

EXHIBIT

Exhibit No.:

Issue(s):

Witness:

Type of Exhibit:

Sponsoring Party:

Case Numbers:

234

Rate Case Expense

Kimberly K. Bolin

True-Up Testimony

Public Counsel

GR-2004-0209

TRUE-UP TESTIMONY

OF

KIMBERLY K. BOLIN

Submitted on Behalf of
The Office of the Public Counsel

FILED

JUL 29 2004

Missouri Public
Service Commission

MISSOURI GAS ENERGY

Case No. GR-2004-0209

July 19, 2004

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

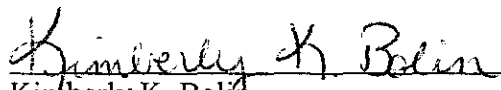
In the matter of Missouri Gas Energy's tariffs)
to implement a general rate increase for natural)
gas service.) Case No. GR-2004-0209

AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

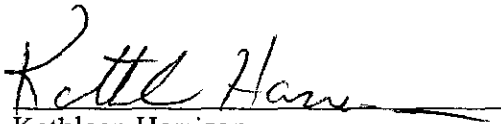
Kimberly K. Bolin, of lawful age and being first duly sworn, deposes and states:

1. My name is Kimberly K. Bolin. I am a Public Utility Accountant for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my true-up testimony consisting of pages 1 through 15 and Schedules KKB-1 through KKB-7.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.


Kimberly K. Bolin
Public Utility Accountant I

Subscribed and sworn to me this 19th day of July 2004.

KATHLEEN HARRISON
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan. 31, 2006


Kathleen Harrison
Notary Public

My commission expires January 31, 2006.

TRUE-UP TESTIMONY

OF

KIMBERLY K. BOLIN

MISSOURI GAS ENERGY

CASE NO. GR-2004-0209

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

2 **A.** Kimberly K. Bolin, P.O. Box 2230, Jefferson City, Missouri 65102.

3 **Q. ARE YOU THE SAME KIMBERLY K. BOLIN WHO FILED DIRECT,**
4 **REBUTTAL, AND SURREBUTTAL TESTIMONY IN THIS CASE?**

5 **A.** Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR TRUE-UP TESTIMONY?**

7 **A.** The purpose of my true-up testimony is to express the Office of the Public Counsel's (Public
8 Counsel or OPC) position regarding rate case expense.

9 **Q. HOW MUCH RATE CASE EXPENSE HAS MISSOURI GAS ENERGY (MGE OR**
10 **COMPANY) CLAIMED IT INCURRED FOR THIS RATE CASE PROCEEDING?**

11 **A.** The Company claims it incurred \$1,333,683 in presenting this rate case to this Commission.
12 Attached as Schedule KKB-1 is a listing of all costs the Company claims were incurred in this rate
13 case proceeding.

14 **Q. DOES PUBLIC COUNSEL BELIEVE THIS AMOUNT IS A REASONABLE**
15 **AMOUNT FOR RATE CASE EXPENSE?**

16 **A.** No. This amount is not a reasonable amount for a Company to incur. This is more than twice the
17 amount MGE has incurred in the past for rate case expense.

1 Q. WHAT WAS THE AMOUNT OF RATE CASE EXPENSE ALLOWED IN MGE'S
2 LAST TWO LITIGATED RATE CASES, CASE NO. GR-96-285 AND CASE
3 NO. GR-98-140?

4 A. In Case No GR-96-285, the Company incurred \$537,185 for rate case expense. This rate case was
5 extremely litigious, as it was Missouri Gas Energy's first rate case in the state of Missouri. Fifty-
6 nine issues were litigated, which is an inordinate number of issues for a typical rate case.

7 In Case No. GR-98-140, twenty-seven issues were litigated with Missouri Gas Energy being
8 allowed to include in its cost of service \$579,566 for rate case expense amortized over a two year
9 period.

10 Q. HOW MANY ISSUES WERE TRIED IN THIS RATE PROCEEDING?

11 A. Roughly 12 issues, significantly less than MGE's past two litigated rate cases.

12 Q. WHAT AMOUNT SHOULD BE INCLUDED IN THE COST OF SERVICE FOR
13 RATE CASE EXPENSE?

14 A. Public Counsel has formulated two options for rate case expense. Option one is an average of the
15 past two litigated rate cases and OPC's adjusted rate case expense for this case of \$787,766, which
16 results in an amount of \$634,839 amortized over a three year period for an annual amount of
17 \$211,613. This option reflects a normalization process. Option two uses an adjusted amount of
18 \$787,766 for the cost of the current case amortized over a three year period. This would be an
19 annual amount of \$262,589 in the overall cost of service.

20 Q. HOW DID PUBLIC COUNSEL ARRIVE AT ITS ADJUSTED RATE CASE
21 EXPENSE AMOUNT?

1 A. I examined the invoices, employee expense reports and Company provided cost estimates which
2 were provided to me through OPC data request 1065. I then reviewed the rate case expense
3 incurred in both Case No. GR-96-285 and Case No. GR-98-140 and determined that the amount
4 incurred for this case was unreasonable. In examining the differences between the previous two
5 litigated rate cases and this rate case, the major drivers of the increased costs for this case are the
6 legal fees charged by the outside law firms, the amount paid for Mr. Quain's testimony and the
7 contract amount that was paid to Dr. Morin for his rate of return testimony.

8 **Q. PLEASE DESCRIBE THE LEGAL FEES THAT MISSOURI GAS ENERGY**
9 **INCURRED IN PRESENTING THIS RATE CASE?**

10 A. Missouri Gas Energy hired several outside law firms to assist MGE's in house counsel, Robert
11 Hack in preparing for the hearing and in cross-examination of witnesses. MGE hired the following
12 law firms; Brydon, Swearengen and England (BSE), Kasowitz, Benson, Torres and Friedman,
13 (KBT & F) Lathrop and Gage, and Watson Bishop London and Brophy (WBLB).

14 **Q. HOW MUCH WAS PAID TO BRYDON, SWEARENGEN & ENGLAND?**

15 A. \$213,154.

16 **Q. WHAT TYPE OF WORK DID BSE PERFORM FOR MISSOURI GAS ENERGY?**

17 A. Based on my review of the bills, BSE reviewed testimony, prepared cross-examination of witnesses,
18 participated in the hearing and depositions. Schedule KKB-2 is an invoice from BSE showing the
19 variety of services they provided MGE.

20 **Q. HOW MUCH WAS PAID TO LATHROP & GAGE?**

21 A. \$12,732.

1 Q. WHAT SERVICES DID LATHROP & GAGE PROVIDE MGE?

2 A. Based upon my review of the Lathrop and Gage invoices. Lathrop and Gage reviewed and gathered
3 documents for data requests sent to Missouri Gas Energy.

4 Q. WHAT WAS THE ESTIMATED AMOUNT OF CHARGES THAT MGE CLAIMS IT
5 WILL HAVE TO PAY KASOWITZ, BENSON, TORRES AND FRIEDMAN?

6 A. The Company has provided an estimate of \$613,842 for the total costs that MGE will pay this law
7 firm. MGE did not provide copies of all of the invoices for services provided to MGE from
8 Kasowitz, Benson, Torres and Friedman, thus I was unable to determine how much of the work
9 performed by this law firm was related to the rate case or if it was related to other legal matters.

10 Q. WHAT INFORMATION DID MGE PROVIDE FOR THE KASOWITZ, BENSON,
11 TORRES AND FRIEDMAN CHARGES?

12 A. MGE provided two invoices totaling \$88,976 and an e-mail from KBT & F estimating the amount
13 of time spent by the law firm for the rate case during the months of April, May and June (See
14 Schedule KKB-3).

15 Q. SHOULD ALL OF THE \$613,842 ESTIMATED KBT & F FEES BE INCLUDED
16 IN RATE CASE EXPENSE?

17 A. No for several reasons. One reason being the hourly rate charged by KBT & F for services
18 provided to MGE is excessive.

19 Q. PLEASE EXPLAIN.

1 A. KBT & F charges \$690 per hour, this is more than three times the amount charged by the firm
2 Brydon, Swearingen & England, which is located in Jefferson City, Missouri and has several
3 attorneys with considerable experience in the utility regulation arena.

4 Q. HAVE YOU PREVIOUSLY TESTIFIED REGARDING MGE'S RATE CASE
5 EXPENSE?

6 A. Yes, I have. I testified in Case No. GR-98-140 as to what the appropriate expenses should be
7 considered as rate case expense to included in the cost of service. I have also reviewed other
8 charges for legal work in many other utility companies in the state of Missouri during the course of
9 my work.

10 Q. HAVE YOU EVER SEEN AN HOURLY RATE OF \$690 CHARGED TO A
11 REGULATED UTILITY COMPANY IN THE STATE OF MISSOURI FOR LEGAL
12 WORK PERFORMED?

13 A. No.

14 Q. DID YOU PERFORM ANY RESEARCH AS TO WHAT THE CUSTOMARY AND
15 USUAL RATES FOR LEGAL SERVICES FOR A REGULATED UTILTY IN
16 MISSOURI ARE?

17 A.. Yes. I conferred with Senior Public Counsel, Mike Dandino. Attached as Schedule KKB-7 is a
18 memo from Mike Dandino stating that the amount charged by the law firm of Kasowitz, Benson,
19 Torres & Friedman is not in the customary and usual range of hourly rates for regulatory work in
20 Missouri. Also, attached to Mr. Dandino's memo is a survey performed by the Missouri Bar
21 Association regarding the salaries and fees charged by lawyers in Missouri.

1 Q. PLEASE DESCRIBE SURVEY THAT IS ATTACHED TO MR. DANDINO'S
2 MEMORANDUM?

3 A. Attached to Mr. Dandino's memorandum are results from a 2003 survey performed by the Missouri
4 Bar Association regarding the salaries and fees charged by lawyers in Missouri (The Missouri Bar
5 Economic Survey 2003). Pages 41 and 42 of this survey show the distribution of hourly rates for
6 Administrative/Regulatory Law work in Missouri. As reported in this survey, only 21.1 percent
7 charged rates above \$225 per hour for office work and only 33.3 percent charge over \$225 per hour
8 for trial work in the area of Administrative/Regulatory Law.

9 Q. WHO WERE THE KBT & F ATTORNEYS WHO PERFORMED THE WORK FOR
10 MGE?

11 A. Eric Herschmann and Michael Fay.

12 Q. DOES EITHER MR. HERSCHMANN OR MR. FAY HAVE ANY EXPERIENCE
13 LITIGATING UTILITY RATE INCREASE CASES?

14 A. No. Attached to my testimony as Schedule KKB-4, is a copy of OPC data request number 1066
15 which states that neither Mr. Herschmann or Mr. Fay have litigated any regulated utility rate cases,
16 unlike the firm of BSE which has many years experience in litigating regulated utility rate cases.

