

Exhibit No.:

Issues: Weatherization/
Experimental Low-
Income Rate Program

Witness: Anne E. Ross

Sponsoring Party: MO PSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: GR-2004-0209

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MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

ANNE E. ROSS

MISSOURI GAS ENERGY

CASE NO. GR-2004-0209

**Jefferson City, Missouri
May 2004**

FILED

JUL 13 2004

**Missouri Public
Service Commission**

Exhibit No. 837
Case No(s). GR-2004-0209
Date 6-21-04 Rptr

**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)

Case No. GR-2004-0209

AFFIDAVIT OF ANNE E. ROSS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Anne E. Ross, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 19 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Anne E. Ross

Subscribed and sworn to before me this 21st day of May, 2004.



Notary Public

DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan 9, 2005

My commission expires _____

TABLE OF CONTENTS

1

2

3

4 **OPC Calculation of Appropriate Bill Credits 2**

5 **OPC Arrearage Proposal 5**

6 **OPC Recommendation to Expand Program to St. Joseph Area 6**

7 **Staff Proposal 15**

8 **Company Witness Noack’s comparison of MGE Residential rates with other MO**

9 **companies..... 17**

Rebuttal Testimony of
Anne E. Ross

24,000 records detailing twenty-one months of individual customer usage and payment information for program participants, other low-income customers, and a general sampling of customers from the Joplin customer base.

OPC Calculation of Appropriate Bill Credits

Q. Why is calculation of an average winter bill necessary?

A. In order to properly design a bill credit for this program, one of the pieces of information that is needed is an accurate estimate of a winter bill.

Q. What are your comments on Ms. Meisenheimer's calculation of an average winter bill?

A. I believe that there are two mistakes in her analysis. First, Ms. Meisenheimer leaves out two energy-related cash flows which are definitely a component of these customers' winter heating bills, and which are known with enough certainty to be estimated with reasonable accuracy. Second, the OPC analysis uses a winter usage estimate of 499 Ccf, which is significantly lower than the actual usage seen when looking at the data collected for the ELIR experiment.

Q. What energy-related cash flows does Ms. Meisenheimer completely leave out of her analysis?

A. First, a Residential customer often pays a Gross Receipts tax of around 5%. This tax is calculated as a flat percentage of a customer's total energy bill, and should be included in the calculation of a customer's energy bill. Second, since all of the customers that are eligible for the program are also eligible for Low Income Household Energy Assistance Program, or LIHEAP, grants from the federal government, these dollars should be used as an offset to the customer's bill in this analysis. Staff has

Rebuttal Testimony of
Anne E. Ross

1 learned in discussions with the Missouri Department of Social Services that at the current
2 time, any eligible customer that applies for these funds receives them; therefore, we
3 believe that these dollars are properly considered as an offset to the bill in a calculation of
4 a customer's ability to pay their energy bill.

5 Q. Why do you believe that Ms. Meisenheimer's winter usage estimate is too
6 low?

7 A. My analysis has shown that it is inconsistent with the actual usage of these
8 customers. Using the data collected for the study, I grouped the study participants into
9 four groups:

- 10 • ELIR customers – these customers live in the Joplin area
- 11 • EA-Joplin – these are households in the Joplin area who receive
12 energy assistance (EA), but are not participants in the ELIR
13 program.
- 14 • EA-KC&SJ – these are MGE customers in the Kansas City and
15 St. Joseph areas who receive energy assistance, but are not
16 participants in the ELIR program.
- 17 • NO EA customers – this group was chosen from households in the
18 Joplin area, irregardless of income.

19 I then calculated the customer groups' monthly usage for the five months from
20 November 2002 – March 2003. This is shown in the table below. If you add up each
21 group's usage over this five-month period, your totals range from 587 – 642 Ccf. over
22 this period. This is 17 - 28% above the usage level of 499 Ccf. Ms. Meisenheimer uses
23 when calculating a typical bill.

Rebuttal Testimony of
Anne E. Ross

1 Q. What did Staff use as an estimate?

2 A. Staff ran the analysis using 600 – 700 Ccf while developing the
3 recommended level of monthly bill credits.

4 Q. Does Staff's bill credit analysis and recommendation include the two
5 energy related cash flows that you believe were improperly omitted in OPC's estimate of
6 a customer's bill?

