

FILED⁴
JUL 13 2004
Missouri Public
Service Commission

Exhibit No.:

24

Issues: Revenue Adjustments,
Cost of Service Study,
Service Charges, and
Rate Design

Witness: F. Jay Cummings

Sponsoring Party: Missouri Gas Energy

Case No.: GR-2004-0209

MISSOURI PUBLIC SERVICE COMMISSION

MISSOURI GAS ENERGY

CASE NO. GR-2004-0209

UPDATED TEST YEAR DIRECT TESTIMONY OF

F. JAY CUMMINGS

Jefferson City, Missouri

January 30, 2004

UPDATED TEST YEAR DIRECT TESTIMONY OF F. JAY CUMMINGS

CASE NO. GR-2004-0209

JANUARY 30, 2004

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is F. Jay Cummings. My business address is 11044 Research
3 Boulevard, Suite A-325, Austin, Texas 78759.

4
5 **Q. ARE YOU THE SAME F. JAY CUMMINGS WHO FILED DIRECT**
6 **TESTIMONY IN THIS PROCEEDING ON NOVEMBER 4, 2004?**

7 A. Yes. Please note that my business address has changed since I filed my direct
8 testimony.

9
10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. In its Order Establishing Procedural Schedule issued December 28, 2003, the
12 Commission required Missouri Gas Energy ("MGE" or "Company") to update its
13 revenue requirement to reflect the Commission-ordered test year. I am
14 sponsoring Schedules H-1 and H-2 included with the Updated Test Year Direct
15 Testimony of Company witness Noack. The per book revenues and test year
16 margin shown on these Schedules reflect levels associated with the Commission-
17 ordered test year. Each of the adjustments summarized on Updated Test Year
18 Schedule H-2 matches the corresponding adjustment in the Company's Schedule
19 H-2 included with MGE's November 4, 2003 filing. In updating these

1 adjustments to the Commission-ordered test year, I have used the same methods
2 as those explained in my direct testimony to derive each of these adjustments.
3

4 **Q. IN ADDITION TO SPONSORING UPDATED TEST YEAR SCHEDULES**
5 **H-1 AND H-2 TO REFLECT THE COMMISSION-ORDERD TEST YEAR,**
6 **WHAT OTHER INFORMATION ARE YOU PROVIDING IN THIS**
7 **FILING?**

8 A. I have updated Schedules FJC-1 and FJC-2 included with my direct testimony to
9 include average residential and small general service usage, respectively, during
10 the months of July through September 2003. These updated schedules are
11 attached to this testimony as Schedule FJC-1 Updated and Schedule FJC-2
12 Updated.
13

14 I am also providing a summary of the updated test year billing determinants for
15 each rate class consistent with the as adjusted margin for the Commission-ordered
16 test year as shown in Updated Test Year Schedule H-2. These determinants are
17 shown on Schedule FJC-3 Updated.
18

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's
Tariff Sheets Designed to Increase Rates
for Gas Service in the Company's Missouri
Service Area.

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Case No. GR-2004-0209

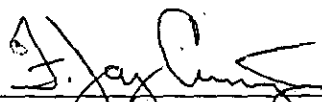
AFFIDAVIT OF F. JAY CUMMINGS

STATE OF TEXAS)

COUNTY OF TRAVIS)

) ss.
)

F. Jay Cummings, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Updated Test Year Direct Testimony in question and answer form, to be presented in the above case; that the answers in the foregoing Updated Test Year Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.