17 Q. WAS THE RATE OF RETURN ISSUE THE ONLY ISSUE THAT KASOWITZ,
18 BENSON, TORRES AND FRIEDMAN LITIGATED IN THIS PROCEEDING?

19 A. Yes. KBT & F did not litigate any other issues beside the rate of return issue.

20 Q. IN MOST RATE CASES BEFORE THIS COMMISSION IS THE RATE OF
21 RETURN ISSUE A CONTESTED ISSUE WITH A LARGE DOLLAR IMPACT?

1 A. Yes, the issue of rate of return is almost always a highly contested issue. It is also usually the issue
2 that has the biggest impact money wise on the outcome of the rate case and Case No. GR-2004-
3 0209 was no different than any other rate case.

4 Q. WHO DID THE LAW FIRM OF KBT & F SEND THEIR BILLS TO WORK
5 SERVICES PROVIDED IN THIS RATE CASE?

6 A. The invoices where sent to Dennis Morgan, Esq., General Counsel at Southern Union Gas
7 Company. The charges for these services where paid for by Southern Union Company and then
8 allocated and charged to MGE.

9 Q. IN HIS TESTIMONY BEFORE THE COMMISSION ON JUNE 24, 2004, DID
10 THE MGE'S COO AND PRESIDENT ADMIT HE WAS NOT THE ONE WHO
11 HIRED KBT & F?

12 A. Yes, Mr. Oglesby admitted the following:

13 By Mr. Micheel

14 Q. Are you aware that MGE has retained the law firm of Kasowitz, Benson,
15 Torres & Friedman in this case?

16 A. No, I'm not.

17 Q. You don't know who Mr. Herschmann works for?

18 A. I know Mr. Herschmann. I didn't know the name of the firm he worked
19 for.

20 Q. Is that his law firm?

21 A. I don't know.

22 Q. Okay. Do you have that exhibit in front of you? Well, let me ask you this.
23 So, you're not the person – you're the CEO (sic) and President of MGE; is
24 that correct?

1 A. Yes, that is correct.

2 Q. But you're not the person who made the decision to hire Kasowitz,
3 Benson, Mr. Herschmann's law firm, correct?

4 A. That's correct.

5 (Tr. Vol 15, pps. 1236 and 1237)

6 Q. DOES THE FACT THAT MR. OGLESBY DID NOT MAKE THE DECISION TO
7 HIRE KBT & F, BUT RATHER SOUTHERN UNION COMPANY HIRED KBT & F
8 SUGGEST A POSSIBLE LACK OF FISCAL CONTROL OVER THE RATE CASE
9 EXPENSE INCURRED BY MGE?

10 A. Yes it does.

11 Q. WHAT AMOUNT ARE YOU RECOMMENDING BE ALLOWED IN RATE CASE
12 EXPENSE FOR THE KBT & F CHARGES?

13 A. \$171,950.

14 Q. PLEASE EXPLAIN HOW YOU ARRIVED AT THIS AMOUNT?

15 A. First I examined the two invoices that MGE provided. These invoices were for work performed
16 from December 2003 through March 2004. The total hours billed for these two invoices were
17 133.75 hours. I then added the estimated hours for April, May and June of 726 hours to the 133.75
18 hours to arrive at a total amount spent working on this case of 859.75 hours.

19 Q. WHAT HOURLY RATE DID YOU APPLY TO THESE HOURS?

20 A. I used an hourly rate of \$200. This rate is comparable to the hourly rate charged by Brydon,
21 Swearingen and England and other law firms performing regulatory work in the State of Missouri.

22 Q. DID YOU ALLOW ANY TRAVEL AND MEAL EXPENSES?

1 A. No, I did not allow any of the travel and meal expenses because no documentation was provided as
2 to what the expenses were. However, in examining MGE employee expense reports and the hotel
3 charges, I found expenses for Mr. Herschmann and I included these documented expenses in my
4 rate case expense recommendation.

5 Q. HOW MUCH DID MGE PAY WATSON BISHOP LONDON BROPHY?

6 A. \$47,522

7 Q. WHAT SERVICES DID WATSON BISHOP LONDON BROPHY PROVIDE MGE?

8 A. Based upon my review of the invoices from Watson, Bishop, London, Brophy, this law firm
9 reviewed previous testimonies filed by the Missouri Public Service Commission Staff (Staff) for the
10 law firm of Kasowitz, Benson, Torres & Friedman. (See Attached Schedule KKB-5)

11 Q. SHOULD THE CHARGES FOR THE FIRM WATSON, BISHOP, LONDON &
12 BROPHY BE INCLUDED IN RATE CASE EXEPNSE?

13 A. No. The services provided to MGE through WBLB were also provided by Brydon, Swearngen &
14 England, the work this firm performed was duplicative and unnecessary.

15 Q. DID THE COMPANY HIRE ANOTHER OUTSIDE ATTORNEY TO PREPARE
16 TESTIMONY ON PUBLIC POLICY?

17 A. Yes, the Company hired a former Pennsylvania Public Service Commissioner, John Quain, he is
18 now with the law firm of Klett, Rooney, Lieber & Schorling (KRLS) to prepare public policy
19 testimony.

20 Q. HOW MUCH DID MGE PAY KLEET ROONEY LIEBER AND SCHORLING?

21 A. \$36,303.

1 Q. WHO HIRED KLEET, ROONEY, LIEBER AND SCHORLING?

2 A. Southern Union Company.

3 Q. DOES SOUTHERN UNION COMPANY PAY KLEET, ROONEY, LIEBER AND
4 SCHOLRING A MONTHLY RETAINER FEE?

5 A. Yes, Southern Union Company pays KRLS a \$20,000 monthly retainer.

6 Q. DOES SOUTHERN UNION COMPANY ALLOCATE ANY OF THIS RETAINER TO
7 MGE?

8 A. Yes, however the method by which the retainer is allocated is not shown on any of the invoices
9 MGE provided to us. Also the invoices do not show what type of work Mr. Quain performed or
10 how long it took Mr. Quain to perform the tasks.

11 Q. WHAT EVIDENCE DID MR. QUAIN PRESENT IN THIS CASE?

12 A. Mr. Quain did not present any evidence as it relates to MGE in this case. Mr. Quain's testimony
13 only consisted of a general discussion on how to set a rate of return for a Company based upon
14 public policy and legal policy, such as the Hope Natural Gas and Bluefield Waterworks cases.

15 Q. IS IT COMMON KNOWLEDGE IN THE UTILITY REGULATION INDUSTRY
16 THAT WHEN SETTING A RATE OF RETURN A COMMISSION SHOULD
17 CONSIDER ITS PUBLIC POLICY OBJECTIVES?

18 A. Yes.

19 Q. ARE THE HOPE AND BLUEFIELD CASES CONSIDERED BY MOST THE TWO
20 CASES WHICH SET THE LEGAL STANDARD FOR THE SETTING OF THE
21 RATE OF RETURN?

1 A. Yes. This Commission is well aware of the Hope and Bluefield cases.

2 Q. SHOULD THE EXPENSE INCURRED FOR MR. QUAIN'S SERVICES BE
3 INCLUDED IN RATE CASE EXPENSE?

4 A. No, for two reasons. The first reason being the Company has not provided auditable invoices
5 concerning Mr. Quain's time spent, thus it is impossible to guarantee that all of the money charged
6 to MGE is strictly for this rate case expense and not something else. Also, Mr. Quain presented no
7 evidence as it relates to MGE specially. Instead Mr. Quain presents a broad overview of things a
8 Commission needs to look at when determining a rate of return.

9 Q. WHAT WAS THE AMOUNT CHARGED TO MGE FOR WITNESS MORINS'
10 SERVICES IN THIS RATE CASE?

11 A. \$30,000. (See Schedule KKB-6)

12 Q. SHOULD ALL OF THIS CHARGE BE INCLUDED IN RATE CASE EXPENSE?

13 A. No, only \$9,800 should be included in rate case expense for the work performed by Dr. Morin.

14 Q. HOW DID YOU ARRIVE AT \$9,800 TO INCLUDE IN RATE CASE EXPENSE
15 FOR WITNESS MORIN?

16 A. On page 20 of witness Morin's deposition he stated he had roughly spent 25 hours in preparing his
17 written testimony. I then considered the fact that witness Morin testified before the Commission in
18 Jefferson City for approximately 5 hours and that in preparing to testify he might have spent another
19 5 hours. Thus I added to the 25 hours worked before testifying to the estimated 10 hours spent
20 testifying and preparing to testify. I then applied a rate of \$280 an hour to the estimated 35 hours to
21 arrive at \$9,800.

1 Q. WHY DID YOU USE AN HOURLY RATE OF \$280?

2 A. This is twice the rate charged by Company's other rate or return witness John Dunn. Using twice
3 the hourly rate of witness Dunn, takes into consideration that Dr. Morin has a PhD and witness
4 Dunn does not. Also, Dr. Morin has published books on the subject he testified about, while
5 witness Dunn has not.

6 Q. PLEASE EXPLAIN WHY YOU BELIEVE THAT NOT ALL OF WITNESS
7 MORIN'S CONTRACT PRICE SHOULD BE INCLUDED IN RATE CASE
8 EXPENSE?

9 A. If one were to use the full \$30,000, witness Morin's hourly rate, assuming 35 hours would be
10 approximately \$857 per hour. This hourly rate is over six times the hourly rate charged by
11 Company's other witness John Dunn.

12 Q. DURING THE HEARING DID THE COMPANY'S PRESIDENT AND COO
13 BELIEVE THE HOURLY RATE BEING PAID TO WITNESS MORIN WAS A
14 HUGE AMOUNT OF MONEY?

15 A. Yes, he did. In fact when asked if he had known prior to Dr. Morin being hired that he would
16 charge that huge amount he might have had serious thoughts about hiring Dr. Morin. (See Case No.
17 GR-2004-0209 Transcript Vol. 13, page 1236)

18 Q. WHO HIRED DR. MORIN TO PERFORM WORK IN THIS RATE CASE?

19 A. Michael Fay of the law firm Kasowitz, Benson, Torres and Friedman, hired Dr. Morin. In fact in
20 Dr. Morin's deposition on page 9 (Exhibit No. 30 Dunn Surrebuttal Schedule JCD-3) he stated that
21 Michael Fay was his only contact in regard to this rate case and that he did not have a contact with
22 Southern Union Company.

