

Exhibit No.:
Issue: Accounting Schedules
Witness: MoPSC Auditors
Sponsoring Party: MoPSC Staff
Case No.: GR-2006-0422
Date Prepared: December 28, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

**MISSOURI GAS ENERGY
TRUE-UP DIRECT**

CASE NO. GR-2006-0422

FILED²

FEB 07 2007

Missouri Public
Service Commission

*Jefferson City, Missouri
December 2006*

Staff Exhibit No. *130*
Case No(s) *GR-2006-0422*
Date *1-11-07* Rptr *75*

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Revenue Requirement

Line	7.94% Return	8.04% Return	8.15% Return
(A)	(B)	(C)	(D)
1 Net Orig Cost Rate Base (Sch 2)	\$ 589,744,033	\$ 589,744,033	\$ 589,744,033
2 Rate of Return	7.94%	8.04%	8.15%

3 Net Operating Income Requirement	\$ 46,825,676	\$ 47,415,420	\$ 48,064,139
4 Net Income Available (Sch 9)	\$ 36,123,186	\$ 36,123,186	\$ 36,123,186

5 Additional NOI BT Needed	\$ 10,702,490	\$ 11,292,234	\$ 11,940,953
6 Income Tax Requirement (Sch 11)			
7 Required Current Income Tax	\$ 13,448,886	\$ 13,816,341	\$ 14,220,544
8 Test Year Current Income Tax	\$ 6,700,832	\$ 6,700,832	\$ 6,700,832

9 Additional Current Tax Required	\$ 6,748,054	\$ 7,115,509	\$ 7,519,712
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	\$ 6,748,054	\$ 7,115,509	\$ 7,519,712

14 Gross Revenue Requirement	\$ 17,450,544	\$ 18,407,743	\$ 19,460,665

Missouri Gas Energy
Case: GR-06-422T
Twelve Months Ending 12/31/05, True-up as of 10/31/06

Rate Base

Line Description		Amount
(A)		(B)
1	Total Plant in Service (Sch 3)	\$ 872,205,659
	Subtract from Total Plant	
2	Depreciation Reserve (Sch 6)	\$ 303,702,891

3	Net Plant in Service	\$ 568,502,768
	Add to Net Plant in Service	
4	Cash Working Capital (Sch 8)	\$ 5,090,846
5	Materials and Supplies	1,969,441
6	Prepayments	420,885
7	Alternative Minimum Tax Credit	12,172,523
8	Prepaid Pension Asset	9,143,402
9	Gas Inventory	102,414,757
10	Net Cost of Removal Reg. Asset	850,256
	Subtract from Net Plant	
11	Federal Tax Offset 4.6918 %	\$ 545,304
12	State Tax Offset 4.6918 %	85,691
13	City Tax Offset 0.0000 %	0
14	Interest Expense Offset 12.2043 %	3,080,493
15	Customer Advances for Construction	14,986,145
16	Customer Deposits	4,135,771
17	Deferred Taxes - TOTAL SLRP	3,193,899
18	Deferred Taxes - Non SLRP Plant	81,776,457
19	Deferred Taxes - Allocated Plant	32,104
20	Deferred Taxes - Other Timing Diffe	2,984,981

21	Total Rate Base	\$ 589,744,033
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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	32,096	0	100.0000	0 P-2	32,096
3	303.000	Work Force Automation	3,785,364	0	100.0000	0 P-3	3,785,364
4	303.000	Corrosion Control Management System	1,117,800	0	100.0000	0 P-4	1,117,800
5	303.000	Landbase Digitized Mapping	1,701,543	0	100.0000	0 P-5	1,701,543
6	303.000	Premise Data System	985,196	0	100.0000	0 P-6	985,196
7	303.000	AMR Project - Programming	469,443	0	100.0000	0 P-7	469,443
8	303.000	Facility Priority Index	894,795	0	100.0000	0 P-8	894,795
9	303.000	Geographic Information System	1,006,719	0	100.0000	0 P-9	1,006,719
10	303.000	Customer Service System	3,786,000	0	100.0000	0 P-10	3,786,000
11	303.000	CSS Enhancements	7,588,221	31,944	100.0000	0 P-11	7,620,165
12	303.000	Mainframe Software	1,912,642	347,099	100.0000	0 P-12	2,259,741
13	303.000	Website	485,944	0	100.0000	0 P-13	485,944
14	303.000	Stoner Low Pressure Model	279,672	0	100.0000	0 P-14	279,672
15	303.000	BASIC	294,516	0	100.0000	0 P-15	294,516
16	303.000	TCS System	189,193	0	100.0000	0 P-16	189,193
17	303.000	GEO Tax Software	79,294	0	100.0000	0 P-17	79,294
18	303.000	Oracle Software	2,415,660	0	100.0000	0 P-18	2,415,660
19	303.000	Power Plant Software	187,288	0	100.0000	0 P-19	187,288
20	303.000	Virtual Hold Call Center	191,000	0	100.0000	0 P-20	191,000
21	303.000	Witness Software	194,706	0	100.0000	0 P-21	194,706
22		Total	\$ 27,612,692	\$ 379,043		\$ 0	\$ 27,991,735

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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)
Distribution Plant							
23	374.000	Land	\$ 223,517	\$ 0	100.0000	\$ 0	P-23 \$ 223,517
24	374.200	Land Rights	1,665,693	123,413	100.0000	0	P-24 1,789,106
25	375.100	Structures	5,584,958	51,852	100.0000	0	P-25 5,636,810
26	375.200	Leasehold Improvements	0	0	100.0000	0	P-26 0
27	376.000	Mains	339,884,706	8,615,624	100.0000	0	P-27 348,500,330
28	378.000	Meas. & Reg. Sta. Equip - General	11,634,249	87,862	100.0000	0	P-28 11,722,111
29	379.000	Meas. & Reg. Sta. Equip - City Gate	3,058,251	(6,267)	100.0000	0	P-29 3,051,984
30	380.000	Services	294,362,067	2,964,835	100.0000	0	P-30 297,326,902
31	381.000	Meters	31,036,775	(6,729)	100.0000	0	P-31 31,030,046
32	382.000	Meters Installations	68,835,673	1,247,803	100.0000	0	P-32 70,083,476
33	383.000	House Regulators	11,558,045	158,700	100.0000	0	P-33 11,716,745
34	385.000	Electronic Gas Measuring	372,505	(10,394)	100.0000	0	P-34 362,111
35	387.000	Other Equipment	0	0	100.0000	0	P-35 0
36		Total	\$ 768,216,439	\$ 13,226,699		\$ 0	\$ 781,443,138
General Plant							
37	389.000	Land	\$ 773,880	\$ 152,047	100.0000	\$ 0	P-36 \$ 925,927
38	390.100	Structures	661,193	41,721	100.0000	0	P-37 702,914
39	390.200	Leasehold Improvements	1,546,597	41,087	100.0000	0	P-38 1,587,684
40	391.000	Office Furniture & Equipment	6,970,421	32,503	100.0000	0	P-39 7,002,924
41	392.000	Transportation Equipment	5,043,979	12,710	100.0000	0	P-40 5,056,689
42	393.000	Stores Equipment	538,350	0	100.0000	0	P-41 538,350
43	394.000	Tools, Shop & Garage Equipment	5,154,470	86,463	100.0000	0	P-42 5,240,933
44	395.000	Laboratory Equipment	0	0	100.0000	0	P-43 0
45	396.000	Power Operated Equipment	243,807	(40,385)	100.0000	0	P-44 203,422
46	397.100	Communication Equipment - AMR	36,324,861	330,116	100.0000	0	P-45 36,654,977
47	397.200	Communications Equipment	3,289,347	485,233	100.0000	0	P-46 3,774,580
48	398.000	Miscellaneous Equipment	431,485	20,658	100.0000	0	P-47 452,143
49		Total	\$ 60,978,390	\$ 1,162,153		\$ 0	\$ 62,140,543

