

LAW OFFICES
BRYDON, SWEARENGEN & ENGLAND
PROFESSIONAL CORPORATION

DAVID V.G. BRYDON
JAMES C. SWEARENGEN
WILLIAM R. ENGLAND, III
JOHNNY K. RICHARDSON
GARY W. DUFFY
PAUL A. BOUDREAU
SONDRA B. MORGAN
CHARLES E. SMARR

312 EAST CAPITOL AVENUE
P.O. BOX 456
JEFFERSON CITY, MISSOURI 65102-0456
TELEPHONE (573) 635-7166
FACSIMILE (573) 635-0427

DEAN L. COOPER
MARK G. ANDERSON
GREGORY C. MITCHELL
BRIAN T. MCCARTNEY
DIANA C. FARR
JANET E. WHEELER

OF COUNSEL
RICHARD T. CIOTTONE

March 1, 2004

Mr. Dale Hardy Roberts, Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, Missouri 65102

FILED⁴

MAR 01 2004

Re: Case No. GO-2004-0242

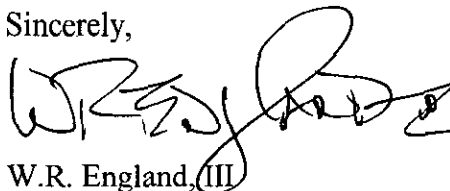
**Missouri Public
Service Commission**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter, please find an original and eight copies of Missouri Gas Energy's Submission of Billing Presentation Material.

Please see that this filing is brought to the attention of the appropriate Commission personnel. A copy of this filing is being provided to parties of record. If there are any questions, please direct them to me at the above number. I thank you in advance for your cooperation in this matter.

Sincerely,



W.R. England, III

WRE/da

Enclosure

cc: Parties of Record

FILED⁴

MAR 01 2004

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of the application of Missouri Gas)
Energy, a division of Southern Union Company,) Case No. GO-2004-0242
for approval to establish an infrastructure system)
replacement surcharge.)

MISSOURI GAS ENERGY'S SUBMISSION OF BILLING PRESENTATION
MATERIAL

COMES NOW Missouri Gas Energy ("MGE"), a division of Southern Union Company, by and through counsel, and respectfully states the following:

1. By order dated February 26, 2004, the Commission authorized the establishment by MGE of an infrastructure system replacement surcharge ("ISRS") sufficient to recover appropriate annual pre-tax revenue of \$3,072,903. By filing made under separate cover concurrently herewith, MGE submits its tariff filing in compliance with that Commission order.

2. MGE hereby advises the Commission that it intends to separately state the ISRS on customer bills; draft copy showing the manner of bill presentation is attached hereto as Appendix 1. MGE also intends to describe the ISRS on customer bills by way of text added to the back of MGE bills; this text to be shown on the back of MGE bills is attached hereto as Appendix 2. MGE also intends to notify customers of the establishment of the ISRS by way of an insert to be included in bills containing the initial ISRS; the text of this bill insert is attached hereto as Appendix 3.

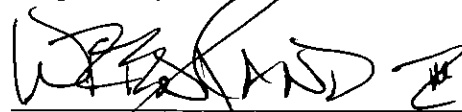
3. MGE is in the process of developing talking points on the ISRS for its contact center personnel; MGE will provide that information to the Commission as soon as it is available, which should be no later than March 15, 2004.

WHEREFORE, MGE offers this billing presentation material.