7 A. Yes.

8 Q. Can you estimate what OPC's Schedule BAM - DIR2 would look like if
9 usage was set at a more realistic level, and the taxes and federal money were included?

10 A. Yes. I made these changes, and re-ran Ms. Meisenheimer's analysis. As
11 you can see, this changes the effect of the subsidy quite a bit. For purposes of
12 comparison, I have reproduced the original BAM-DIR2 schedule filed in OPC's direct
13 testimony, and that is shown as the first table. The second table is the analysis with the
14 revised usage estimate, and the inclusion of taxes and federal energy assistance.

Original Schedule BAM-DIR2						
4% Burden + any \$s Support Less Estimated Bill						
Poverty Level Range		Household Size				
	1	2	3	4	5	6
25%	\$60.71	\$60.69	\$36.56	\$60.65	\$36.52	\$36.51
50%	\$31.23	\$55.29	\$55.25	\$103.43	\$103.39	\$127.46
75%	\$26.75	\$74.90	\$98.95	\$171.20	\$195.25	\$243.41
100%	(\$27.74)	\$44.50	\$92.64	\$188.98	\$237.12	\$309.36
where \$80 discount per month for 0% - 25% Poverty						
\$65 discount per month for 26% - 50% Poverty						
\$50 discount per month for 51% - 75% Poverty						
\$25 discount per month for 76% - 100% Poverty						

15 Source: Schedule BAM-DIR2, filed 4/22/2004 in testimony of OPC Witness Barbara A. Meisenheimer for
16 Case No. GR-2004-0209.
17

REVISED Schedule BAM-DIR2						
4% Burden + any \$s Support + Federal EA Funds Less Estimated Bill						
Poverty Level Range	Household Size					
	1	2	3	4	5	6
25%	\$199.57	\$193.78	\$158.11	\$182.20	\$146.53	\$140.73
50%	\$231.09	\$249.39	\$237.80	\$285.97	\$274.39	\$292.68
75%	\$281.61	\$323.99	\$336.49	\$408.75	\$421.25	\$463.63
100%	\$332.13	\$398.59	\$435.18	\$531.53	\$568.12	\$634.58
where \$80 discount per month for 0% - 25% FPL						
\$65 discount per month for 26% - 50% FPL						
\$50 discount per month for 51% - 75% FPL						
\$25 discount per month for 76% -100% FPL						

OPC Arrearage Proposal

Q. Did Staff have a proposal on arrearage repayment in this case?

A. Yes. Our proposal is very similar to OPC's.

Q. What are your remarks regarding Ms. Meisenheimer's proposal on arrearage repayment of \$5 - \$30 per month?

A. Staff is in complete agreement that the amount of the customer's monthly arrearage payment should be based on a dollar amount, rather than on a set period of time; however, if in an experimental program nothing is done to change a customer's usage, and the customer is required to pay for past usage as well as current usage, the probability that the customer will be able to pay their energy bill on time and in full is reduced. If they can't stay current on their bill, they are terminated from the ELIR program, the Company's collection efforts begin, arrearage amounts increase, and the customer is right back where they started. Such an approach is a waste of ratepayers' money.

Q. Is there any way to lower the probability of this happening?

Rebuttal Testimony of
Anne E. Ross

1 A. Yes, there are two ways. You can either give the customer a higher
2 monthly bill credit; i.e., one which includes a component for arrearage repayment, or you
3 can try what Staff believes is a more permanent solution, and lower the customer's bill
4 through weatherization and education.

5 Q. What type of education?

6 A. Budget counseling and energy efficiency education.

7 Q. Does the Staff's proposal also have an arrearage component?

8 A. Yes, but in an attempt to minimize the possibility that a customer will be
9 unable to pay both their current bill and some level of arrearages, Staff has chosen the
10 weatherization/education route. The increase in disposable income resulting from a
11 combination of energy efficiency and behavior changes should allow customers to pay
12 some level of arrearages without being financially worse off, and is intended to further
13 OPC's stated goal of customer self-sufficiency. With that goal in mind, Staff's proposal
14 includes an incentive in the form of arrearage matching, or forgiveness, for program
15 participants who remain current on their bills.