Accounting Schedule: 3

Mapeka

15:33 12/27/2006

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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 - Allocated							
50	390.000	Leasehold Improvements	\$ 2,036,684	\$ (1,623,850)	100.0000	\$ 0 P-49	\$ 412,834
51	391.000	Office Equipment	209,405	0	100.0000	0 P-50	209,405
52	392.000	Transportation Equipment	8,004	0	100.0000	0 P-51	8,004
53		Total	\$ 2,254,093	\$ (1,623,850)		\$ 0	\$ 630,243

54		Total Plant In Service	\$ 859,061,614	\$ 13,144,045		\$ 0	\$ 872,205,659

Accounting Schedule: 3-3

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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CSS Enhancements	P-11	\$ 31,944
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$ 31,944	
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Mainframe Software	P-12	\$ 347,099
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$ 347,099	
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Land Rights	P-24	\$ 123,413
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$ 123,413	
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Structures	P-25	\$ 51,852
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$ 51,852	
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Mains	P-27	\$ 8,615,624
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$ 8,615,624	
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Meas. & Reg. Sta. Equip - General	P-28	\$ 87,862
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$ 87,862	
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Meas. & Reg. Sta. Equip - City Gate	P-29	\$ (6,267)
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ (6,267)
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Services	P-30	\$ 2,964,835
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ 2,964,835
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Meters	P-31	\$ (6,729)
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ (6,729)
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Meters Installations	P-32	\$ 1,247,803
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ 1,247,803
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House Regulators	P-33	\$ 158,700
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ 158,700
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Electronic Gas Measuring	P-34	\$ (10,394)
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ (10,394)
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Land	P-36	\$ 152,047
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$	152,047
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Structures	P-37	\$ 41,721
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$	41,721
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Leasehold Improvements	P-38	\$ 41,087
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$	41,087
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Office Furniture & Equipment	P-39	\$ 32,503
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$	32,503
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Transportation Equipment	P-40	\$ 12,710
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$	12,710
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Tools, Shop & Garage Equipment	P-42	\$ 86,463
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)	\$	86,463
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Missouri Gas Energy

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Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Power Operated Equipment	P-44	\$ (40,385)
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ (40,385)
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Communication Equipment - AMR	P-45	\$ 330,116
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ 330,116
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Communications Equipment	P-46	\$ 485,233
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ 485,233
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Miscellaneous Equipment	P-47	\$ 20,658
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1. To adjust plant to reflect the balance at 10/31/06. (Mapeka)		\$ 20,658
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Leasehold Improvements	P-49	\$ (1,623,850)
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1. To remove unused portions of Scranton offices. (Winter)		\$ (1,143,060)
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2. To remove New York office leasehold improvements. (Winter)		\$ (480,790)
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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	32,096	0.0000	0
3	303.000	Work Force Automation	3,785,364	0.0000	0
4	303.000	Corrosion Control Management System	1,117,800	0.0000	0
5	303.000	Landbase Digitized Mapping	1,701,543	0.0000	0
6	303.000	Premise Data System	985,196	0.0000	0
7	303.000	AMR Project - Programming	469,443	0.0000	0
8	303.000	Facility Priority Index	894,795	0.0000	0
9	303.000	Geographic Information System	1,006,719	0.0000	0
10	303.000	Customer Service System	3,786,000	0.0000	0
11	303.000	CSS Enhancements	7,620,165	0.0000	0
12	303.000	Mainframe Software	2,259,741	0.0000	0
13	303.000	Website	485,944	0.0000	0
14	303.000	Stoner Low Pressure Model	279,672	0.0000	0
15	303.000	BASIC	294,516	0.0000	0
16	303.000	TCS System	189,193	0.0000	0
17	303.000	GEO Tax Software	79,294	0.0000	0
18	303.000	Oracle Software	2,415,660	0.0000	0
19	303.000	Power Plant Software	187,288	0.0000	0
20	303.000	Virtual Hold Call Center	191,000	0.0000	0
21	303.000	Witness Software	194,706	0.0000	0
22		Total	\$ 27,991,735		\$ 0

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Distribution Plant					
23	374.000	Land	\$ 223,517	0.0000	\$ 0
24	374.200	Land Rights	1,789,106	2.0000	35,782
25	375.100	Structures	5,636,810	2.0000	112,736
26	375.200	Leasehold Improvements	0	0.0000	0
27	376.000	Mains	348,500,330	2.1100	7,353,357
28	378.000	Meas. & Reg. Sta. Equip - General	11,722,111	2.4400	286,020
29	379.000	Meas. & Reg. Sta. Equip - City Gate	3,051,984	2.4400	74,468
30	380.000	Services	297,326,902	3.0500	9,068,471
31	381.000	Meters	31,030,046	2.4600	763,339
32	382.000	Meters Installations	70,083,476	2.4400	1,710,037
33	383.000	House Regulators	11,716,745	2.2200	260,112
34	385.000	Electronic Gas Measuring	362,111	2.3300	8,437
35	387.000	Other Equipment	0	0.0000	0
36		Total	\$ 781,443,138		\$ 19,672,759
General Plant					
37	389.000	Land	\$ 925,927	0.0000	\$ 0
38	390.100	Structures	702,914	2.4400	17,151
39	390.200	Leasehold Improvements	1,587,684	0.0000	0
40	391.000	Office Furniture & Equipment	7,002,924	9.0900	636,566
41	392.000	Transportation Equipment	5,056,689	7.5000	379,252
42	393.000	Stores Equipment	538,350	3.1300	16,850
43	394.000	Tools, Shop & Garage Equipment	5,240,933	3.7000	193,915
44	395.000	Laboratory Equipment	0	0.0000	0
45	396.000	Power Operated Equipment	203,422	4.4100	8,971
46	397.100	Communication Equipment - AMR	36,654,977	5.0000	1,832,749
47	397.200	Communications Equipment	3,774,580	4.7600	179,670
48	398.000	Miscellaneous Equipment	452,143	3.8500	17,408
49		Total	\$ 62,140,543		\$ 3,282,532