1 Q. WHEN DID MGE APPROVE THE EXPENDITURE OF \$30,000 FOR DR.
2 MORIN'S TESTIMONY?

3 A. Mr. Oglesby approved the expenditure on May 27, 2004, three days after Dr. Morin filed rebuttal
4 testimony for MGE.

5 Q. DOES THE FACT THAT MGE'S COO AND PRESIDENT DID NOT APPROVE
6 THE HIRING OF DR. MORIN UNTIL AFTER HE PERFORMED WORK SHOW A
7 LACK OF FISCAL CONTROL OVER RATE CASE EXPENSE?

8 A. Yes, it does.

9 Q. BY REMOVING THE COSTS FOR MR. QUAIN AND THE LAW FIRM OF
10 WATSON, BISHOP, LONDON, AND BROPHY AND ADJUSTING THE HOURLY
11 RATE CHARGED BY DR. MORIN AND THE LAW FIRM OF KASOWITZ,
12 BENSON, TORRES AND FRIEDMAN BRING THE RATE CASE EXPENSE TO A
13 MORE REASONABLE LEVEL FOR MGE TO HAVE INCURRED IN PRESENTING
14 THIS CASE?

15 A. Yes, it does. By using all of my adjustments the rate case expense then becomes \$787,766.
16 However, this is still more than MGE's two previous litigated rate cases.

17 Q. WERE THERE ANY NEW OR UNIQUE ISSUES IN THIS RATE PROCEEDING
18 THAT WOULD CAUSE MGE TO INCLUDE OVER \$1.3 MILLION DOLLARS IN
19 RATE CASE EXPENSE?

20 A. No. The issues contested in this rate increase case are same issues that are contested in other rate
21 proceedings within the State of Missouri and are similar to the issues raised in MGE's previous rate
22 cases. Thus, the rate case expenses incurred by MGE are not reasonable or prudent. The amount

1 requested by MGE to be included in the cost of service should adjusted to a reasonable and prudent
2 level

3 **Q. WHY SHOULD THE COMMISSION USE PUBLIC COUNSEL OPTION ONE IN**
4 **DETERMING THE APPROPRIATE AMOUNT FOR RATE CASE EXPENSE TO BE**
5 **INCLUDED IN THE DETERMINATION OF REVENUE REQUIREMENT?**

6 **A.** As I stated earlier even after using all of my adjustments the rate case expense for the current case is
7 still considerably higher then the past rate case expense incurred by MGE even though no new or
8 unique issues were presented. In fact this case had 56.7 percent and 80 percent less litigated issues
9 respectively than the previous two cases. Therefore I believe it is appropriate to use an average of
10 the rate case expense from Case No. GR-96-285, (\$537,185) the rate case expense from Case No.
11 GR-98-140 (\$579,566) and my adjusted rate case expense for this case of \$787,766 in determining
12 a reasonable level of rate case expense to be included in the cost of service. This average is \$634,
13 839 or on annual basis \$211,613 (amortized over a three year period).

14 It is appropriate to use normalization when determining the revenue requirement associated with
15 expenses that fluctuate from period to period. This averaging process promotes rate stability and
16 ensures rate are not developed using cost levels that are at either end of the range of fluctuation.

17 **Q. HAS THIS COMMISSION PREVIOUSLY DENIED RATE CASE EXPENSES**
18 **BECAUSE THE EXPENSES WERE NOT NECESSARY OR PRUDENT AND USED**
19 **HISTORICAL RATE CASE EXPENSE DATA?**

20 **A.** Yes. In Case No. WR-93-212, the Commission used historical data from Missouri-American Water
21 Company's previous rate cases because the Commission found that the current rate case expense
22 was not prudently incurred. The Commission stated on page 9 of the Report and Order:

1 "Disallowing all expense, or perhaps even disallowing any prudently
2 incurred rate case expense could be viewed as violating the Company's
3 procedural rights. The Commission does not want to put itself in the
4 position of discouraging necessary rate cases by discouraging rate case
5 expense. The operative words here, however, are necessary and prudently
6 incurred. The record does not reflect efforts at cost containment and
7 consequently it does not support that these expenses have been prudently
8 incurred.

9 The Commission finds that the Staff's assessment of rate case expense, as
10 based upon historical data from this company's previous rate case
11 expenses, is the more reasonable position."

12 Q. DOES THIS CONCLUDE YOUR TRUE-UP TESTIMONY?

13 A. Yes.

Missouri Gas Energy
Case No. GR-2004-0209
Rate Case Expense

<u>Date</u>	<u>Payee</u>	<u>Amount Incurred</u>	<u>OPC Disallowed</u>
Jan-04	Bank One Commerical Card Inc.	\$ 78.53	
Jan-04	Bank One Commerical Card Inc.	\$ 17.30	
Jan-04	Black & Veatch Corporation	\$ 2,400.12	
Jan-04	Black & Veatch Corporation	\$ 1,950.18	
Jan-04	Brydon Swearngen & England	\$ 97.50	
Jan-04	Brydon Swearngen & England	\$ 2,810.77	
Jan-04	Brydon Swearngen & England	\$ 2,887.30	
Jan-04	Brydon Swearngen & England	\$ 2,276.91	
Jan-04	David Hendershot	\$ 5.00	
Jan-04	David Hendershot	\$ 28.96	
Jan-04	David Hendershot	\$ 34.00	
Jan-04	Fedex	\$ 19.60	
Jan-04	Fedex	\$ 37.22	
Jan-04	Fedex	\$ 29.24	
Jan-04	John C. Dunn & Company	\$ 7,425.00	
Jan-04	John C. Dunn & Company	\$ 7,425.00	
Jan-04	Klett Rooney Lieber	\$ 10,299.50	\$ 10,300
Jan-04	Klett Rooney Lieber	\$ 4,349.50	\$ 4,350
Jan-04	Klett Rooney Lieber	\$ 2,464.17	\$ 2,464
Jan-04	R.J. Covington Counsulting LLC	\$ 20,338.86	
Jan-04	R.J. Covington Counsulting LLC	\$ 25,354.40	
Jan-04	R.J. Covington Counsulting LLC	\$ 27,320.43	
Jan-04	R.J. Covington Counsulting LLC	\$ 6,754.10	
Jan-04	Solis Plus Printing	\$ 379.49	
Jan-04	Solis Plus Printing	\$ 298.73	
Feb-04	Bank One Commerical Card Inc.	\$ 118.05	
Feb-04	Bank One Commerical Card Inc.	\$ 25.64	
Feb-04	Black & Veatch Corporation	\$ 1,200.18	
Feb-04	Brydon Swearngen & England	\$ 16,645.65	
Feb-04	Brydon Swearngen & England	\$ 3,413.31	
Feb-04	Corporate Express	\$ 223.35	
Feb-04	Fedex	\$ 10.37	
Feb-04	Fedex	\$ 60.87	
Feb-04	John C. Dunn & Company	\$ 2,700.00	
Feb-04	Mike Noack	\$ 4.37	
Feb-04	Mike Noack	\$ 10.74	
Feb-04	R.J. Covington Counsulting LLC	\$ 14,723.73	
Feb-04	R.J. Covington Counsulting LLC	\$ 13,468.52	
Feb-04	Regulatory Research Assoc Inc	\$ 750.00	
Mar-04	American Express	\$ 336.20	
Mar-04	American Express	\$ 336.20	
Mar-04	Boise Cascade Office Products	\$ 145.57	

True-Up Testimony of
Kimberly K. Bolin
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Mar-04	Brydon Swearngen & England	\$	2,040.99		
Mar-04	Fedex	\$	83.15		
Mar-04	Fedex	\$	58.90		
Mar-04	Fedex	\$	103.90		
Mar-04	Fleischman and Walsh, LLP	\$	1,070.05		
Mar-04	John C. Dunn & Company	\$	3,712.50		
Mar-04	Kasowitz, Benson, Torres	\$	5,156.16	\$	5,156
Mar-04	R.J. Covington Counsulting LLC	\$	4,008.20		
Apr-04	American Express	\$	496.99		
Apr-04	Bank One Commerical Card Inc.	\$	1,418.33		
Apr-04	Bank One Commerical Card Inc.	\$	416.53		
Apr-04	Boise Cascade Office Products	\$	25.57		
Apr-04	Brydon Swearngen & England	\$	4,111.53		
Apr-04	Fedex	\$	95.08		
Apr-04	Fedex	\$	99.59		
Apr-04	John C. Dunn & Company	\$	6,637.00		
Apr-04	Klett Rooney Lieber	\$	5,380.00	\$	5,380
Apr-04	Klett Rooney Lieber	\$	8,640.00	\$	8,640
Apr-04	Mike Noack	\$	39.25		
Apr-04	Regulatory Research Assoc Inc	\$	750.00		
Apr-04	Robert Hack	\$	3.83		
Apr-04	Watson Bishop	\$	18,440.52	\$	18,441
May-04	Bank One Commerical Card Inc.	\$	146.63		
May-04	Black & Veatch Corporation	\$	11,365.62		
May-04	Boise Cascade Office Products	\$	220.53		
May-04	Brydon Swearngen & England	\$	22,281.50		
May-04	Fedex	\$	173.73		
May-04	Holliday Reporting Service Inc.	\$	23.85		
May-04	Hotel Deville	\$	464.68		
May-04	Hotel Deville	\$	278.66		
May-04	Hotel Deville	\$	279.45		
May-04	Hotel Deville	\$	280.51		
May-04	Hotel Deville	\$	262.16		
May-04	Hotel Deville	\$	263.16		
May-04	Hotel Deville	\$	142.00		
May-04	Hotel Deville	\$	142.00		
May-04	Hotel Deville	\$	131.08		
May-04	Hotel Deville	\$	131.08		
May-04	Hotel Deville	\$	206.61		
May-04	Hotel Deville	\$	196.62		
May-04	Hotel Deville	\$	242.82		
May-04	John C. Dunn & Company	\$	9,849.00		
May-04	John C. Dunn & Company	\$	506.20		
May-04	John M. Bowen & Associates	\$	197.40		
May-04	Klett Rooney Lieber	\$	5,170.00	\$	5,170
May-04	Lathrop & Gage LC	\$	762.50		
May-04	R.J. Covington Counsulting LLC	\$	2,252.66		
May-04	Robert Hack	\$	387.20		
May-04	Watson Bishop	\$	29,081.24	\$	29,081
Jun-04	Assoicated Court Reporters Inc.	\$	12.10		