16 **OPC Recommendation to Expand Program to St. Joseph Area**

17 Q. Does Staff agree with OPC's proposal to expand this program to the
18 St. Joseph area?

19 A. No. While expansion of the program may seem reasonable in light of the
20 excess funds that have been generated in the past two years in this program, Staff
21 believes that such an approach is not an effective way to analyze or further test the
22 hypothesis underlying the experimental program begun in the Joplin area.

Rebuttal Testimony of
Anne E. Ross

1 Q. What is the Staff's position on expanding this program beyond the Joplin
2 area at the current time?

3 A. Staff believes that expanding the program to another geographical area of
4 the state is premature. The information gathered for evaluation of the Joplin experiment
5 has just recently become available, and Staff is currently analyzing the data gathered on
6 both participant and non-participant control groups in the current program.

7 Q. Why is more data on this group of customers necessary?

8 A. It would be useful if we had usage and bill-paying information that
9 spanned more than two winter seasons. As I discuss below, any permanent program
10 developed statewide will need to be designed with consideration of Missouri's range of
11 winter weather.

12 Q. Doesn't OPC cite an evaluation done by Roger Colton, October 2003, as
13 an indication that this was a successful program?

14 A. Yes, on p. 7 of OPC witness Meisenheimer's direct testimony submitted
15 on April 22, 2004, she states "Mr. Colton's analysis concluded that the MGE
16 program...was successful in reducing the incidence and rate of nonpayment and reducing
17 the incidence and level of arrears. Further, Mr. Colton estimated that approximately 64%
18 of explicit costs were offset for MGE (sic) program." (Meisenheimer, April 22, 2004
19 Direct Testimony, p. 7, lines 5-9)

20 Q. Who is Roger Colton?

21 A. Roger Colton is a nationally recognized expert in low-income energy and
22 efficiency issues. He was retained by OPC as an expert witness in the last MGE rate
23 case, GR-2001-0292. This is the rate case in which the ELIR program was set up. In

Rebuttal Testimony of
Anne E. Ross

1 addition to representing OPC during the design of the program, he performed the
2 preliminary evaluation of the program that was cited by Ms. Meisenheimer in her direct
3 testimony (Meisenheimer, Direct, 6, lines 15 - 19.)

4 Q. What is your concern about OPC's recommendations being based on
5 conclusions drawn from Mr. Colton's assessment of the MGE program?

6 A. Staff believes that Mr. Colton's assessment should be viewed as a
7 preliminary evaluation, and that further analysis will be valuable in determining the
8 effectiveness of the program. Staff is in the process of doing its own analysis of the
9 underlying data collected by MGE for evaluation of this program. In doing so, we have
10 found some areas that cause Staff to believe that the conclusions drawn from the study
11 should be examined further.

12 Q. What problem does Staff see in the preliminary program evaluation
13 performed by Mr. Colton?

14 A. One concern is the composition of the Energy Assistance (EA) control, or
15 comparison, group. This group is composed of low-income customers who are eligible
16 for federal energy assistance, but who do not receive the ELIR credit. As Mr. Colton
17 states on p. 2 of his preliminary evaluation, the payment profiles of this group were
18 compared to the profile of customers receiving the ELIR credits, "...in an effort to isolate
19 the impacts of the ELIR credit." (Roger Colton, The Impact of Missouri Gas Energy's
20 Experimental Low-Income Rate (ELIR) On Utility Bill Payments by Low-Income
21 Customers: Preliminary Assessment, October 2003, pp. 2-3).

22 According to the information provided to Staff, while all of the customers in the
23 group are low-income households, approximately 80% of the households in the EA study

Rebuttal Testimony of
Anne E. Ross

1 group are located in MGE's Kansas City/St. Joseph service areas. The customers in the
2 ELIR group all come from the Joplin area. Since differences in winter weather impact
3 natural gas space-heating usage, and usage is the main determinant of a customer's bill,
4 Staff believes that the failure to take this climatological difference into account when
5 choosing control groups could lead to incorrect conclusions. The correct conclusions
6 might even be reached, for the wrong reasons, which limits the value of the information.
7 We not only want to look at what happens, but also at why the program is effective or
8 ineffective.

9 Q. Can you give an example of the difference in usage between these three
10 areas of the MGE service territory?

11 A. Yes, I can. As part of this rate case, Staff analyzed MGE's customer
12 usage characteristics. The normalized annual Ccf usage per Residential household
13 resulting from this analysis is:

<u>Joplin</u>	<u>Kansas City</u>	<u>St. Joseph</u>
789	933	994

14
15
16 As can be seen from this table, usage levels vary considerably between the Joplin
17 area and other MGE service areas.