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		General Plant - Allocated			
50	390.000	Leasehold Improvements	\$ 412,834	2.0000	\$ 8,257
51	391.000	Office Equipment	209,405	5.0000	10,470
52	392.000	Transportation Equipment	8,004	7.5000	600
53		Total	\$ 630,243		\$ 19,327

54		Total Depreciation Expense	\$ 872,205,659		\$ 22,974,618
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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	Work Force Automation	1,283,521	0	100.0000	0 R-3	1,283,521
4	303.000	Corrosion Control Management System	1,117,800	0	100.0000	0 R-4	1,117,800
5	303.000	Landbase Digitized Mapping	1,701,543	0	100.0000	0 R-5	1,701,543
6	303.000	Premise Data System	985,196	0	100.0000	0 R-6	985,196
7	303.000	AMR Project - Programming	262,156	0	100.0000	0 R-7	262,156
8	303.000	Facility Priority Index	894,795	0	100.0000	0 R-8	894,795
9	303.000	Geographic Information System	942,594	0	100.0000	0 R-9	942,594
10	303.000	Customer Service System	3,765,079	0	100.0000	0 R-10	3,765,079
11	303.000	CSS Enhancements	4,745,853	0	100.0000	0 R-11	4,745,853
12	303.000	Mainframe Software	970,030	0	100.0000	0 R-12	970,030
13	303.000	Website	194,253	0	100.0000	0 R-13	194,253
14	303.000	Stoner Low Pressure Model	260,018	0	100.0000	0 R-14	260,018
15	303.000	BASIC	288,505	0	100.0000	0 R-15	288,505
16	303.000	TCS System	141,428	0	100.0000	0 R-16	141,428
17	303.000	GEO Tax Software	59,470	0	100.0000	0 R-17	59,470
18	303.000	Oracle Software	444,156	0	100.0000	0 R-18	444,156
19	303.000	Power plant Software	34,336	0	100.0000	0 R-19	34,336
20	303.000	Virtual Hold Call Center	47,730	0	100.0000	0 R-20	47,730
21	303.000	Witness Software	82,729	0	100.0000	0 R-21	82,729
22	303.000	Infinium Software	0	0	100.0000	0 R-22	0
23		Total	\$ 18,221,192	\$ 0		\$ 0	\$ 18,221,192

Missouri Gas Energy

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Twelve Months Ending 12/31/05, True-up as of 10/31/06

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Distribution Plant							
24	374.100	Land	\$ 0	\$ 0	100.0000	\$ 0 R-23	\$ 0
25	374.200	Land Rights	404,311	0	100.0000	0 R-24	404,311
26	375.100	Structures	468,696	0	100.0000	0 R-25	468,696
27	375.200	Leasehold Improvements	0	0	100.0000	0 R-26	0
28	376.000	Mains	109,627,183	0	100.0000	0 R-27	109,627,183
29	378.000	Meas. & Reg. Sta. Equip. - General	3,566,760	0	100.0000	0 R-28	3,566,760
30	379.000	Meas. & Reg. Sta. Equip - City Gate	819,791	0	100.0000	0 R-29	819,791
31	380.000	Services	137,139,035	(5,294,295)	100.0000	0 R-30	131,844,740
32	381.000	Meters	3,229,102	0	100.0000	0 R-31	3,229,102
33	382.000	Meter Installations	15,121,761	0	100.0000	0 R-32	15,121,761
34	383.000	House Regulators	2,288,986	0	100.0000	0 R-33	2,288,986
35	385.000	Electronic Gas Metering	105,910	0	100.0000	0 R-34	105,910
36	387.000	Other Equipment	0	0	100.0000	0 R-35	0
37		Total	\$ 272,771,535	\$ (5,294,295)		\$ 0	\$ 267,477,240
General Plant							
38	389.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0 R-36	\$ 0
39	390.000	Structures	144,923	0	100.0000	0 R-37	144,923
40	390.200	Leasehold Improvements	685,644	0	100.0000	0 R-38	685,644
41	391.000	Office Furniture & Equipment	1,173,621	0	100.0000	0 R-39	1,173,621
42	392.000	Transportation Equipment	2,416,026	0	100.0000	0 R-40	2,416,026
43	393.000	Stores Equipment	169,515	0	100.0000	0 R-41	169,515
44	394.000	Tools, Shop & Garage Equipment	1,084,516	0	100.0000	0 R-42	1,084,516
45	395.000	Laboratory Equipment	0	0	100.0000	0 R-43	0
46	396.000	Power Operated Equipment	(455,448)	0	100.0000	0 R-44	(455,448)
47	397.100	Communication Equipment-AMR	13,872,170	0	100.0000	0 R-45	13,872,170
48	397.100	Communications Equipment	(1,473,279)	0	100.0000	0 R-46	(1,473,279)
49	398.000	Miscellaneous Equipment	292,686	0	100.0000	0 R-47	292,686
50		Total	\$ 17,910,374	\$ 0		\$ 0	\$ 17,910,374

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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 - Allocated					
51	390.000	Leasehold Improvements	\$ 125,089	\$ (109,131)	100.0000	\$ 0 R-48	\$ 15,958
52	391.000	Furniture & Fixtures	73,030	0	100.0000	0 R-49	73,030
53	392.000	Transportation Equipment	5,097	0	100.0000	0 R-50	5,097
54		Total	\$ 203,216	\$ (109,131)		\$ 0	\$ 94,085
55		Total Depreciation Reserve	\$ 309,106,317	\$ (5,403,426)		\$ 0	\$ 303,702,891