True-Up Testimony of
Kimberly K. Bolin
Case No. GR-2004-0209

Jun-04	Bank One Commerical Card Inc.	\$	566.80	
Jun-04	Bank One Commerical Card Inc.	\$	1,941.35	
Jun-04	Black & Veatch Corporation	\$	29,850.76	
Jun-04	Black & Veatch Corporation	\$	17,780.27	
Jun-04	Boise Cascade Office Products	\$	157.64	
Jun-04	Brydon Swearngen & England	\$	68,718.19	
Jun-04	Fedex	\$	128.96	
Jun-04	Fedex	\$	649.00	
Jun-04	Fedex	\$	823.75	
Jun-04	Hotel Deville	\$	142.00	
Jun-04	Hotel Deville	\$	142.00	
Jun-04	Hotel Deville	\$	151.40	
Jun-04	Hotel Deville	\$	71.00	
Jun-04	John C. Dunn & Company	\$	13,260.00	
Jun-04	Lathrop & Gage LC	\$	11,970.45	
Jun-04	Dennis Morgan	\$	80.00	
Jun-04	Mike Noack	\$	17.30	
Jun-04	Mike Noack	\$	4.00	
Jun-04	Mike Noack	\$	136.12	
Jun-04	R.J. Covington Counsulting LLC	\$	12,161.23	
Jun-04	Roger A. Morin	\$	30,000.00	\$ 20,200
Jun-04	Technology Integrated Info LLC	\$	4,500.00	
Jun-04	Hotel Deville	\$	8,081.34	
Jun-04	R.J. Covington Counsulting LLC	\$	23,391.32	
Jun-04	Thelen Reid & Priest LLP	\$	6,663.57	
Estimate	Kasowitz, Benson, Torres	\$	524,866.00	\$ 352,916
Jul-04	Brydon Swearngen & England	\$	87,870.77	
Jul-04	Reclass from Corporate	\$	128,663.12	\$ 83,820
Estimate	John Dunn	\$	13,070.00	
Estimate	R.J. Covington Counsulting LLC	\$	19,308.91	
Jul-04	Solis Plus Printing	\$	261.93	
Jul-04	Mike Noack	\$	445.51	
Jul-04	Court Reporters	\$	314.80	

Total Requested by MGE	\$	1,333,683.11	\$ 545,917
MGE 3 year amortization	\$	444,561.04	
OPC Option 2	\$	787,766.15	
3 year amortization of OPC Option 2	\$	262,588.72	
GR-96-285 Rate Case Expense	\$	537,185.00	
GR-98-140 Rate Case Expense		\$579,566	
OPC Option 1	\$	634,839.05	
3 year amoritization of OPC Option1	\$	211,613.02	

Law Offices
BRYDON, SWEARENGEN & ENGLAND
Professional Corporation
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65102-0456
Telephone: (573)635-7166
Facsimile (573) 635-0427
EIN: 43-1056625

Southern Union Company
Mr. Rob Hack
Vice Pres., Pricing & Reg. Affairs
3420 Broadway
Kansas City MO 64111

Attn: Mr. Rob Hack

2003-2004 Rate Case

Page: 1
July 12, 2004
Account No: 244-111M
Statement No: 53609

Please Reference Account Number/Statement Number on Remittance.

PREVIOUS BALANCE

\$68,718.19

Legal Services Rendered through 06/30/2004

Hours

Attention to proposed hearing schedule. Attention to issue list; review prepared testimony; related matters. Telephone conference with Mr. Bates re deposition of Mr. Sullivan; review notice re same; review Staff response to data request; office conference. Office conference; review cases. Attention to rate of return and rate case information. Conference with Mr. Hack; telephone conference with Mr. Sullivan re deposition; work in file; prepare for same. Prepare summary and statistical information regarding Commission cases over previous ten years; office conference; review / finalize individual case summaries. Office conferences and meeting with clients regarding status all matters; attention to issues list revisions; related telephone conference with Mr. Franson; meeting with clients. Attention to shipping materials to Mr. Herschmann; work on and file Motion for Reconsideration regarding discovery dispute; office conference re filing omitted Dunn exhibits and corrected Noack testimony; office conference regarding Staff request for extension of time; review same. Work in file; prepare for deposition; conference

Schedule KKB-2
Page 1 of 8

Southern Union Company

2003-2004 Rate Case

Page: 2
July 12, 2004

Account No: 244-111M
Statement No: 53609

Hours

with Mr. Sullivan; attend deposition; telephone conference with Mr. Hack. Office conference regarding status all matters; attention to scheduling matters; review Staff motion for extension of time to file surrebuttal testimony; related telephone conference with Mr. Hack. Research alternative minimum tax decisions. Prepare response to Staff Motion for Additional Time; file Motion to late-file Dunn exhibits; attention to filing corrected Noack testimony. Work in file; review testimony and information from prior cases; prepare for deposition. Attention to matters regarding deposition of Office of Public Counsel witnesses; attention to reply to Staff motion to extend surrebuttal filing date; attention to testimony; all related matters. Telephone conference Messrs. Hack and Herschmann; correspondence to client; telephone conference Mr. Herschmann. Correspondence to Mr. Fay; review correspondence from Mr. Fay; prepare Motion to Admit Pro Hac Vice; correspondence to Mr. Fay. Work in file; review email from Mr. Sullivan; telephone conference with Mr. Sullivan and Ms. Winslow re deposition questions; work in file; review testimony; prepare for depositions. Work on Dunn surrebuttal testimony; related telephone conference with Mr. Hack; call to Mr. Micheel regarding deposition of Mr. Allen; related work regarding case. Attention to filing of Response to Staff Motion for Extension of time. Review discussion of Order Denying Motion for Reconsideration and Motion Regarding Motion to Exclude Testimony; review minutes of Commission's 2/8/04 discussion. Attention to Motion to Admit for Mr. Fay; legal research and office conference regarding RSMo. 536.070(12) and prefiled/verified testimony. Prepare for and attend deposition of Staff witness Mathis; conference with Mr. Winston; telephone conference with Mr. Hack. Attention to draft of Noack surrebuttal; review denial of service rule material; prepare draft of position statements; related matters. Work on surrebuttal testimony; work on statement of position on issues; related work regarding case. Work on position statement; correspondence to others re position statements; prepare testimony for hearing. Attention to legal research re testimony. Attention to Motion to Admit for Mr. Fay; continue legal research and prepare memo regarding RSMo. 536.070(12). Telephone conference with

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Southern Union Company

2003-2004 Rate Case

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July 12, 2004

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Hours

Ms. Winslow re supplemental data request response from Staff, additional data request to Staff; review draft of same; forward to Mr. Hack; telephone conference with Mr. Hack; work in file; prepare draft of position statement for depreciation and net salvage issue. Call to RLJ regarding procedural matter; work on surrebuttal testimony; work on statement of positions on issues; telephone conferences with Mr. Hack regarding various matters. Prepare draft of Reply to Staff Response to Motion for Reconsideration; legal research; attention to deposition; review Order Denying Motion for Reconsideration. Prepare and revise position statement; office conference re testimony issue; telephone conference with Ms. Henzi re data requests responses; correspondence to client re same; review data requests responses; hearing preparation. Review and comment on draft of Noack surrebuttal; related matters. Work on outline of ROE issues; telephone conference with Mr. Hack. Review draft Motion for Reconsideration. Work on statement of position; forward to Messrs. Hack and Sullivan; review draft statements for other issues. Attention to application for rehearing regarding motion to exclude. Review and comment on draft of position statements; related matters. Work on surrebuttal; review motion for reconsideration; telephone conferences with Mr. Hack; work in file; review surrebuttal of Staff and Office of Public Counsel. Review position statement; provide changes re same; telephone conferences with Mr. Hack re scheduling of issue; review Hyneman testimony; leave message for Mr. Hack re same. Office conference re rate case hearing and available dates; discussion re issues and schedule of dates for each issue. Trial preparation; review and comment on draft of position statement; related matters. Review Staff, Office of Public Counsel surrebuttal; telephone conference with Mr. Hack regarding trial of case; work on statement of position on issues; telephone conference with Mr. Franson regarding surrebuttal schedules; related e-mail to Mr. Franson; conference call with Mr. Hack et al; work on deposition matters; telephone conference with Mr. Franson; finalize and file statement of position on issues. Review correspondence from Mr. Duffy; review Jenkins testimony; work in file regarding GO-2003-0534. Telephone conference

Southern Union Company

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Hours

with Mr. Hack re AMT issue; revise position statement; telephone conference re litigation issues. Review of testimony and trial preparation; related matters. Deposition preparation; deposition of Mr. Allen; related work; other work on case. Legal research re reasonableness/methodology. Attention to IT briefing at Public Service Commission; telephone conference with Mr. Hack. Review statement of position; review emails from Mr. Hack re scheduling; telephone conference with Mr. Hack re opening statement, schedule of witnesses and related matters. Office conference; legal research; telephone conference Judge Woodruff; prepare Notice of Deposition; attention to subpoena; prepare draft of Motion to Shorten Time; correspondence to client; review correspondence from client. Prepare for and attend IT briefing at Public Service Commission offices; correspondence to client regarding same matters; attention to follow-up; review correspondence from Duffy regarding Lisa Jenkins testimony; attention to copies of pleadings from GO-2003-0354; legal research. Telephone conference with Mr. Dunn regarding deposition; review materials; review deposition transcript; review pleadings and testimony; telephone conference with Mr. Micheel regarding deposition of Mr. Tuck; attention to motion to shorten deposition notice time. Trial preparation. Attention to deposition of Mr. Aituch. Review Mathis errata sheet for deposition; forward to Sullivan; telephone conference with Mr. Hack re supplemental rebuttal testimony; related matters. Telephone conference with Mr. Hack re AMT issue. Attention to motion regarding deposition of Mr. Tuck; finalize and serve Notice of Video Deposition. Legal research and prepare memo regarding renewal of objection on Mr. Murray's testimony; correspondence to client. Attention to motions to strike/exclude regarding Tuck and Allen. Attention to objections to admission of attachments to Jenkins surrebuttal testimony. Attention to deposition of Office of Public Counsel witness; office conferences regarding Motion to Strike Allen testimony; correspondence to Mr. Duffy regarding objections to Ms. Jenkins testimony and lines of cross; related matters. Revise motion to shorten deposition notice time; related office conference; telephone conference with Mr. Micheel regarding agreement to take Mr. Tucks