F. JAY CUMMINGS

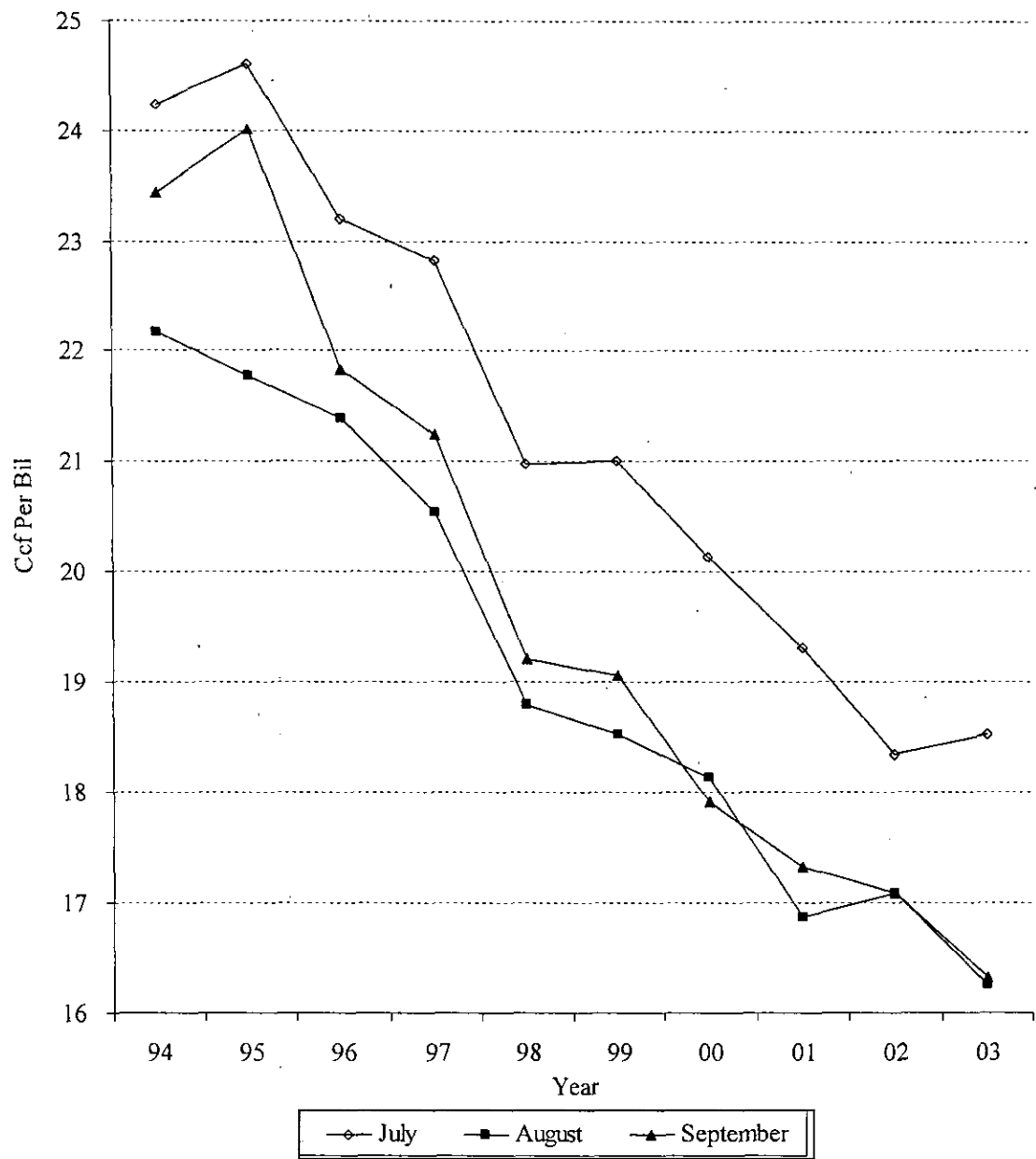
Subscribed and sworn to before me this 29 day of JANUARY 2004.