Mapeka

15:33 12/27/2006

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Services	R-30	\$ (5,294,295)
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1. To remove reserve for inactive services. (Mapeka)	\$ (5,294,295)	
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Leasehold Improvements	R-48	\$ (109,131)
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1. To remove Scranton office reserve. (Winter)	\$ (12,310)	
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2. To remove New York office leasehold reserve. (Winter)	\$ (96,821)	
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Operation and Maintenance Expense							
1	Cash Vouchers	\$ 35,048,777	43.0000	30.3000	12.7000	0.034795	\$ 1,219,522
2	Payroll and Employee Withholdings	28,391,036	43.0000	12.3800	30.6200	0.083890	2,381,724
3	Vacation Union	329,043	43.0000	365.0000	(322.0000)	(0.882192)	(290,279)
4	Pension Expense	8,198,546	43.0000	57.5000	(14.5000)	(0.039726)	(325,695)
5	Employee Benefits	3,574,399	43.0000	39.3500	3.6500	0.010000	35,744
6	Purchased Gas Expense	469,859,289	43.0000	39.5100	3.4900	0.009562	4,492,795
7	Purchased Gas Expense (Back Out)	(469,859,289)	43.0000	43.0000	0.0000	0.000000	0
8	Bad Debt Expense	9,105,330	43.0000	43.0000	0.0000	0.000000	0
9	Vacation Nonunion	175,934	43.0000	182.5000	(139.5000)	(0.382192)	(67,241)
10	Total Operation and Maintenance Expense	\$ 84,823,065					\$ 7,446,570
Taxes							
11	Property Tax	\$ 5,606,488	43.0000	182.0000	(139.0000)	(0.380822)	\$ (2,135,074)
12	State Franchise Taxes	246,719	43.0000	(78.0000)	121.0000	0.331507	81,789
13	Employer Portion of FICA	2,795,424	43.0000	12.3800	30.6200	0.083890	234,508
14	Federal and State Unemployment Tax	37,688	43.0000	60.1300	(17.1300)	(0.046932)	(1,769)
15	Use Tax	166,222	33.3750	61.6300	(28.2550)	(0.077411)	(12,867)
16	Sales Tax	9,825,601	33.3750	33.7900	(0.4150)	(0.001137)	(11,172)
17	Gross Receipts Tax	40,079,903	33.3750	38.0300	(4.6550)	(0.012753)	(511,139)
18	Total Taxes	\$ 58,758,045					\$ (2,355,724)
19	Total Cash Working Capital Req						\$ 5,090,846

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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 Revenue	\$ 461,309,543	\$ (349,983,389)	100.0000	\$ 0 S-1	\$ 111,326,154
2	481.100 Commercial	183,202,124	(147,101,664)	100.0000	0 S-2	36,100,460
3	481.200 Industrial	9,633,497	(8,181,995)	100.0000	0 S-3	1,451,502
4	483.000 Sales for Resale	0	0	100.0000	0 S-4	0
5	487.000 Late Payment Charges	487,006	0	100.0000	0 S-5	487,006
6	488.000 Miscellaneous Service Revenue	4,412,846	0	100.0000	0 S-6	4,412,846
7	489.000 Transportation	10,202,282	113,931	100.0000	0 S-7	10,316,213
8	493.000 Rent from Property	0	0	100.0000	0 S-8	0
9	495.000 Other Gas Revenue	498,984	(566,241)	100.0000	0 S-9	(67,257)
10	Total	\$ 669,746,282	\$ (505,719,358)		\$ 0	\$ 164,026,924
Operation & Maintenance Expense						
11	805.000 Other Gas Purchases	\$ 469,859,289	\$ (469,859,289)	100.0000	0 S-10	\$ 0
12	807.000 Purchased Gas Expense	0	0	100.0000	0 S-11	0
13	870.000 Operation, Supervision & Engineer	590,699	40,718	100.0000	0 S-12	631,417
14	871.000 Distribution Load Dispatching	8,756	(249)	100.0000	0 S-13	8,507
15	874.000 Mains & Services Expense	3,024,786	13,797	100.0000	0 S-14	3,038,583
16	874.100 Mains & Services Expense-Line Locat	0	0	100.0000	0 S-15	0
17	875.000 Meas & Reg Station Exp-General	682,700	37,537	100.0000	0 S-16	720,237
18	876.000 Meas & Reg Station Exp - Industrial	7,566	(288)	100.0000	0 S-17	7,278
19	877.000 Meas & Reg Station Exp-City Gate	4,798	281	100.0000	0 S-18	5,079
20	878.000 Meter and House Regulator Expense	4,291,777	227,656	100.0000	0 S-19	4,519,433
21	879.000 Customer Installation Expense	2,742,603	47,158	100.0000	0 S-20	2,789,761
22	880.000 Other Expense	1,702,382	28,773	100.0000	0 S-21	1,731,155
23	881.000 Rents	96,433	0	100.0000	0 S-22	96,433
24	885.000 Maint Supervision and Engineering	1,075,603	(23,999)	100.0000	0 S-23	1,051,604
25	886.000 Maint of Structures and Improvement	53,255	2,666	100.0000	0 S-24	55,921
26	887.000 Maintenance of Mains	7,569,448	315,644	100.0000	0 S-25	7,885,092
27	888.000 Maint of Compressor Station Equip	0	0	100.0000	0 S-26	0
28	889.000 Maint of Meas and Reg Stat Equip-Ge	292,800	15,335	100.0000	0 S-27	308,135
29	890.000 Maint of Meas and Reg Stat Equip-In	269,103	15,478	100.0000	0 S-28	284,581
30	891.000 Maint of Meas & Reg Stat Equip-Cit	14,725	850	100.0000	0 S-29	15,575
31	892.000 Maintenance of Services	749,099	27,474	100.0000	0 S-30	776,573
32	893.000 Maint of Meter and House Reg	635,602	21,233	100.0000	0 S-31	656,835
33	894.000 Maint of Other Equip	124,283	7,418	100.0000	0 S-32	131,701
34	901.000 Supervision - Customer Accounts	397,109	35,051	100.0000	0 S-33	432,160
35	902.000 Meter Reading Expense	771,014	30,121	100.0000	0 S-34	801,135
36	903.000 Customer Records/Collection Expense	11,293,811	743,002	100.0000	0 S-35	12,036,813