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Hours

deposition; conference call with Mr. Hack, Mr. Herschmann regarding all issues; review deposition of Mr. Murray; review testimony; trial preparation; attention to filing motions. Trial preparation. Attention to prior testimony of John A. Tuck. Telephone conference with Mr. Hack re scheduling of witnesses, copy of Sullivan deposition and related matters. Trial preparation. Meeting with clients; case preparation; outline Mr. Tuck deposition. Review matters related to beginning of rate case; attention to preparation of exhibits for use at hearing. Trial preparation. Continue legal research for attorney Duffy. Case preparation; Mr. Tuck deposition preparation; hearing; take deposition of Mr. Tuck; related conferences. Prepare for and attend hearing; office conference regarding same; attention to exhibit collection and inventory. Trial preparation. Prepare for hearing; attention to hearing room facilities. Telephone conferences with Ms. Shemwell re AMT issue. Office conference and attention to objections/motion to exclude regarding Ms. Jenkins' surrebuttal. Office conferences re: various issues and draft motions to strike; work in file; trial preparation. Review surrebuttal testimony of Staff, review Mathis deposition; office conference re hearing; prepare notes for cross examination; telephone conference with Mr. Sullivan re supplemental rebuttal testimony, nondisclosure agreement and affidavit. Attention to issues assignment; office conferences. Work on case; meeting with clients; attend hearing; work on cross questions. Office conferences re depreciation issues; review issues; telephone conference with Mr. Noack re AMT information; leave message for Mr. Warren; attention to hearing preparation. Prepare materials regarding objections to Ms. Jenkins' surrebuttal testimony. Trial and witness preparation and office conferences with client. Office conference re cross examination; work in file; prepare notes re Mathis deposition; telephone conference with Mr. Sullivan re supplemental rebuttal. Attention to issues at hearing. Attend rate case hearing; due diligence regarding record and exhibits presented; attention to matters related to hearing; due diligence regarding testimony and transcripts from hearing. Telephone conferences with Mr. Warren, Mr. Noack and Mr. Hack re preparation, settlement and attendance

Schedule KKB-2
Page 5 of 8

Hours

issues; prepare opening and cross re AMT issue; office conferences re depreciation preparation; review depreciation materials; finalize Sullivan supplemental rebuttal; prepare, revise and finalize motion to file supplemental rebuttal; telephone conference with Mr. Bates re same; leave message for Mr. Franson re same; file motion and testimony; correspondence to other parties re same. Attend hearing; case preparation. Attend hearing; attention to email from Ms. Dodds regarding exhibits; attention to archive of exhibits and review of record; convert exhibits to electronic format and email to Ms. Dodds; telephone conference with Ms. Dodds regarding hearing, witness issues and revised schedule. Prepare cost of removal issue; obtain background materials re same; office conference re late payment charge; prepare partial stipulation document. Telephone conference with Mr. Hack regarding status all matters; case preparation; review testimony; outline cross; meeting with client. To Public Service Commission for research in locating tariff. Review cost of removal materials and late payment charge materials. Hearing preparation; hearing. Attend hearing; attention to archive of exhibits and review of record; attention to Ms. Dodds requests; attention to witness issues and revised schedule; office conference re hearing matters. Prepare for hearing. Read testimony; case preparation; outline cross. Attention to preparation for hearing on Monday; attention to review of testimony; review of items necessary for hearing on Monday; to Kinko's for special exhibits. Prepare for hearing; conferences with client re same. Hearing; issue preparation; meeting with clients. Attend hearing; attention to archive of exhibits and review of record; attention to witness issues and revised schedule; office conference re hearing matters. Office conference with client regarding case status/developments. Attend hearing; meeting with clients; issue preparation; related matters. Attention to matters relating to excluded testimony and pending motions; review of status of matters re testimony of staff witness and ruling on motions to exclude portions of testimony; follow up re same; attention to handling of evidence; attention to exhibits. Case preparation and hearing. Attention to hearing; attention to preparation of list of exhibits that have not been admitted into the record; review of

Southern Union Company

2003-2004 Rate Case

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Hours
same; electronic mail to others re issues outstanding
regarding exhibits and admission; attention to matters related
to last two days of hearing; office conference re hearing;
office conference re testimony presented.

For Current Services Rendered 443.25 76,193.75

Expenses through 07/12/2004

Copies of Documents	612.70
Fax Transmission	33.00
Long Distance Telephone Calls	332.25
Postage	24.19
Total Expenses Thru 07/12/2004	1,002.14

Advances through 07/12/2004

Court Reporter Fees	8,430.30
Federal Express	621.34
Miscellaneous Costs Advanced	72.00
Miscellaneous Costs Advanced	482.47
Miscellaneous Costs Advanced	85.00
Miscellaneous Costs Advanced	180.00
Miscellaneous Costs Advanced	185.00
Miscellaneous Costs Advanced	185.00
Miscellaneous Costs Advanced	127.50
Miscellaneous Costs Advanced	139.50
Miscellaneous Costs Advanced	10.00
Miscellaneous Costs Advanced	36.00
Miscellaneous Costs Advanced	40.00
Miscellaneous Costs Advanced	35.00
Miscellaneous Costs Advanced	27.00
Mileage	17.52
Photocopies (Outside Office)	1.25
Total Advances Thru 07/12/2004	10,674.88
TOTAL CURRENT WORK	87,870.77

Southern Union Company

2003-2004 Rate Case

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July 12, 2004

Account No: 244-111M

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Payments through 07/12/2004

06/28/2004	Payment Received for Advances	-3,106.03
06/28/2004	Payment for Expenses	-1,380.16
06/28/2004	Payment for Fees	-64,232.00
	Total Payments	-68,718.19
	<u>BALANCE DUE</u>	<u>\$87,870.77</u>

R0029
0-1860-8804-0-0
R
R
7/15/07

**Missouri Gas Energy
Rate Case Expenses
GR-2004-0209**

Estimate of the Kasowitz, Benson, Torres & Friedman Invoices	Time Charges	Expense Charges	Total Invoice Estimate
April	\$ 128,232	\$ 5,117	\$ 133,349
May	142,922	7,564	150,486
June	235,894	5,137	241,031
	<u>\$ 507,048</u>	<u>\$ 17,818</u>	<u>\$ 524,866</u>

Kim Henzi

From: Rob Hack
Sent: Monday, July 12, 2004 3:40 PM
To: Mike Noack
Cc: Kim Henzi; John Davis
Subject: FW: KBT&F Estimates

fyi

-----Original Message-----

From: Lisa Jicha [mailto:LJicha@kasowitz.com]
Sent: Monday, July 12, 2004 3:26 PM
To: rhack@mgemail.com
Cc: Eric D. Herschmann
Subject: KBT&F Estimates

Below are Kasowitz, Benson, Torres & Friedman time and cost estimates for the Southern Union/Missouri Rate Case:

April 2004

Fees: \$128,232
Disbs: \$5,117
Total: \$133,349

May 2004

Fees: \$142,922
Disbs: \$7,564
Total: \$150,486

June 2004

Fees: \$235,894
Disbs: \$5,137
Total: \$241,031

Please note that all disbursements through the above dates may not yet appear in our system.

Lisa Jicha
Billing Manager
Kasowitz, Benson, Torres & Friedman LLP
(212) 506-1853

Mike Noack

From: Lisa Jicha [LJicha@kasowitz.com]
Sent: Wednesday, July 14, 2004 4:46 PM
To: mnoack@mgemail.com
Cc: Eric D. Herschmann
Subject: KBT&F Estimates

April:

Herschmann - 115.20 - \$79,488

Fay - 69.00 - \$47,610

Olacio (para.) - 8.10 - \$1,134.00

May:

Herschmann - 112.00 - \$77,280

Fay - 92.00 - \$63,480

Hawry (para.) - 5.70 - \$1,111.50

Rafael (para.) - 7.50 - \$1,050

June:

Herschmann - 220.90 - \$152,421

Fay - 116.90 - \$80,661

Rafael (para.) - 17.00 - \$2,380

Shakir (para.) - 3.60 - \$432

Lisa Jicha
Billing Manager
Kasowitz, Benson, Torres & Friedman LLP
(212) 506-1853

04/07/2004 WED 13:02 FAX 570 820 2403 Southern Union-CORP FIN

0002/004

04/06/2004 16:28 MO GAS ENERGY + 915708202401

NO.634 002

04/06/2004 TUE 17:19 FAX 570 820 2403 Southern Union-CORP FIN

0003/004

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP
1633 BROADWAY
NEW YORK, NEW YORK 10019-6799

Federal I.D. # 13-3720397

*MPSC staff investigation
Re: Sug Sale*

05220029
Southern Union Company
MPSC v. Southern Union

*New Account
MPSC vs WED W/D
(Def. Att) - MPSC-SUG Sale W/D
(Other denied)*

DECEMBER 31, 2003

*Resume CR 180923
Debit 42003-7000
990*

DATE	ATTORNEY OR ASSISTANT	HOURS
12/01/03	ERIC HERSCHMANN Review MPSC draft statement; e-mails and telephone calls with DM re same.	1.30
12/03/03	ERIC HERSCHMANN Telephone calls with DM.	.80
12/04/03	ERIC HERSCHMANN Review SUG response to staff; revise same; review e-mails re same.	1.60
12/19/03	ERIC HERSCHMANN Meeting with DM, RH et al re case strategy; meeting with DM; review documents.	5.50
12/29/03	ERIC HERSCHMANN Review info from Brydon Swearngan; telephone calls with DM re same; conference call with JS and RH.	2.00
TOTAL HOURS		11.20

*2004
Rate Case*

MBE Acty. Story

MOE

023 000000 1860 8804 000 000000 R0029

04/07/2004 WED 13:02 FAX 570 820 2403 Southern Union-CORP FIN
04/06/2004 16:28 MO GAS ENERGY + 915708202401
04/06/2004 ICE 17:19 FAX 570 820 2403 Southern Union-CORP FIN

003/004
NO. 634 003
004/004

Southern Union Company
FILE NUMBER: 05220029
INVOICE NO.: 40936

Dec 31, 2003 PAGE 2

PARTNER	HOURS	AMOUNT
ERIC HERSCHMANN	11.20	6,440.00

TOTAL FEES \$6,440.00

TRAVEL EXPENSES	828.50
DOCUMENT DELIVERY	15.16

TOTAL COSTS 9843.66

TOTAL FEES AND COSTS \$7,283.66

missouri \$575 per hour x 7.5 hours = 4312.50
expenses + 843.66
interco mge: 5156.16
corp: 2127.50

04/07/2004 WED 13:02 FAX 570 820 2403 Southern Union-CORP FIN

04/06/2004 16:28 MO GAS ENERGY → 915708202401
04/06/2004 TUE 17:19 FAX 570 820 2403 Southern Union-CORP FIN

004/004

NO. 634 DB1
002/004

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP

1833 BROADWAY

NEW YORK, NEW YORK 10019-8799

FED. I.D. 15,372,0307

212-506-1700

FACSIMILE: 212-506-1800

Dennis Morgan, Esq.
General Counsel
Southern Union Gas Company
IV Barton Skyway
1301 So. Mopac Expressway, Suite 400
Austin, Texas 78746

INVOICE NO.: 40936

February 23, 2004

RE: MPSC v. Southern Union

FOR PROFESSIONAL SERVICES rendered
through the month of December 2003
as reflected on the attached printout.