18 Q. What effect would a weighting of 80% Kansas City and St. Joseph
19 customers vs. 20% Joplin customers have on the measures being studied?

20 A. If there was a difference between the two geographical areas that affected
21 the measure being examined, the customer payment profile measures being analyzed
22 would be more indicative of customers in the Kansas City/St. Joseph area than of
23 customers in the Joplin area.

Rebuttal Testimony of
Anne E. Ross

1 Q. How is the EA control group used to draw conclusions about the
2 effectiveness of the ELIR credits?

3 A. In the preliminary Colton study, the EA and ELIR groups are compared,
4 and conclusions drawn, concerning the following measures:

- 5 • Incidence of arrears
- 6 • Level of arrears
- 7 • Promptness of bill payment
- 8 • Completeness of bill payment
- 9 • Rate of Disconnection of Service
- 10 • Collection letters per 100 accounts
- 11 • Incidence of returned checks

12 The positive outcomes cited on p. 7 of OPC witness Meisenheimer's testimony
13 were all determined from comparisons of the EA customers with the ELIR customers.

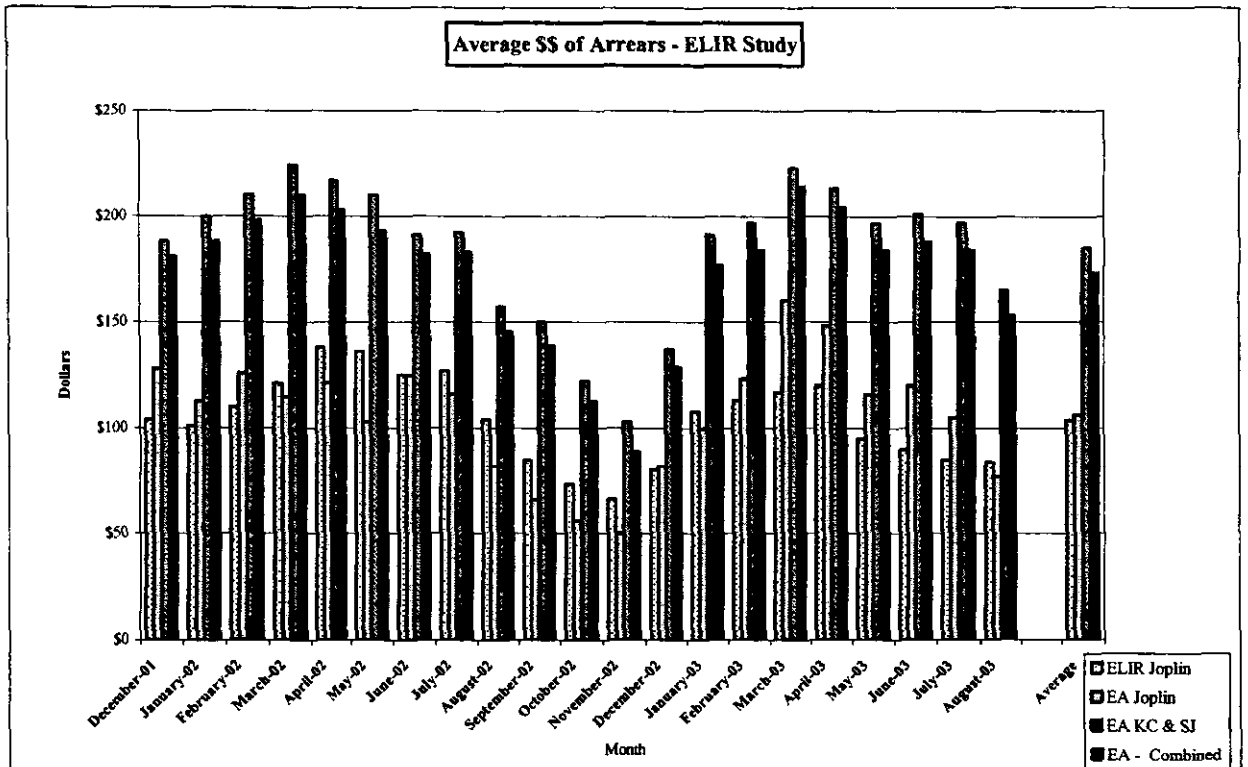
14 Furthermore, program savings related to the reduced number and size of accounts
15 in arrears are used for the savings estimate in the preliminary program evaluation. These
16 savings are calculated using a comparison of EA and ELIR customer payment
17 characteristics.