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
37	904.000	Uncollectible Accounts	7,108,777	1,906,553	100.0000	0 S-36	9,015,330
38	905.000	Misc Customer Accts Expense	57,553	279	100.0000	0 S-37	57,832
39	907.000	Supervision - Customer Service	0	0	100.0000	0 S-38	0
40	908.000	Customer Assistance Expense	644,078	7,607	100.0000	0 S-39	651,685
41	909.000	Informational/Instructional Advert	58,979	0	100.0000	0 S-40	58,979
42	910.000	Misc. Customer Service & Info Exp	3,543	0	100.0000	0 S-41	3,543
43	911.000	Supervision - Sales	0	0	100.0000	0 S-42	0
44	912.000	Demonstrating and Selling Expense	96,757	4,193	100.0000	0 S-43	100,950
45	913.000	Advertising Expense	0	0	100.0000	0 S-44	0
46	916.000	Miscellaneous Sales Expense	3,156	0	100.0000	0 S-45	3,156
47	920.000	Admin & Gen Expense-Salaries	6,049,155	(164,829)	100.0000	0 S-46	5,884,326
48	921.000	Office Supplies and Expense	2,562,258	195,020	100.0000	0 S-47	2,757,278
49	922.000	Admin & Gen Expense - Construction	(431,962)	0	100.0000	0 S-48	(431,962)
50	923.000	Outside Services	1,733,396	2,402,713	100.0000	0 S-49	4,136,109
51	924.000	Property Insurance	72,921	(15,808)	100.0000	0 S-50	57,113
52	925.000	Injuries and Damages	3,368,391	(1,197,149)	100.0000	0 S-51	2,171,242
53	926.000	Pension & Benefits	8,838,850	9,251,727	100.0000	0 S-52	18,090,577
54	928.000	Regulatory Commission Expense	2,264,862	(543,643)	100.0000	0 S-53	1,721,219
55	930.200	Misc. General Expense	155,511	(36,544)	100.0000	0 S-54	118,967
56	931.000	Rents	925,286	(23,977)	100.0000	0 S-55	901,309
57	932.000	Maint of General Plant	1,194,197	171,573	100.0000	0 S-56	1,365,770
58	431.000	Interest on Customer Deposits	147,252	28,382	100.0000	0 S-57	175,634
59		Total	\$ 541,110,601	\$ (456,287,536)		\$ 0	\$ 84,823,065
Depreciation Expense							
60		Depreciation Expense	\$ 23,435,869	\$ 0	100.0000	\$ (461,251) S-64	\$ 22,974,618
61		Total	\$ 23,435,869	\$ 0		\$ (461,251)	\$ 22,974,618
Other Operating Expenses							
62		Amortization of Net Cost of Removal \$	0	\$ 170,051	100.0000	\$ 0 S-58	\$ 170,051
63	404.000	Amortization Expense	2,979,834	2,579,061	100.0000	0 S-59	5,558,895
64	408.000	Property Taxes	(169,925)	5,776,413	100.0000	0 S-60	5,606,488
65	408.000	Payroll Taxes	1,888,435	293,891	100.0000	0 S-61	2,182,326
66	408.000	Gross Receipts Tax	40,079,903	(40,079,903)	100.0000	0 S-62	0
67	408.000	Missouri Franchise Taxes	240,075	6,719	100.0000	0 S-63	246,794
68	403.001	Transportation Depr Clearing	0	(388,223)	100.0000	0 S-66	(388,223)
69	403.900	Kansas City Income Taxes Paid	0	28,892	100.0000	0 S-67	28,892
70		Total	\$ 45,018,322	\$ (31,613,099)		\$ 0	\$ 13,405,223

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

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	\$ 609,564,792	\$ (487,900,635)		\$ (461,251)	\$ 121,202,906
72		Net Income Before Taxes	\$ 60,181,490	\$ (17,818,723)		\$ 461,251	\$ 42,824,018
73		Current Income Taxes	\$ 31,177,884	\$ 0	100.0000	\$ (24,477,052) S-65	\$ 6,700,832
74		Total	\$ 31,177,884	\$ 0		\$ (24,477,052)	\$ 6,700,832
75		Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
76		Total	\$ 0	\$ 0		\$ 0	\$ 0
77		Total Income Taxes	\$ 31,177,884	\$ 0		\$ (24,477,052)	\$ 6,700,832
78		Net Operating Income	\$ 29,003,606	\$ (17,818,723)		\$ 24,938,303	\$ 36,123,186

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Residential Revenue	S-1	\$ (349,983,389)
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1. To annualize customer growth. (Harrison)		\$ 168,269
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2. To normalize weather. (Harrison)		\$ 3,507,302
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3. To remove gross receipts tax. (Harrison)		\$ (26,001,385)
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4. To remove unbilled revenues. (Harrison)		\$ (18,231,805)
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5. To remove PGA revenue. (Harrison)		\$ (309,899,330)
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6. To remove ACA costs. (Harrison)		\$ 355,355
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7. To remove take or pay (TOP) revenues. (Harrison)		\$ (165)
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8. To remove refund/PEPL deferral. (Harrison)		\$ 141,421
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9. To remove work order unpostable cash. (Harrison)		\$ (23,051)
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Commercial	S-2	\$ (147,101,664)
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1. To annualize customer growth SGS. (Harrison)		\$ 266,629
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2. To normalize weather SGS. (Harrison)		\$ 1,421,822
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To remove gross receipts tax. (Harrison)	\$ (13,785,270)	
4.	To add rate code 48 for succession gas costs. (Harrison)	\$ 565,078	
5.	To remove PGA revenues. (Harrison)	\$ (135,560,739)	
6.	To remove ACA costs. (Harrison)	\$ 76,509	
7.	To remove contract demand. (Harrison)	\$ (66,842)	
8.	To remove company use gas. (Harrison)	\$ (68,089)	
9.	To remove refund/PEPL deferral. (Harrison)	\$ 60,862	
10.	To adjust revenue for small general service customer rate switching. (Ross)	\$ (11,624)	

Industrial	S-3	\$ (8,181,995)	

1.	To annualize customer growth - LGS. (Harrison)	\$ (232,003)	
2.	To normalize weather - LGS. (Harrison)	\$ 144,565	
3.	To remove gross receipts tax. (Harrison)	\$ (76,353)	
4.	To remove daily balancing not in CSS. (Harrison)	\$ (3,933,882)	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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5.	To remove PGA revenue. (Harrison)	\$ (4,057,090)	
6.	To remove ACA costs. (Harrison)	\$ (2,961)	
7.	To remove contract demand. (Harrison)	\$ (13,793)	
8.	To remove refund/PEPL deferral. (Harrison)	\$ 1,146	
9.	To adjust revenue for large general service customer rate switching. (Ross)	\$ (11,624)	

Transportation

S-7

\$ 113,931

1.	To remove gross receipts tax. (Harrison)	\$ (108,623)	
2.	To adjust for customer growth. (Ross)	\$ 6,170	
3.	To adjust revenues for customers switching rate classes. (Ross)	\$ 63,444	
4.	To normalize customer usage to reflect normal weather. (Ross)	\$ 152,940	

Other Gas Revenue

S-9

\$ (566,241)

1.	To remove gross receipts tax. (Harrison)	\$ (81,999)	
2.	To remove credit adjustments not in CSS. (Harrison)	\$ 195,305	

Missouri Gas Energy
Case: GR-06-422T
Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
3. To remove ISRS revenue not base rates. (Harrison)	\$ (653,273)	
4. To remove gross receipts tax. (Harrison)	\$ (26,274)	

Other Gas Purchases S-10	\$ (469,859,289)	

1. To remove purchased gas expense. (Harrison)	\$ (469,859,289)	

Operation, Supervision & Engineer S-12	\$ 40,718	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ 45,494	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (6,462)	
3. To adjust for the transportation and work equipment clearing account. (Bolin)	\$ 1,686	