Fees	66,440.00
Disbursements	843.66
TOTAL AMOUNT DUE	\$7,283.66

5563
05220029

Post-It® Fax Note	7671	Date	2/23/04	# of pages	3
To	Scott G. Galt	From	Rita H. H.		
Co./Dept.		Ca.			
Phone #		Phone #			
Fax #	520/820-2401	Fax #			

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP

1633 BROADWAY

NEW YORK, NEW YORK 10019-6799

FFD, I.D. 13-3720397

212-506-1700

FACSIMILE: 212 506-1800

Dennis Morgan, Esq.
General Counsel
Southern Union Company
1301 S. Mopac Expressway, Suite 400
Austin, TX 78746

INVOICE NO.: 43187

May 12, 2004

RE: Missouri Public Service Commission Rate Case

FOR PROFESSIONAL SERVICES rendered
through the month of March 2004
as reflected on the attached printout.

Fees	\$81,171.00
Disbursements	2,648.87
TOTAL AMOUNT DUE	\$83,819.87

5563
05220034

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP
1633 BROADWAY
NEW YORK, NEW YORK 10019-6799

Federal I.D. # 13-3720397

MARCH 31, 2004

05220034

Southern Union Company

Missouri Public Service Commission Rate Case

DATE	ATTORNEY OR ASSISTANT	HOURS
12/12/03	ERIC HERSCHMANN Telephone calls with R. Hack; review documents.	4.00
12/15/03	ERIC HERSCHMANN Begin review of new materials from R. Hack; prep case strategy; telephone calls with DM re same.	6.00
12/16/03	ERIC HERSCHMANN Email TQF re Schallanberg and Bible; telephone calls with DM re same.	.50
12/17/03	ERIC HERSCHMANN Telephone calls with R. Hack, P. Boudreau, DM re case strategy; continue review of info; telephone calls with GL re same.	5.40
12/18/03	ERIC HERSCHMANN Prep. for meeting; meeting with DM; meeting with RH et al re case strategy; meeting with DM; telephone calls with GL re same.	8.50
01/07/04	ERIC HERSCHMANN Telephone call with R. Hack; review email re same.	.50
01/09/04	ERIC HERSCHMANN Review Murry testimony on Aquila.	2.40
02/03/04	ERIC HERSCHMANN Review Stamm testimony; prior Bible/Schallenberg testimony.	4.40
02/04/04	ERIC HERSCHMANN Review new MoPSC filings and prior testimony.	2.40

Southern Union Company

Mar 31, 2004

PAGE 2

FILE NUMBER: 05220034

INVOICE NO. 43187

02/16/04	ERIC HERSCHMANN	3.40
	Review testimony from Aquila case.	
02/25/04	ERIC HERSCHMANN	6.70
	Prep. for meeting; review materials.	
02/26/04	ERIC HERSCHMANN	5.30
	Prep. for meeting with client and experts; attend same.	
03/01/04	ERIC HERSCHMANN	.75
	Telephone calls with RH.	
03/02/04	ERIC HERSCHMANN	2.30
	Review info from R. Hack; telephone calls with RH re same.	
03/03/04	ERIC HERSCHMANN	1.50
	Review info from RH; review decision from PB; telephone calls with DM.	
03/04/04	MICHAEL M. FAY	4.30
	Review Daubert case law and regulatory opinions re cap structure, ROC.	
03/05/04	MICHAEL M. FAY	1.60
	Review Daubert case law and regulatory opinions re cap structure, ROC; t/c with EDH.	
03/08/04	MICHAEL M. FAY	4.10
	Work w/r/t in limine motions; review case law and precedents for same.	
03/08/04	SEAN K. O'SHEA	3.50
	Review files for information concerning Missouri Rates matter at the request of E. Herschmann.	
03/22/04	ERIC HERSCHMANN	5.30
	Prep. for meeting.	
03/23/04	MICHAEL M. FAY	1.20
	Review Missouri Commission testimony in Aquila.	
03/23/04	ERIC HERSCHMANN	3.00
	Telephone calls with R. Hack; prep. for meeting; telephone calls with DM; review docs from CD.	

Southern Union Company
FILE NUMBER: 05220034
INVOICE NO.: 43187

Mar 31, 2004 PAGE 3

03/24/04	MICHAEL M. FAY	2.70
	Review testimony of D. Murray and schedules thereto; t/c with EDH re Daubert challenge; review caselaw re ratemaking.	
03/24/04	ERIC HERSCHMANN	4.00
	Prep. for meeting; telephone calls with MF re Daubert re experts; review testimony rec'd. RH re same.	
03/25/04	MICHAEL M. FAY	2.40
	Meeting with MGE representatives re rate case; review prior commission testimony; review literature re regulatory finance.	
03/25/04	ERIC HERSCHMANN	9.10
	Prep. for and attend meeting with clients, co-counsel re case prep.	
03/26/04	MICHAEL M. FAY	2.30
	T/c with A. Mani; review literature re ROE, cap structure; review Commission testimony.	
03/26/04	ERIC HERSCHMANN	7.50
	Meeting with clients and co-counsel re prep; work re same.	
03/29/04	MICHAEL M. FAY	4.70
	Work w/r/t in limine motions; review testimony, caselaw review MGE direct testimony.	
03/30/04	MICHAEL M. FAY	6.90
	Review testimony of Dunn, Noack and Oglesby; review Murray cross outline; review Daubert research; read literature re utilities cost of capital.	
03/30/04	ERIC HERSCHMANN	2.40
	Work re expert testimony.	
03/31/04	MICHAEL M. FAY	3.50
	Conf. with EDH re limine issues; review cost of capital literature; correspondence with C. Dodd re MGE rate strategies; review Morin textbook.	

TOTAL HOURS

122.55

Southern Union Company
FILE NUMBER: 05220034
INVOICE NO.: 43187

Mar 31, 2004

PAGE 4

	HOURS	AMOUNT
PARTNER		
MICHAEL M. FAY	33.70	23,253.00
ERIC HERSCHMANN	85.35	57,305.50
PARALEGAL		
SEAN K. O'SHEA	2.50	612.50

TOTAL FEES

\$81,171.00

TRAVEL EXPENSES	472.03
BUSINESS MEALS	1,786.30
DOCUMENT REPRODUCTION	367.40
DOCUMENT DELIVERY	20.82
TELEPHONE	1.72
MAILING CHARGES	.60

TOTAL COSTS

\$2,648.87

TOTAL FEES AND COSTS

\$83,819.87

FILE COPY

MISSOURI GAS ENERGY
A division of Southern Union Company

Office of Public Counsel - Missouri
DATA INFORMATION REQUEST RESPONSE

Case Number: GR-2004-0209

Data Request No 1066

Requested From: Bolin

Date Requested: 7/1/2004

Information Requested:

Please provide a list of all previous regulated utility rate cases that Missouri Gas Energy's counsel Eric Herschmann and Michael Fay have each litigated.

Requested By: Mike Noack

Information Provided:

Mr. Herschmann and Mr. Fay have not litigated any regulated utility rates cases other than the immediate proceeding. Both Mr. Fay and Mr. Herschmann have participated in numerous complex litigations.

The information provided in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to promptly notify the requesting party if, during the pendency of Case No. GR-2004-0209 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

Date Response Received: _____

Signed By: 
Director, Pricing and Regulatory Affairs

Date: 7/13/04

WATSON BISHOP LONDON BROPHY, P.C.

ATTORNEYS AT LAW

106 East Sixth Street, Suite 700

Austin, Texas 78701

(512) 479-5900

(512) 479-5934/Facsimile

May 03, 2004

Eric Herschmann

Kasowitz, Benson, Torres & Friedman

1633 Broadway

New York NY 10019

FAX IDENTIFICATION NO. 74-2862000

In Reference To: Missouri Gas Energy

Invoice # 13801

Professional services

		<u>Hours</u>	<u>Amount</u>
04/01/04 CCD	Confs with E Herschmann re: Daubert issues and strategy; continue reading witness testimony; continue preparation of cross exam outline for Murray	5.20	1,378.00
04/02/04 CCD	Read testimony of Hill, Wright and McKiddy; tel confs with E Herschmann re: Murray strategy and Daubert timing; confs with M Fay re: Daubert issues	3.10	821.50
04/05/04 CCD	Continue reading Murray testimony from previous water and electric cases; read testimony of McKiddy	3.90	1,033.50
04/06/04 CCD	Continue reading testimony; tel call from R Hack re: upcoming conference call and meeting strategy and Daubert issues; prepare updated Murray testimony outline	6.10	1,616.50

BATCH #

133

INVOICE #

13801

DATE:

5-27-04

ENTERED BY:

CR

2908/24

Schedule KKB-5

Page 1 of 11

Eric Herschmann

Page 2

		<u>Hours</u>	<u>Amount</u>
04/07/04 CCD	Prepare for conference call with client and expert; continue preparation of Murray and Dunn testimony summaries and cross-examination outline; confs with E Herschmann re: Murray strategy	2.80	742.00
04/13/04 CCD	Read witness testimony; prepare memos summarizing testimony; update outline re: Murray cross examination; begin preparation of Murray exhibit notebook; read articles from J Dunn re: capital structure; read materials re: proxy group companies	6.10	1,616.50
04/14/04 CCD	Read witness testimony; prepare memos summarizing testimony; confs with E Herschmann re: Murray deposition strategy	5.30	1,404.50
04/15/04 CCD	Read witness testimony; prepare memos summarizing testimony; confs with E Herschmann re: Murray deposition strategy; read Murray direct testimony in current MGE case; review schedules	6.20	1,643.00
04/16/04 CCD	Review and analysis of Staff and OPC testimony	3.60	954.00
04/19/04 CCD	Review and analysis of Staff and OPC testimony; memo to R Hack re: dividend question and Panhandle	5.30	1,404.50

