,964,350	\$ 9,396,311	\$ 9,828,271