Marian Mansperger
Notary Public

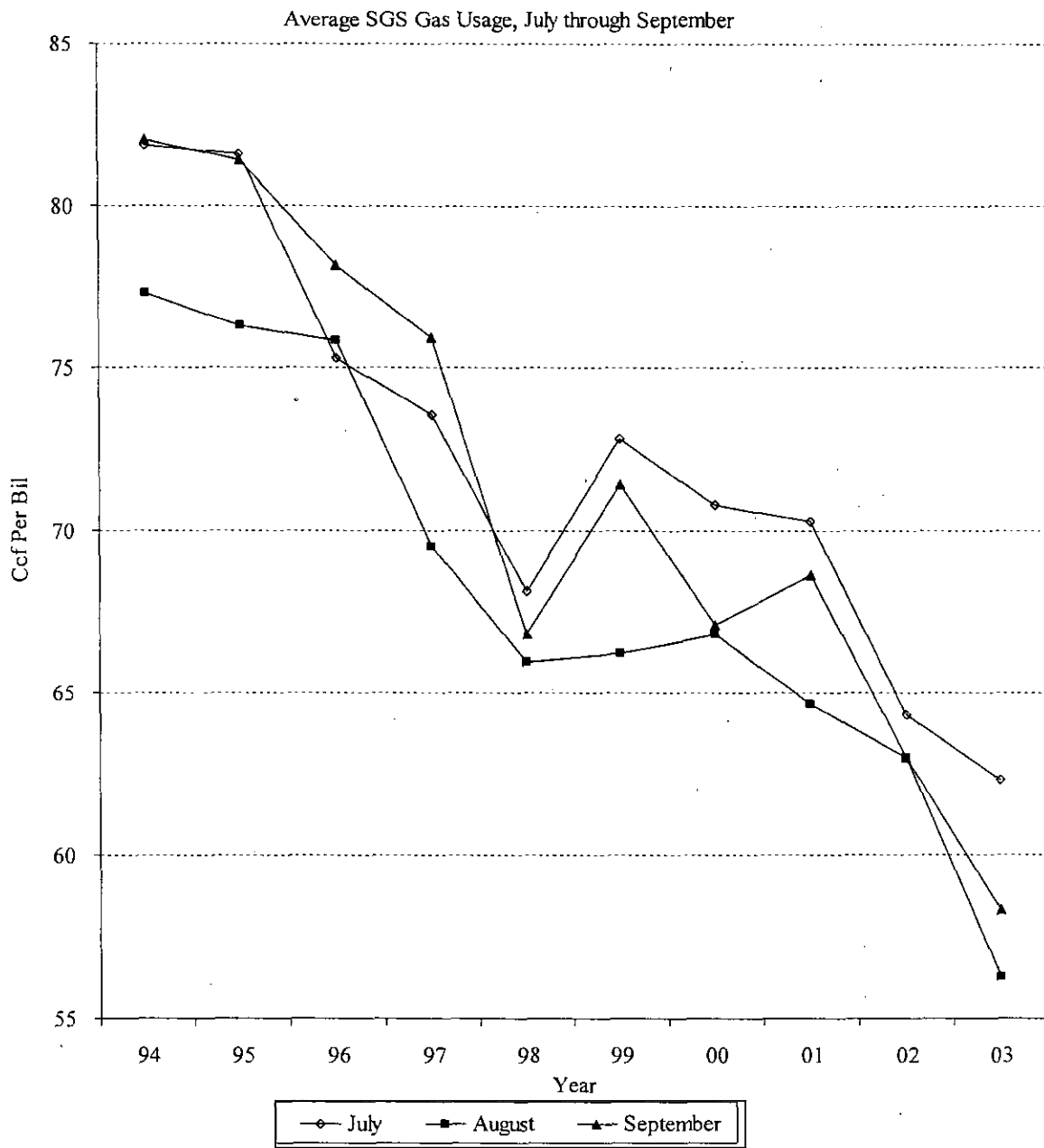
My Commission Expires: _____



Average Residential Gas Usage, July through September



Schedule FJC-2 Updated



Schedule FJC-3 Updated

Updated Test
Year
Determinants

Residential

Billing Equivalents (Customer Charge Calculations)	5,316,061
Volumes (Ccf):	
Winter Billing Months (Nov-Apr)	
First 68 Ccf	162,947,841
Over 68 Ccf	162,352,280
Summer Billing Months (May-Oct)	62,119,673

Small General Service

Billing Equivalents (Customer Charge Calculations)	588,692
Volumes (Ccf):	
Winter Billing Months (Nov-Apr)	
First 600 Ccf	65,216,872
Over 600 Ccf	47,805,048
Summer Billing Months (May-Oct)	
First 600 Ccf	17,891,673
Over 600 Ccf	7,598,942

Large General Service

Billing Equivalents (Customer Charge Calculations)	4,731
Volumes (Ccf):	
Winter Billing Months (Nov-Apr)	15,283,886
Summer Billing Months (May-Oct)	3,508,485

Large Volume Service

Billing Equivalents (Customer Charge Calculations)	5,644
Volumes (Ccf):	
Winter Billing Months (Nov-Apr)	
First 30,000 Ccf	49,309,179
Over 30,000 Ccf	89,664,178
Summer Billing Months (May-Oct)	
First 30,000 Ccf	36,580,694
Over 30,000 Ccf	65,090,592