18 Q. Can you show that comparisons between the EA control group and the
19 ELIR group might be changed by separating the EA group into low-income customers in
20 the Joplin area vs. low-income customers in the Kansas City/St. Joseph area?

21 A Yes. In order to test this, I re-ran two of Mr. Colton's analyses, using his
22 methods, but splitting the EA group into EA – Joplin, and EA – Kansas City/St. Joseph.
23 The results of this exercise are shown in the bar charts, below.

Rebuttal Testimony of
Anne E. Ross

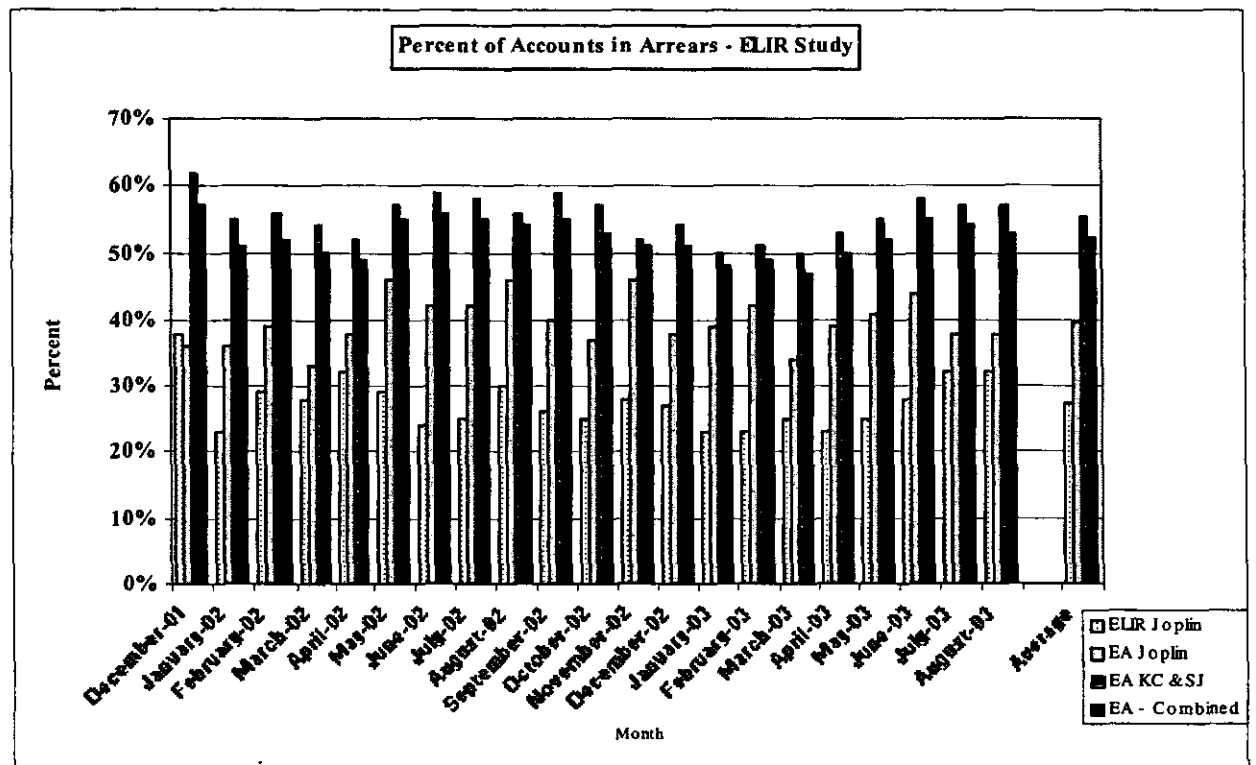
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Rebuttal Testimony of
Anne E. Ross

1 In both analyses, it appears that the EA-Joplin customers have different
2 characteristics than the EA-Kansas City/St. Joseph customers, and that the EA-Combined
3 group is almost identical to the EA-Kansas City/St. Joseph group. That is a result of the
4 heavy weighting of the northern Missouri geographical area in the EA-Combined
5 comparison group. It is interesting that, in terms of the 'Average Dollars of Arrears'
6 measure, the EA group in Joplin appears to be much more like the ELIR group than the
7 EA - Kansas City/St. Joseph group. That result is not obvious when you look at
8 'Percentage of Accounts in Arrears' comparison.