Distribution Load Dispatching S-13	\$ (249)	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ (155)	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (94)	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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Mains & Services Expense	S-14	\$	13,797
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- | | | |
|---|----|---------|
| 1. To annualize payroll at October 31, 2006.
(Bolin) | \$ | 12,576 |
| 2. To remove a portion of test year incentive compensation and
bonus expense.
(Bolin) | \$ | (4,946) |
| 3. To adjust for the transportation and work equipment clearing
account.
(Bolin) | \$ | 4,022 |
| 4. To adjust for the stores clearing account.
(Bolin) | \$ | 2,145 |

Meas & Reg Station Exp-General	S-16	\$	37,537
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- | | | |
|---|----|---------|
| 1. To annualize payroll at October 31, 2006.
(Bolin) | \$ | 32,322 |
| 2. To remove a portion of test year incentive compensation and
bonus expense.
(Bolin) | \$ | (5,187) |
| 3. To adjust for the transportation and work equipment clearing
account.
(Bolin) | \$ | 6,957 |
| 4. To adjust for the stores clearing account.
(Bolin) | \$ | 3,445 |

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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Meas & Reg Station Exp - Industrial	S-17	\$	(288)

1.	To annualize payroll at October 31, 2006. (Bolin)	\$	(364)
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2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$	(51)
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3.	To adjust for the depreciation and work equipment clearing account. (Bolin)	\$	69
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4.	To adjust for the stores clearing account. (Bolin)	\$	58
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Meas & Reg Station Exp-City Gate	S-18	\$	281

1.	To annualize payroll at October 31, 2006. (Bolin)	\$	240
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2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$	(37)
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3.	To adjust for the transportation and work equipment clearing account. (Bolin)	\$	34
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4.	To adjust for the stores clearing account. (Bolin)	\$	44
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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	Meter and House Regulator Expense	S-19	\$ 227,656
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1.	To annualize payroll at October 31, 2006. (Bolin)	\$	211,309
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2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$	(35,122)
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3.	To adjust for the transportation and work equipment clearing account. (Bolin)	\$	45,366
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4.	To adjust for the stores clearing account. (Bolin)	\$	6,103
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	Customer Installation Expense	S-20	\$ 47,158
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1.	To annualize payroll at October 31, 2006. (Bolin)	\$	44,616
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2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$	(23,075)
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3.	To adjust for the transportation and work equipment clearing account. (Bolin)	\$	24,640
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4.	To adjust for the stores clearing account. (Bolin)	\$	977
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Other Expense S-21	\$ 28,773	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ 36,110	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (12,243)	
3. To remove miscellaneous expense. (Mapeka)	\$ (3,398)	
4. To remove miscellaneous dues and donations. (Mapeka)	\$ (105)	
5. To adjust for the transportation and work equipment clearing account. (Bolin)	\$ 5,395	
6. To adjust for the stores clearing account. (Bolin)	\$ 3,014	

Maint Supervision and Engineering S-23	\$ (23,999)	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ (13,090)	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (11,456)	
3. To adjust for the transportation and work equipment clearing account. (Bolin)	\$ 547	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Maint of Structures and Improvement	S-24	\$ 2,666	

1. To annualize payroll at October 31, 2006. (Bolin)		\$ 2,470	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)		\$ (358)	
3. To adjust for the transportation and work equipment clearing account. (Bolin)		\$ 413	
4. To adjust for the stores clearing account. (Bolin)		\$ 141	

Maintenance of Mains	S-25	\$ 315,644	

1. To annualize payroll at October 31, 2006. (Bolin)		\$ 274,008	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)		\$ (51,830)	
3. To adjust for the transportation and work equipment clearing account. (Bolin)		\$ 63,654	
4. To adjust for the stores clearing account. (Bolin)		\$ 29,812	

Missouri Gas Energy
Case: GR-06-422T
Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Maint of Meas and Reg Stat Equip-Ge	S-27	\$ 15,335	

1. To annualize payroll at October 31, 2006. (Bolin)		\$ 12,497	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)		\$ (2,225)	
3. To adjust for the transportation and work equipment clearing account. (Bolin)		\$ 2,535	
4. To adjust for the stores clearing account. (Bolin)		\$ 2,528	

Maint of Meas and Reg Stat Equip-In	S-28	\$ 15,478	

1. To annualize payroll at October 31, 2006. (Bolin)		\$ 13,125	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)		\$ (1,989)	
3. To adjust for the transportation and work equipment clearing account. (Bolin)		\$ 1,993	
4. To adjust for the stores clearing account. (Bolin)		\$ 2,349	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Maint of Meas & Reg Stat Equip-Cit	S-29	\$ 850
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- | | | |
|---|----|-------|
| 1. To annualize payroll at October 31, 2006.
(Bolin) | \$ | 1,112 |
| 2. To remove a portion of test year incentive compensation and
bonus expense.
(Bolin) | \$ | (102) |
| 3. To adjust for the transportation and work equipment clearing
account.
(Bolin) | \$ | 146 |
| 4. To adjust for the stores clearing account.
(Bolin) | \$ | (306) |

Maintenance of Services	S-30	\$ 27,474
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- | | | |
|---|----|---------|
| 1. To annualize payroll at October 31, 2006.
(Bolin) | \$ | 15,905 |
| 2. To remove a portion of test year incentive compensation and
bonus expense.
(Bolin) | \$ | (5,054) |
| 3. To adjust for the transportation and work equipment clearing
account.
(Bolin) | \$ | 5,789 |
| 4. To adjust for the stores clearing account.
(Bolin) | \$ | 10,834 |

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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Maint of Meter and House Reg	S-31	\$	21,233
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1. To annualize payroll at October 31, 2006. (Bolin)		\$	15,863
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2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)		\$	(5,150)
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3. To adjust for the transportation and work equipment clearing account. (Bolin)		\$	3,858
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4. To adjust for the stores clearing account. (Bolin)		\$	6,662
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Maint of Other Equip	S-32	\$	7,418
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1. To annualize payroll at October 31, 2006. (Bolin)		\$	794
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2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)		\$	(264)
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3. To adjust for the transportation and work equipment clearing account. (Bolin)		\$	248
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4. To adjust for the stores clearing account. (Bolin)		\$	6,640
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Supervision - Customer Accounts	S-33	\$ 35,051
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1. To annualize payroll at October 31, 2006. (Bolin)	\$ 39,730	
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2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (4,679)	
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Meter Reading Expense	S-34	\$ 30,121
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1. To annualize payroll at October 31, 2006. (Bolin)	\$ 28,673	
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2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (6,466)	
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3. To adjust for the transportation and work equipment clearing account. (Bolin)	\$ 7,225	
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4. To adjust for the stores clearing account. (Bolin)	\$ 689	
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Customer Records/Collection Expense	S-35	\$ 743,002
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1. To annualize payroll at October 31, 2006. (Bolin)	\$ 587,170	
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2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (64,569)	
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
3. To adjust postage expense to reflect postage increase. (Mapeka)	\$ 81,495	
4. To remove miscellaneous expenses. (Mapeka)	\$ (531)	
5. To remove miscellaneous dues and donations. (Mapeka)	\$ (145)	
6. To adjust PMI collections expense to reflect new contract rate. (Bolin)	\$ 115,340	
7. To adjust for the transportation and work equipment clearing account. (Bolin)	\$ 24,185	
8. To adjust for the stores clearing account. (Bolin)	\$ 57	