Eric Herschmann

Page 3

		<u>Hours</u>	<u>Amount</u>
	equity allocation; confs with M Fay re: same; prepare agenda for April meeting; prepare summary of Staff testimony for E Herschmann		
04/20/04 CCD	Conf call with J Dunn, R Hack, R Marshall, E Herschmann and M Fay re: capital structure analysis; continue reading Staff testimony; memo to R Hack and M Fay re: previous Staff testimony adjusting for difference S&P ratings; read data requests from OPC to Dunn; continue preparation of Murray cross exam outline	4.70	1,245.50
04/21/04 CCD	Continue preparation for Murray deposition; confs with E Herschmann re: capital structure and rate of return analysis; confs with R Hack re: same	2.40	636.00
04/23/04 CCD	Conferences with E. Herschmann re Murray cross strategy; read memos from R. Hack and J. Dunn re strategy; telephone conference call with R. Hack, R. Marshall, E. Herschmann and M. Fay re capital structure issues.	3.80	1,007.00
04/24/04 CCD	Continue preparation of Murray cross-exam outline; continue reading material from R. Hack and J. Dunn.	5.20	1,378.00

Eric Herschmann

Page 4

	<u>Hours</u>	<u>Amount</u>
04/25/04 CCD Continue preparation of Murray cross exam outline; conference with E. Herschmann re strategy; read background materials.	5.90	1,563.50
04/26/04 CCD Meeting with R. Hack, J. Dunn, J. Quain and E. Herschmann re Murray deposition and rate of return strategy.	8.40	2,226.00
04/27/04 CCD Meeting with R. Marshall, J. Dunn, J. Quain & E. Herschmann re Murray deposition and capital structure strategy in light of Panhandle Agreement; pull quotes from prior Murray depositions to use.	9.80	2,597.00
04/28/04 CCD Conf call with D Farr in Swearngen's office re: Missouri Daubert standard and strategy; conf call with M Fay and E Herschmann re: affect of Panhandle Agreement on capital structure issues; continue preparation for Murray deposition; communications with J Dunn re: applying Aguila criteria to Murray's proxy group	4.70	1,245.50
04/29/04 CCD Continue preparation for Murray deposition; tel confs with R Hack, R Marshall and L Racker; review and edit Daubert motion; create additional Murray questions from motion; read financial	6.90	1,828.50

Eric Herschmann

Page 5

Hours	Amount
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materials provided to
Murray; read materials from
R Marshall; confs with E
Herschmann re; Murray
strategy

04/30/04 CCD	Continue preparation for Murray deposition	5.80	1,537.00
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For professional services rendered	105.20	\$27,878.00
Additional charges:		

04/30/04 Copies	5.00
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Delivery Charges - FedEx	87.58
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Travel - (Chris Dodds) 4/26-4/27 to NYC for client meetings.	1,110.66
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Total costs	\$1,203.24
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Total amount of this bill	\$29,081.24
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Previous balance	\$18,440.52 Pd.
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Balance due	\$47,521.76
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User Summary

Name	Hours	Rate	Amount
Christina Dodds	105.20	265.00	\$27,878.00

SOUTHERN UNION COMPANY

REQUEST FOR CHECK

REQUESTOR

Check Payable To:

Watson Bishop London Brophy, PC

Request Date

May 26, 2004

Dollar Amount

\$29,081.24

Payment Due Date

ASAP

Send Check To:

The Littlefield Building
106 E. Sixth St., Suite 700
Austin, TX 78701

Reason for Request

Legal fees regarding MGE

Account Code

Approvals

Acct. Unit	Main Acct.	Subaccount	Activity	Amount/Percent	Requested By	Date
000	146023	0000	Rate	\$29,081.24	Denny Nallon	5/26/04
			Case		Approved By	Date
					Dennis K. Morgan	
					Approved By	Date
Total				\$29,081.24		

ACCOUNTS PAYABLE DEPARTMENT

Reviewed By	Invoice Number	Entered By	Date	Authorized By	Date

04/11/04 13:20 FAX 5124795934

** WBLB **

007

Rak
W

WATSON BISHOP LONDON BROPHY, P.C.

ATTORNEYS AT LAW

106 East Sixth Street, Suite 700

Austin, Texas 78701

(512) 479-5900

(512) 479-5934/Facsimile

April 01, 2004

4-27

ORIGINAL INVOICE

Eric Herschmann

Kasowitz, Benson, Torres & Friedman

1633 Broadway

New York NY 10019

TAX IDENTIFICATION NO. 74-2862000

In Reference To: Missouri Gas Energy

Invoice # 13742

Professional services.

		Hours	Amount
03/04/04 CCD	Conf with E Herschmann re: case background; organize Bible and Schallenberg testimony and documents	1.80	477.00
03/09/04 CCD	Tel conf with R Hack re: case background and schedule; organize testimony for review	0.80	212.00
03/11/04 CCD	Telephone conference with E. Herschmann re strategy of witness review and preparation; begin reading witness statements, memos and depositions.	5.60	1,484.00
03/14/04 CCD	Continue reading materials.	3.20	848.00
03/17/04 CCD	Continue reading witness testimony; tel call from R Hack re: strategy; continue preparation of witness summary and cross examination outline	3.70	980.50

BATCH # 706
 INVOICE # 13742
 DATE 4-27-04
 PREP BY: [Signature]

18440.52

15

04/14/04 13:20 FAX 5124795934

** WBLB **

008

Eric Herschmann

Page 2

		<u>Hours</u>	<u>Amount</u>
03/18/04 CCD	Continue reading witness testimony; continue preparation of witness summary and cross examination outline	1.70	450.50
03/19/04 CCD	Continue reading witness testimony; continue preparation of witness summary and cross examination outline	5.10	1,351.50
03/22/04 CCD	Continue reading witness testimony; continue preparation of witness summary and cross examination outline	4.60	1,219.00
03/23/04 CCD	Continue reading witness testimony; tel confs with E Herschmann re: background issues and potential cross examination; prepare for client meeting	4.10	1,086.50
03/24/04 CCD	Prepare for client meeting; telephone conference with E. Herschmann re: witness summaries and cross-examination strategy; finalize points for cross; read deposition of Murray by Swearingen in Aquila case.	8.40	2,226.00
03/25/04 CCD	Meeting with R Hack, J Dunn, J Quain, D Morgan & E Herschmann re: fact background and strategy	9.10	2,411.50

04/14/04 13:20 FAX 5124795934

** WBLE **

0009

Eric Herschmann

Page 3

	<u>Hours</u>	<u>Amount</u>
03/26/04 CCD Meeting with R Hack, J Dunn, J Quain & E Herschmann re: cross examination strategy	7.80	2,067.00
03/28/04 CCD Read prior Bible depositions forwarded by D Morgan	3.10	821.50
03/30/04 CCD Read materials from client meeting; read testimony of D Broadwater and J Moore; continue reading Bible testimony; continue preparation of cross examination questions for Murray; prepare memo to E Herschmann and R Hack re: schedule and deadlines	5.10	1,351.50
03/31/04 CCD Conferences with M Fay re: Daubert motion strategy and capital structure issues; read testimony for similarities and boilerplate by Staff for each case; memo to R Hack re: risk adjustment issues	3.10	821.50
For professional services rendered Additional charges:	67.20	\$17,808.00
03/31/04 Postage		14.32
Travel - Chris Dodds 3/24-3/28 NYC		618.20
Total costs		<u>\$632.52</u>
Total amount of this bill		<u>\$18,440.52</u>

04/14/04 13:20 FAX 5124795934

** WBLB **

010

Eric Herschmann

Page 4

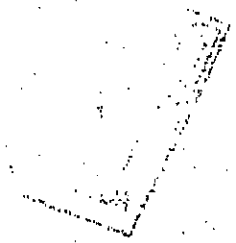
Amount

Balance due

\$18,440.52

User Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Christina Dodds	67.20	265.00	\$17,808.00



15

SOUTHERN UNION COMPANY

REQUEST FOR CHECK

REQUESTOR

Check Payable To:

Watson Bishop London Brophy, PC

Request Date

April 19, 2004

Dollar Amount

\$18,440.52

Payment Due Date

ASAP

Send Check To:

The Littlefield Building
106 E. Sixth St., Suite 700
Austin, TX 78701

Reason for Request

Legal fees regarding MGE

Account Code					Approvals	
Acct. Unit	Main Acct.	Subaccount	Activity	Amount/Percent	Requested By	Date
000	146023	0000		\$18,440.52	<i>Larry Nall</i>	4/19/04
					Approved By	Date
					<i>Dennis K. Morgan</i>	
					Approved By	Date
Total				\$18,440.52		

ACCOUNTS PAYABLE DEPARTMENT

Reviewed By	Invoice Number	Entered By	Date	Authorized By	Date

UTILITY RESEARCH INTERNATIONAL

Utility Financial Consultants

***10403 Big Canoe
Jasper, GA 30143***

***706-579-1480
706-579-1481 fax
email: profmorin@msn.com***

May 19th, 2004

Kasowitz, Benson, Torres & Friedman
1633 Broadway
New York, NY
ATT.: Michael Fay

Dear Michael:

I am delighted that you have decided to retain my professional services to assist you and your client, Missouri Gas Energy (MGE), in your ongoing rate filing in the state of Missouri. My mandate will consist of submitting written and oral expert rebuttal testimony to Mr. Murray's (Missouri Public Service Commission Staff) rate of return testimony in the determination of a fair and reasonable rate of return on equity (ROE) on MGE's common equity capital.

My usual professional honorarium for this endeavor is a flat fee of \$30,000. If required, traveling, computer data bases, and clerical expenses will be compensated as well. The all-in fee includes: review of the company's financial situation, review of current docket and witness filings, analysis of prior relevant commission orders and policies, preparation of rebuttal rate of return testimony and exhibits, and assistance to legal counsels in cross-examination, and testimonial time. In the eventuality of a settlement prior to formal hearings, a rebate of \$5,000 is applicable.

With enthusiasm and anticipation, I look forward to working with you and your excellent staff. I welcome the opportunity and the challenges of working in

the Missouri jurisdiction again. I have very fond memories of my previous involvement and successes, both social and professional, in the state of Missouri. I can only anticipate that they will continue to be as successful. I trust the enclosed meets with your satisfaction. Looking forward to meeting with you and with the rate case team.

Sincerely,

Roger A. Morin, PhD

Distinguished Professor of Finance for Regulated Industry

MEMORANDUM

To: Tom Karam
From: Rob Hack
Date: 5/27/04
Re: Request for approval to hire Roger Morin to assist with MGE rate case.