9 Q. Does this mean that the conclusions drawn by Mr. Colton are in error?

10 A. No, not necessarily. I believe that what it means is that we need to look
11 more closely at the study before we can use the results to support recommendations. As
12 part of the ongoing analyses, Staff will re-run Mr. Colton's measures with the EA group
13 split geographically, as I did in these two examples. I believe that doing this will give a
14 clearer picture of the effect of the ELIR bill credits on customer payment behavior and
15 ability.

16 Q. Do you have any other concerns about the preliminary study of MGE's
17 ELIR program?

18 A. The study does not address or explain some factors that Staff believes are
19 important. For example, Mr. Colton's evaluation did not address the remarkable program
20 attrition between June 2002 and January 2004. There were 706 program participants in
21 June 2002, but by January 2004 this number had fallen to 339, a close to 50% drop in
22 participation.

Rebuttal Testimony of
Anne E. Ross

1 Another important question that the evaluation does not address is the result of the
2 program for customers at different income levels. For example, it would be helpful to
3 know if there is a difference in the success (however that is defined) rate for customers in
4 the 0-50% FPL vs. the 51-100% group? If so, can we determine what is causing the
5 difference?

6 Staff believes that this type of information is something that is important to study,
7 and now that we have the data, we are in the process of doing that analysis.

8 Q. Ms. Meisenheimer cites three benefits for her proposal to expand the
9 program to the St. Joseph area. Would you comment on these?

10 A. Yes. OPC's first 'benefit' to expanding the program is that we currently
11 have the funding to do this. (Meisenheimer, Direct, 8, l. 13-14)

12 Q. What is your recommendation?

13 A. Rather than expanding the current program, I believe that it would be a
14 better use of these funds to enhance the weatherization program in the St. Joseph area,
15 while we continue to gather and analyze information in the Joplin area. I will discuss a
16 specific proposal later in my testimony.

17 Q. Do you have any other recommendations?

18 A. Yes. Ms. Meisenheimer's second 'benefit' is that the customers in the
19 St. Joseph area that have been paying the eight-cent a month surcharge would get to
20 "share in some of the benefit from the program." (Meisenheimer, Direct, 8, l 14-16). In
21 response to this suggestion, my comments are that:

Rebuttal Testimony of
Anne E. Ross

- 1 • more can be gained by enhancing weatherization funds for the St. Joseph
2 customers and continuing to develop and analyze the existing program in
3 Joplin.;
- 4 • this argument could be made about all MGE Residential customers who
5 are not participating in the program – both customers at higher income
6 levels, or customers in other parts of MGE service territory – St. Joseph,
7 Kansas City, Warrensburg, and so on. The focus of these experimental
8 programs is to gather information in an attempt to determine what types of
9 programs are effective in assisting low-income customers while also
10 benefiting all customers who pay for the program. Staff agrees with
11 Ms. Meisenheimer that the St. Joseph area is in need, and will discuss a
12 proposal to provide real benefits to these customers through an increased
13 level of weatherization funding.

14 Q. What is OPC's third benefit?

15 A. OPC's third reason for expanding the ELIR program to the St. Joseph area
16 is that it will improve the informational value produced from the experiment. Staff
17 believes that expanding the program before we have had a chance to take a thorough look
18 at the results, as I discussed above, might increase the quantity of information gathered,
19 but would not necessarily improve the quality of information.

20 An advantage of building on the information that we have, rather than expanding
21 the program to another area, is that we will be able to follow program participants
22 through several winters. The winter weather in Missouri varies from year-to-year, and
23 any permanent programs we set up will need to address this very important factor. By

Rebuttal Testimony of
Anne E. Ross

1 collecting information that ranges over multiple winters, we will lessen the possibility of
2 mistaking geographic or demographic differences for program effects.