Uncollectible Accounts S-36	\$ 1,906,553	

1. To include ECWR AAO as of 6/30/06. (Harrison)	\$ 300,444	
2. To normalize bad debt expense. (Harrison)	\$ 1,519,296	
3. To include ECWR AAO as of 10/31/06. (Harrison)	\$ 86,813	

Misc Customer Accts Expense S-37	\$ 279	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ (185)	

Missouri Gas Energy
Case: GR-06-422T
Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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2.	To remove miscellaneous expenses. (Mapeka)	\$	(39)
3.	To remove miscellaneous dues and donations. (Mapeka)	\$	(12)
4.	To adjust for the transportation and work equipment clearing account. (Bolin)	\$	515

Customer Assistance Expense S-39 \$ 7,607

1.	To annualize payroll at October 31, 2006. (Bolin)	\$	9,249
2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$	(1,642)

Demonstrating and Selling Expense S-43 \$ 4,193

1.	To annualize payroll at October 31, 2006. (Bolin)	\$	5,236
2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$	(1,043)

Admin & Gen Expense-Salaries S-46 \$ (164,829)

1.	To annualize payroll at October 31, 2006. (Bolin)	\$	233,544
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (58,096)	
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3.	To remove severance payment. (Bolin)	\$ (300,000)	
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4.	To remove lobbying costs. (Bolin)	\$ (17,318)	
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5.	To remove certain expenses of the Customer and Government Relations department. (Bolin)	\$ (22,959)	
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Office Supplies and Expense S-47		\$ 195,020	
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1.	To annualize payroll at October 31, 2006. (Bolin)	\$ (444)	
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2.	To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (27)	
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3.	To remove miscellaneous expenses. (Mapeka)	\$ (23,290)	
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4.	To remove miscellaneous dues and donations. (Mapeka)	\$ (2,170)	
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5.	To remove costs for MEDA activities. (Bolin)	\$ (1,243)	
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6.	To remove certain expenses of the Customer and Government Relations department. (Bolin)	\$ (3,565)	
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7.	To adjust for the transportation and work equipment clearing account. (Bolin)	\$ 3,754	
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
8. To adjust for the stores clearing account. (Bolin)	\$ 1,063	
9. To adjust for office and computer lease expense. (Harrison)	\$ 220,942	

Outside Services S-49	\$ 2,402,713	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ (87)	
2. To include SUG non-employee allocation. (Winter)	\$ 1,348,041	
3. To adjust Staff's SUG non-employee allocation. (Winter)	\$ (245,533)	
4. To include SUG employee allocation. (Winter)	\$ 1,953,719	
5. To adjust Staff's SUG employee allocation. (Winter)	\$ (484,217)	
6. To remove miscellaneous dues and donations. (Mapeka)	\$ (150)	
7. To remove payments to lobbyists. (Bolin)	\$ (82,386)	
8. To remove certain expenses of the Customer and Government Relations department. (Bolin)	\$ (23)	
9. To adjust for the stores clearing account. (Bolin)	\$ 46	
10. To remove non-recurring/non-utility activities. (Bolin)	\$ (86,697)	

Missouri Gas Energy

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Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Property Insurance S-50	\$ (15,808)	

1. To annualize insurance premiums. (Mapeka)	\$ (15,808)	

Injuries and Damages S-51	\$ (1,197,149)	

1. To annualize payroll at October 31, 2006. (Bolin)	\$ (163)	
2. To remove a portion of test year incentive compensation and bonus expense. (Bolin)	\$ (9)	
3. To remove December 2005 accrued amount. (Mapeka)	\$ (1,500,000)	
4. To reflect the normalized level of actual injuries and damages claims paid. (Mapeka)	\$ 302,445	
5. To remove miscellaneous dues and donations. (Mapeka)	\$ (40)	
6. To adjust for the stores clearing account. (Bolin)	\$ 618	

Pension & Benefits S-52	\$ 9,251,727	

1. To remove per book account 926. (Bolin)	\$ (8,838,850)	
2. To normalize cost of dental benefits. (Winter)	\$ 321,930	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
3. To normalize test year medical costs. (Winter)	\$ 4,714,994	
4. To annualize retirement power benefits through 10/31/06. (Bolin)	\$ 365,339	
5. To annualize Life, AD&D insurance through 10/31/06. (Bolin)	\$ 123,897	
6. To annualize LTD insurance through 10/31/06. (Bolin)	\$ 145,481	
7. To annaulize 401(K) costs through 10/31/06. (Bolin)	\$ 857,382	
8. To annualize other miscellaneous employee benefits. (Bolin)	\$ 50,850	
9. To annualize pension expense using a Minimum ERISA contribution. (Harrison)	\$ 7,059,236	
10. To annualize FAS 106 expense. (Harrison)	\$ 1,262,765	
11. To include the amortization of the FAS 106 transition obligation. (Harrison)	\$ 2,049,393	
12. To reflect the amortization of MGE's prepaid pension asset amount (\$7,975,171 at 6/30/06) over 7 years. (Harrison)	\$ 1,139,310	

Regulatory Commission Expense S-53	\$ (543,643)	

1. To remove per book charges from Account 928. (Maepka)	\$ (2,264,862)	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To include an annualized level of PSC assessment. (Mapeka)	\$ 1,386,977	
3. To include annualized level of NARUC assessment. (Mapeka)	\$ 6,198	
4. To include a normalized level of rate case expense through the true-up audit. (Mapeka)	\$ 171,556	
5. To include a normalized level of expense for a Commission ordered depreciation study. (Mapeka)	\$ 6,878	
6. To include an annualize regulatory expense. (Mapeka)	\$ 149,610	

Misc. General Expense S-54	\$ (36,544)	

1. To adjust test year expense to reflect Staff's disallowance of advertising expense. (Mapeka)	\$ (7,656)	
2. To remove promotional giveaways. (Mapeka)	\$ (5,254)	
3. To remove miscellaneous dues and donations. (Mapeka)	\$ (15,006)	
4. To remove costs for MEDA activities. (Bolin)	\$ (1,800)	
5. To remove certain expenses of the Customer and Government Relations department. (Bolin)	\$ (6,828)	