/s/ **Robert J. Hack**

Robert J. Hack #36496
3420 Broadway
Kansas City, MO 64111
(816) 360-5755
(314) 369-5536 (fax)
E-Mail: rhack@mgemail.com

Respectfully Submitted,



William R. England III #23975
Dean L. Cooper #36592
Brydon, Swearengen & England P.C.
312 E. Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166
(573) 635-0427 (fax)
E-Mail: dcooper@brydonlaw.com

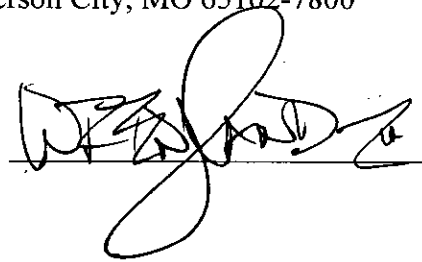
ATTORNEYS FOR MISSOURI GAS ENERGY, A DIVISION OF SOUTHERN
UNION COMPANY

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered on this 15 day of March, 2004, to:

General Counsel
Missouri Public Service Commission
Governor Office Building
P.O. Box 360
Jefferson City, MO 65102

The Office of the Public Counsel
Governor Office Building, 6th Floor
P.O. Box 7800
Jefferson City, MO 65102-7800



QUESTIONS? CALL:
(816)-756-5252
P.O. BOX 219255
KANSAS CITY, MO 64121-9255

FOR SERVICE LOCATED AT:
KANSAS CITY, MO 64114-6024

H

DRAFT

00001 1 P 0.370 07
*****SNGLP 64114

DRAFT

STATEMENT DATE
FEB 23, 2004

MO 64114-6024

DEPOSIT: NONE
ACCOUNT NBR:

SVC TYP	SERVICE PERIOD FROM TO	NBR DAYS	METER READINGS PREVIOUS PRESENT	PRESSURE ADJUSTMENT	ENERGY USE CCF	PGA/COG RATE	PGA/COG CHARGE
GAS	01-20-04 02-18-04	29	00652 00677		25.00	.54044	13.51
GAS	TOTAL	29			25.00		13.51

SVC TYP	CUSTOMER CHARGE	ENERGY CHARGE	PGA/COG CHARGE	FRANCHISE FEE	SALES TAX	COUNTY TAX	CITY TAX	CURRENT CHARGE
GAS	10.13	2.86	13.51	1.69	.00	.00	.00	28.19
{ ISRS								.51
{ TAXES ON ISRS								.03

Example only

PREVIOUS BALANCE	30.01
PAYMENTS RECEIVED ** THANK YOU	30.01CR
BALANCE FORWARD	.00
TOTAL CURRENT CHARGES DUE BY MAR 16, 2004	28.73

IF YOU SMELL NATURAL GAS, LEAVE THE PREMISES AND CALL US
FROM A NEIGHBOR'S PHONE. WE WILL CHECK IT OUT, DAY OR NIGHT.

PERIOD	DAYS	CCF	CCF/DAY	BY MAR 16, 2004	\$	28.73
CURRENT	29	25	.862			
LAST YEAR	29	30	1.034	WITH LATE CHARGE	\$	29.18

STATEMENT DATE: FEB 23, 2004

21 / 09070 / 07
ACCOUNT NBR:
0060137868

KANSAS CITY, MO 64114-6024

BY MAR 16, 2004

MAIL PAYMENT TO: MISSOURI GAS ENERGY
PO BOX 219255
KANSAS CITY, MO 64121-9255

\$ 28.73

WITH LATE CHARGE

\$ 29.18

Appendix 1

Draft insert copy:

Learn more about the ISRS.

This bill reflects a new charge, the Infrastructure System Replacement Surcharge (ISRS), which results from a new state law that helps fund necessary and ongoing improvements in utility infrastructure systems. Approved by the Missouri Public Service Commission, the ISRS recovers the cost of government mandated infrastructure system replacements not currently included in MGE's rates. Government mandated projects include safety line replacements made to comply with requirements of the MPSC and facilities relocations required by municipalities to accommodate public improvement projects such as road-widenings. The ISRS, as authorized by Missouri law, is subject to review by the Missouri Public Service Commission and may change periodically. The approved rates per month effective April 1, 2004 are as follows:

>	Residential	\$0.47
>	Small commercial customers	\$0.63
>	Large commercial customers	\$3.85
>	Large volume customers	\$18.95

Please note, taxes applicable to the ISRS are shown on the bill as a "Taxes on ISRS"

How does this benefit MGE and its customers?