3 Finally, the Commission recently established a task force, composed of a diverse
4 group of knowledgeable people, and they are working very hard on these issues. To
5 establish yet another bill credit program in Missouri, instead of enhancing an existing
6 program to determine whether it can be made more effective, is not the best approach at
7 this time. I believe that instead of expanding the bill credit program, weatherizing homes
8 in the St. Joseph area would be a much more effective use of these dollars, and would
9 provide longer-term and more certain assistance for these customers until the
10 effectiveness of a bill credit proposal has been more thoroughly tested. We know that
11 weatherization works. In a 1999 evaluation of the MGE Low-Income Weatherization
12 Pilot Program, it was determined that the benefit/cost ratio of the program was 1.62 to 1,
13 with heating-related gas savings estimated at around 28%. A measure that lowers usage
14 will lower the customer's bill, which will increase the probability that the customer can
15 pay that bill. Better payment habits benefit all ratepayers by decreasing collection
16 expenses, as well as the cost of arrears and uncollectible accounts.

17 **Staff Proposal**

18 Q. Does Staff have a proposal that will balance the interests in this case?

19 A. Yes. I have constructed a table that summarizes my understanding of the
20 parties' positions on the weatherization/ELIR/PAYS issues. After consideration of the
21 parties' positions, Staff believes that the interests of the parties can be balanced, and low-
22 income MGE customers in all areas of the state benefited, by doing the following:

23 **Kansas City area:** increase the level of weatherization funding to \$330,000

Rebuttal Testimony of
Anne E. Ross

Joplin area: spread the \$31,000 this area is currently receiving for weatherization over the non-Kansas City MGE service territory.

Commit \$250,000 for the ELIR program - \$150,000 for weatherization of program participants, and \$100,000 for Staff's suggested bill credits.

St. Joseph, Warrensburg, Fayette, etc.: increase the level of weatherization funding to \$120,000.

The monthly bill adder required to do all of this, plus provide funds for the evaluation of a PAYS® program, is only 14.5 cents, a 1.5 cent increase over the current bill adder.

Party	Issue	Current Status	Proposal	Adder/ month
City of KC	Weatherization	KC \$250,000	Additional \$250,000 so \$500,000	\$0.09
OPC	PAYS	n/a	\$126,000	\$0.02
	ELIR - Joplin	\$416,000	\$137,500	\$0.025
	ELIR - St. Joseph	n/a	\$200,000	\$0.035
	Weatherization	KC receives \$250,000 Joplin \$31,000 Warrensburg, St. Joseph etc receive \$59,000 = \$340,000 total.	Additional \$51,000 split as currently - would be KC \$288,000 Joplin \$36,000 Warrensburg, St. Joseph etc receive \$68,000 = \$391,000 total.	\$0.07
	TOTAL OPC	\$756,000	\$854,000	\$0.155
Party	Issue	Current Status	Proposal	Adder/ Month
Party	Issue	Current		
	Weatherization	KC receives	Additional \$160,000 split as	\$0.09

Rebuttal Testimony of
Anne E. Ross

MGE		\$250,000 Joplin \$31,000 Warrensburg, St. Joseph etc receive \$59,000 = \$340,000 total.	currently so KC \$368,000 Joplin \$46,000 Warrensburg, St. Joseph \$87,000 = \$500,000 total	
Staff	PAYS	n/a	\$100,000	\$0.018
	ELIR – Joplin	\$416,000	\$100,000 for bill credit + \$150,000 weatherization to program participants in Joplin = \$250,000	\$0.045
	Weatherization	KC receives \$250,000 Joplin \$31,000 Warrensburg, St. Joseph etc receive \$59,000 = \$340,000 total.	Additional \$110,000 Keep the current splits, but remove Joplin from formula, so split will be approximately Kansas City \$330,000 St. Joseph, Warrensburg, etc. \$120,000 = \$450,000	\$0.082
	TOTAL STAFF	\$756,000	\$800,000	\$0.145

**Company Witness Noack's comparison of MGE Residential rates with
other MO companies**

Q. Have you reviewed Mr. Noack's analysis of MGE's rates compared to other Missouri local distribution companies?

A. Yes, I have. In order to evaluate Mr. Noack's claim that MGE non-gas rates are "considerably lower-priced" than other Missouri natural gas providers, I examined his analysis. I also re-ran his calculations using the rate design and increased rate level that MGE is requesting in this case. I included the Atmos Energy Company in my rate analysis, which Mr. Noack excluded. The results of my analysis are shown below.