Missouri Gas Energy

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Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Rents	S-55	\$ (23,977)
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1. To include an annualized level of rent received from Broadway Ford for parking lot space. (Harrison)	\$	(12,336)
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2. To adjust for office and computer lease expense. (Harrison)	\$	(11,641)
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Maint of General Plant	S-56	\$ 171,573
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1. To annualize payroll at October 31, 2006. (Bolin)	\$	(87)
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2. To adjust for the stores clearing account. (Bolin)	\$	36
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3. To adjust for office and computer lease expense. (Harrison)	\$	171,624
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Interest on Customer Deposits	S-57	\$ 28,382
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1. To adjust test year to reflect an annualized level of customer deposit interest as 10/31/06. (Mapeka)	\$	28,382
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Amortization of Net Cost of Removal	S-58	\$ 170,051
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1. To amortize net cost of removal over 5 years. (Winter)	\$	170,051
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Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Amortization Expense	S-59	\$ 2,579,061	

1. To annualize amortization expense on intangibles in plant account 303 through 10/31/06. (Mapeka)		\$ (625,744)	
2. To amortize SLRP defferals. (Wandel)		\$ 3,204,805	

Property Taxes	S-60	\$ 5,776,413	

1. To remove property tax refunds. (Winter)		\$ 4,759,679	
2. To amortize property tax refunds over 5 years. (Winter)		\$ (1,108,014)	
3. To adjust to reflect an annualized level of property taxes. (Mapeka)		\$ 2,124,748	

Payroll Taxes	S-61	\$ 293,891	

1. To annualize payroll taxes through October 31, 2006. (Bolin)		\$ 293,891	

Gross Receipts Tax	S-62	\$ (40,079,903)	

1. To remove gross receipts tax. (Harrison)		\$ (40,079,903)	

Missouri Gas Energy

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Twelve Months Ending 12/31/05, True-up as of 10/31/06

Adjustments to Income Statement

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Missouri Franchise Taxes	S-63	\$ 6,719	

1. To annualize state franchise taxes. (Harrison)		\$ 6,719	

Current Income Taxes	S-65		\$ (24,477,052)

1. To annualize current income taxes. (Harrison)			\$ (24,477,052)

Transportation Depr Clearing	S-66	\$ (388,223)	

1. To remove depreciation expense booked to clearing account related to Account 392, Transportation Expense. (Maepka)		\$ (379,252)	
2. To remove depreciation expense booked to clearing accounts related to Account 396, Power Operated Equipment. (Maepka)		\$ (8,971)	

Kansas City Income Taxes Paid	S-67	\$ 28,892	

1. To include a 5 year average of KC income taxes paid. (Harrison)		\$ 28,892	

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Income Tax

Line	Test Year	7.94% Return	8.04% Return	8.15% Return
(A)	(B)	(C)	(D)	(E)

1 Net Income Before Taxes (Sch 9)	\$ 42,824,018	\$ 60,274,562	\$ 61,231,761	\$ 62,284,683

Add to Net Income Before Taxes				
2 Book Depreciation Expense	\$ 22,974,618	\$ 22,974,618	\$ 22,974,618	\$ 22,974,618
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3 Total	\$ 22,974,618	\$ 22,974,618	\$ 22,974,618	\$ 22,974,618
Subtr from Net Income Before Taxes				
4 Interest Expense 4.2800 %	\$ 25,241,045	\$ 25,241,045	\$ 25,241,045	\$ 25,241,045
5 Depreciation Expense	22,974,618	22,974,618	22,974,618	22,974,618
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6 Total	\$ 48,215,663	\$ 48,215,663	\$ 48,215,663	\$ 48,215,663

7 Net Taxable Income	\$ 17,582,973	\$ 35,033,517	\$ 35,990,716	\$ 37,043,638

Provision for Federal Income Tax				
8 Net Taxable Income	\$ 17,582,973	\$ 35,033,517	\$ 35,990,716	\$ 37,043,638
9 Deduct Missouri Income Tax 100.0 %	\$ 918,229	\$ 1,826,392	\$ 1,876,293	\$ 1,931,185
10 Deduct City Income Tax	0	0	0	0
11 Federal Taxable Income	16,664,744	33,207,125	34,114,423	35,112,453
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12 Total Federal Tax	\$ 5,782,603	\$ 11,622,494	\$ 11,940,048	\$ 12,289,359
Provision for Missouri Income Tax				
13 Net Taxable Income	\$ 17,582,973	\$ 35,033,517	\$ 35,990,716	\$ 37,043,638
14 Deduct Federal Income Tax 50.0 %	\$ 2,891,302	\$ 5,811,247	\$ 5,970,024	\$ 6,144,680
15 Deduct City Income Tax	0	0	0	0
16 Missouri Taxable Income	14,691,672	29,222,270	30,020,692	30,898,959
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17 Total Missouri Tax	\$ 918,229	\$ 1,826,392	\$ 1,876,293	\$ 1,931,185

Missouri Gas Energy

Case: GR-06-422T

Twelve Months Ending 12/31/05, True-up as of 10/31/06

Income Tax

Line	Test Year	7.94% Return	8.04% Return	8.15% Return
(A)	(B)	(C)	(D)	(E)
Provision for City Income Tax				
18 Net Taxable Income	\$ 17,582,973	\$ 35,033,517	\$ 35,990,716	\$ 37,043,638
19 Deduct Federal Income Tax	\$ 5,782,603	\$ 11,622,494	\$ 11,940,048	\$ 12,289,359
20 Deduct Missouri Income Tax	918,229	1,826,392	1,876,293	1,931,185
21 City Taxable Income	10,882,141	21,584,631	22,174,375	22,823,094
22 Total City Tax	\$ 0	\$ 0	\$ 0	\$ 0
Summary of Provision for Income Tax				
23 Federal Income Tax	\$ 5,782,603	\$ 11,622,494	\$ 11,940,048	\$ 12,289,359
24 Missouri Income Tax	918,229	1,826,392	1,876,293	1,931,185
25 City Income Tax	0	0	0	0
26 Total	\$ 6,700,832	\$ 13,448,886	\$ 13,816,341	\$ 14,220,544
Deferred Income Taxes				
27 Deferred Investment Tax Credit	\$ 0	\$ 0	\$ 0	\$ 0
28 Deferred Repair Allowance	0	0	0	0
29 Deferred Tax Depreciation	0	0	0	0
30 Amort of Deferred Tax Depreciation	0	0	0	0
31 Amort of Repair Allowance	0	0	0	0
32 Amort of Deferred ITC	0	0	0	0
33 Deferred Unbilled	0	0	0	0
34 Total	\$ 0	\$ 0	\$ 0	\$ 0
35 Total Income Tax	\$ 6,700,832	\$ 13,448,886	\$ 13,816,341	\$ 14,220,544