By utilizing the ISRS, MGE will begin to recover, over time, costs associated with government mandated (non-revenue producing) system improvements sooner which should reduce the frequency of expensive general rate cases in the future. Even though the ISRS only covers system replacements that produce no revenue for MGE, the Missouri Public Service Commission still reviews and approves the ISRS.

Billing Information

CUSTOMER CHARGE: This charge is the same every month. However, each rate class – residential, small general service, large general service and large volume – pays a different rate. This charge is designed to allow MGE to recover a portion of its costs associated with maintaining customer accounts. Whether or not a customer uses any gas during a billing period, MGE must still maintain and operate all the facilities necessary to serve customers, as well as monitor their usage, maintain their records and prepare and mail their bills. Regulated by the Missouri Public Service Commission.

ENERGY CHARGE: This charge represents what MGE charges per unit of gas (ccf) delivered to you, and the charge will fluctuate according to usage. This charge is designed to allow MGE to recover remaining costs not covered by the Customer Charge, including the company's piping system, wages, trucks, equipment, supplies, and other expenses. Regulated by the Missouri Public Service Commission.

PGA/COG: The PGA/COG (Purchased Gas Adjustment/Cost Of Gas) reflects the wholesale cost of gas paid by MGE to its many suppliers in the natural gas commodity market. MGE operates under a gas commodity pricing mechanism that limits PGA/COG changes to only two times a year – approximately April 1 and November 1, with a third optional change if certain conditions are met. Also, if the PGA/COG rate changes during the billing period, the charge will be prorated based upon the number of days each rate was in effect during the billing period. If that occurs, the charge for each rate will be shown on two separate lines on each bill.

FRANCHISE FEE: The Franchise Fee is a tax levied by local municipalities which MGE collects and then passes on to those respective cities. This Fee varies from city to city and usually is a percentage based upon a customer's total gas bill.

CCF: Natural gas is sold according to the volume of gas used. CCF, the abbreviation for 100 cubic feet, is the unit of measurement used by Missouri Gas Energy.

PRESSURE ADJUSTMENT: For most customers, the Pressure Adjustment does not apply to their account. However, in some cases, customers receive natural gas service through a regular meter at a pressure higher than our base delivery pressure. When this occurs, the meter reading does not reflect actual usage and the Pressure Adjustment must be used to determine actual usage. This Pressure Adjustment is a factor by which the metered usage is multiplied to determine actual usage. Meters operating at normal pressure will have a Pressure Adjustment of 1.0. The Pressure Adjustment for meters operating at pressure higher than normal will be greater than 1.0, such as 1.1, 1.2, or more.

ISRS: This bill may include an Infrastructure System Replacement Surcharge (ISRS), which is designed to recover the cost of government mandated infrastructure system replacements not currently included in MGE's rates. The ISRS, as authorized by Missouri law, is subject to review by the Missouri Public Service Commission and may change periodically. Taxes applicable to the ISRS are shown on the bill as a "Taxes on ISRS"

If you have questions regarding your bill, payment, meter reading, location of pay stations, or other account-related options, please call the phone number shown on the front of this bill. (To ensure quality customer service, telephone calls are monitored and may be recorded.)

METER READING CODES

E – Computer Estimated Consumption – No volume reading available

L – Estimated Consumption – Manual correction to volume reading

W – Window reading provided by customer

P – Telephone reading provided by customer

Those codes indicate the source of the meter reading used in the calculation of your bill, if other than a standard meter reading.

PAYMENT OPTIONS

Mail In Envelope provided for your convenience

Auto-Pay Bank draft via verbal authorization by customer

Bank Plan Automatic bank withdrawal on a monthly basis

Pay Stations Various pay agents throughout the city who accept MGE bill payments

On line <http://www.missourigasenergy.com>