Q. What are your conclusions as to the accuracy of Mr. Noack's claim?

Rebuttal Testimony of
Anne E. Ross

A. It appears to be accurate at the level of rates in effect after MGE's last rate case, although Atmos Energy runs a close second. This is shown in the first table, below.

If MGE were to receive its entire revenue increase, as well as the rate design it is proposing in this case, the Company would no longer be the lowest cost provider – that distinction would go to Atmos. MGE's total annual non-gas Residential bill would be almost identical to Laclede's. This is shown in the second table.

**COMPARISON OF MISSOURI LDCS at 2001 - 2002 RATES
AVERAGE ANNUAL RESIDENTIAL BILL
(EXCLUDING PGA AND TAXES)**

	Normal Usage (Ccf)	Current MGE	Laclede	Ameren	Aquila	Atmos Energy
January	195.80	\$32.42	\$37.44	\$47.30	\$52.65	\$42.15
February	179.95	30.61	37.44	44.20	49.12	\$39.31
March	135.95	25.58	37.44	35.59	39.31	\$31.41
April	89.11	20.23	37.44	26.43	28.87	\$23.00
May	51.27	15.91	20.47	19.03	20.43	\$16.21
June	27.92	13.24	16.61	14.46	15.22	\$12.01
July	20.28	12.37	15.35	12.97	13.52	\$10.64
August	18.44	12.16	15.05	12.61	13.11	\$10.31
September	19.19	12.24	15.17	12.75	13.28	\$10.44
October	24.31	12.83	16.02	13.76	14.42	\$11.36
November	65.85	17.57	37.44	21.88	23.68	\$18.82
December	<u>136.66</u>	<u>25.66</u>	<u>37.44</u>	<u>35.73</u>	<u>39.47</u>	\$31.54
Total Non-Gas Portion of Bill	<u>964.72</u>	<u>\$230.80</u>	<u>\$323.29</u>	<u>\$296.70</u>	<u>\$323.09</u>	<u>\$257.21</u>
Tariff Effective Date		<u>8/6/2001</u>	<u>12/9/2002</u>	<u>3/14/2002</u>	<u>6/13/2000</u>	<u>10/1/2002</u>

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MISSOURI GAS ENERGY - CASE NO. GR-2004-0209
COMPARISON OF MISSOURI LDCS at 2002 - 2004 RATES
AVERAGE ANNUAL RESIDENTIAL BILL
(EXCLUDING PGA AND TAXES)

	<u>Normal</u>	<u>Proposed</u>				
	<u>Usage</u>	<u>Rates</u>	-	-	-	-
	<u>(Ccf)</u>	<u>MGE</u>	<u>Laclede</u>	<u>Ameren</u>	<u>Aquila</u>	<u>Atmos</u>
January	195.80	35.72	37.44	66.06	63.09	\$42.15
February	179.95	35.72	37.44	61.54	58.75	\$39.31
March	135.95	35.72	37.44	48.99	46.71	\$31.41
April	89.11	35.72	37.44	35.62	33.89	\$23.00
May	51.27	21.51	20.47	24.83	23.53	\$16.21
June	27.92	17.88	16.61	18.17	17.14	\$12.01
July	20.28	16.70	15.35	15.99	15.05	\$10.64
August	18.44	16.41	15.05	15.46	14.55	\$10.31
September	19.19	16.53	15.17	15.67	14.75	\$10.44
October	24.31	17.32	16.02	17.14	16.15	\$11.36
November	65.85	35.02	37.44	28.99	27.52	\$18.82
December	136.66	35.717	37.4365	49.1897	46.90445	31.5363
Total Non-Gas	-	-	-	-	-	-
Portion of Bill	<u>964.72</u>	<u>\$319.96</u>	<u>\$323.29</u>	<u>\$397.64</u>	<u>\$378.05</u>	257.207
Tariff Effective Date	-	-	<u>12/9/2002</u>	<u>2/15/2004</u>	<u>5/28/2004</u>	<u>10/1/2002</u>

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Please refer to the rebuttal testimony of Staff Witness Mark L. Oligschlaeger of the Auditing Department for further discussion of MGE's rates and expense levels compared to other Missouri gas utilities.

Q. Does that conclude your rebuttal testimony?

A. Yes.