Pursuant to Company Policy ("Policy"), I hereby request approval to hire Roger Morin to assist in rate of return matters related to the MGE rate case.

Following is the required Policy information.

- A. Requestor: Robert J. Hack, Vice President – Pricing & Regulatory Affairs, MGE.
- B. Purpose: To assist in supporting MGE rate of return position. Currently, the MPSC staff OPC are recommending overall rates of return less than 7.5% and returns on equity no higher than approximately 9.5%. If we are successful, MGE annual earnings would increase in the range of \$23 MM.
- C. Consultant: Roger Morin
- D. Duration: Approximately 3 months.
- E. Consultant's Cost: Approximately \$30,000
- F. Written/Verbal Agreement: Written.
- G. Explanation of Preference: Due to the dollar magnitude of the issue and Professor Morin's distinguished qualifications, his outside assistance is needed to complete the required rebuttal testimony and research needed in a timely manner. Professor Morin has authored texts recognized as authoritative in the field and has expressed a desire to work on this project. Due to severe time constraints associated with testimony filing deadlines, I approved prior to obtaining formal, up-line approval.
- H. Replace Employee/Contractor?: It is not intended that this consultant would replace any existing employee or contractor.
- I. Approval by: MGE Counsel

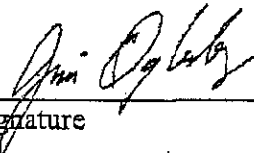
/s/ Robert J. Hack

5/27/04

Signature

Date

J. Approval by: Jim Oglesby, President and COO

x  5/27/04
Signature Date

K. Approval by Thomas F. Karam

Signature Date



John B. Coffman
Public Counsel

State of Missouri

Bob Holden
Governor

Office of the Public Counsel
Governor Office Bldg. Suite 650
200 Madison Street
P.O. Box 2230
Jefferson City, Missouri 65102

Telephone: 573-751-4857
Facsimile: 573-751-5562
Web: <http://www.mo-opc.org>
Relay Missouri
1-800-735-2966 TDD
1-800-735-2466 Voice

MEMORANDUM

TO: Kim Bolin, Public Utility Accountant
FROM: Mike Dandino, Senior Public Counsel
RE: Attorney Fees for the MGE Rate Case
DATE: July 19, 2004

This is in response to your request to review the rate charged for legal services in the MGE case by the law firm of Kasowitz, Benson, Torres & Friedman, New York, NY. Based upon my experience and information from the Missouri Bar regarding customary and usual rates charged for similar legal services in Missouri, it is my opinion that a rate of \$670 to \$690 per hour for office and trial work performed in the MGE Case No. 2004-0209 falls outside of a reasonable and prudent range. I considered the nature of the subject matter, the complexity of the issues litigated, the lack of any special or unique subject matter in the case and the absence of regulatory experience and regulatory expertise on behalf of the Partners of Kasowitz, Benson, Torres & Friedman that were billed to this case.

To give you some background on my experience, here is a short summary of my resume:

I am Senior Public Counsel for the Office of the Public Counsel and have held that position since January, 1995. I am a member in good standing of the Missouri Bar and have been an attorney since September, 1975. I am also a member of the bars of the Federal District Court for both the Eastern and Western District of Missouri, the U.S. Court of Appeals, Eighth Circuit, and the United States Supreme Court. I graduated from the University of Missouri-Kansas City School of Law in 1975 with a Juris Doctor degree.

I was employed as an attorney with the Jackson County Counselor's Office from 1975 to August of 1985. My duties included acting as counsel for a number of county administrative agencies. I also was responsible for the trial of cases on behalf of county officers and agencies before the Missouri State Tax Commission as well as in the circuit courts, the Missouri Courts of Appeal, and the Missouri Supreme Court.

From 1985 to 1990, I was General Counsel for Property Tax Research, a national property tax appeals firm. On behalf of PTR's clients, I retained local counsel in numerous states to provide legal advice as to property tax issues and procedure and to serve as local counsel for tax appeals. I reviewed charges for legal services billed by local counsel. PTR had extensive tax appeals in Missouri and so I regularly employed Missouri counsel with extensive trial and administrative experience and reviewed and approved the fees billed.

From 1990 to 1994, I was an associate attorney in the Wallach Law Firm located in St. Louis, Missouri. My duties included research and preparation of motions, briefs, pleadings, and trial preparation of condemnation, property tax appeals, business litigation, medical malpractice, and municipal law cases. Many of the cases I worked on were billed at an hourly rate.

As Senior Public Counsel, I have been responsible for the trial and conduct of telecommunications cases, and have assisted in the research and preparation of pleadings, motions, and briefs on a variety of regulatory issues before the Missouri Public Service Commission and the courts.

I am familiar with the expertise and experience of the members of the Brydon, Swearngen, & England law firm and know the members of that firm to be highly regarded counsel and trial attorneys in matters of public utility regulation before the Missouri Public Service Commission. Given the firm's reputation in the legal community and in particular in the Missouri regulatory bar that regularly practices before the Commission, I would consider the average hourly rate of \$190.00 charged by that firm in this case as a fair representation of customary, usual, and reasonable legal fees for regulatory office and trial work in the state of Missouri. That fee falls within the range of indicated fees for such legal services as indicated in the attached Missouri Bar Association study.

In conclusion, a \$670 to \$690 per hour fee for this case falls outside of the customary and usual range of hourly rates for regulatory legal work in Missouri. Please let me know if you need additional information.



THE MISSOURI BAR ECONOMIC SURVEY 2003

Special acknowledgement is appropriate for Missouri Bar members who took their valuable time to respond to the survey. Their prompt, candid responses allow this survey to be a credible resource for your use.

INTRODUCTION

The Missouri Bar is pleased to report the results of *The Missouri Bar Economic Survey – 2003*. The survey is a guide for Missouri lawyers to use as they plan and manage their work within the legal profession and their professional lives.

Since 1958, The Missouri Bar has conducted a survey every other year to gain insight into the economics of the practice of law in the state of Missouri. This **non-scientific** survey is a snapshot of the economic performance of the legal profession in Missouri as of December 31, 2002. The information in this survey should be used as a guide rather than as an absolute standard. The survey results should be considered and used in its entirety only in order to avoid misconstruing the meaning of individual exhibits within the report. For lawyers in the private practice of law, the information may be useful to evaluate their firm's performance relative to comparable law firms. With this information, Missouri lawyers in private practice may compare their firm's performance with those of similar size, by geographic location, and other similarities. Some sections of the survey include data from previous surveys presented in such a manner as to decipher trends over the past decade.

A portion of the survey also depicts economic information about Missouri lawyers who work in law-related and non-legal professions as well as data about difficulties experienced by Missouri lawyers that affected their work or satisfaction levels while working in the legal profession.

The confidential survey questionnaire was mailed to a **sampling of 3,250 Missouri Bar members** in the spring of 2003. **A total of 1,290 completed and returned the survey, which represents a 40% response rate.** The respondents were asked to provide information as of the close of business on December 31, 2002. Nearly 15,000 lawyers listing a Missouri address were licensed to practice law in the state of Missouri at the time of the survey.

The survey respondents consisted of 69.6% male and 30% female; 0.3% of the respondents did not indicate their gender. Survey respondents were voluntarily asked to indicate their race. 93.8% of the respondents indicated they were Caucasian; 2.2% African-American; 0.3% Hispanic; 0.4% Asian; 0.7% Other; 2.3% did not indicate their race. Close to 40.0% of respondents in private practice indicate that their primary area of practice is civil trial and/or appellate practice. The demographics closely mirror those from the previous survey taken in 2001.

Some survey results are divided by geographic locations, specifically St. Louis City, St. Louis County, Jackson County, Greene County, Boone County, and Cole County. Other locations are grouped into a category entitled "Others".

The surveys were collected, tabulated, and analyzed by the University of Missouri College of Arts and Science Economic and Policy Analysis Research Center in Columbia, Missouri.

STATISTICAL TERMS USED IN THE SURVEY

The **mean (arithmetic average)** is calculated by adding the values of all responses, then dividing by the number of responses.

The **median** is the middle value of a series (distribution) of values, which is initially, ranked (low to high, or vice versa). By definition, half of the numbers are greater and half are less than the median.

HOW TO READ THIS SURVEY

Charts and graphs are used whenever possible to present the information. Various correlations are made in order to assist the reader to further analyze the data.

Examples . . .

On page 42 of the Lawyers in Private Practice Section, you will see a chart concerning practice areas by hourly charge for trial work. In the Civil Trial Section, 61 respondents, representing 24.6% of those responding that they practice in this area, charge \$126-150 per hour for trial work.

On page 46 of the Lawyers in Private Practice Section, you will see a chart concerning median total income based on the number of years since being admitted to the practice of law. Those in the full-time practice of law in Missouri between the ages of 30 and 39 years reported a median income of \$160,000.

Notation:

Reference to **Total Income** in the survey indicates the total income reported by the respondents from **both** full-time and part-time income. Full-Time Practice Income does not include any additional part-time income considered in the respondents' total income.

HOW TO ACCESS A COPY OF THE SURVEY

The Missouri Bar Economic Survey is also available to Missouri Bar members on the Bar's website at www.mobar.org. It is required to log on to the Member's Only portion of the website, which requires a bar number and PIN. Missouri Bar members may request one printed copy at no charge.

Lawyers in Private Practice

Salaries, Fees, Overhead and Related

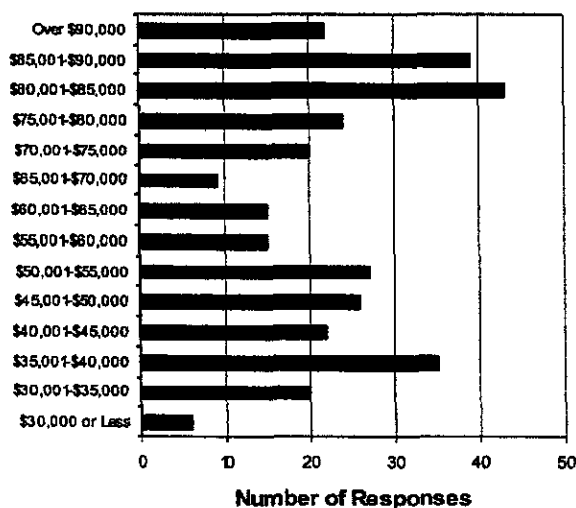
Salary of Newly Admitted Lawyer

	Responses	Percent
\$30,000 or Less	6	0.7
\$30,001 - \$35,000	20	2.3
\$35,001 - \$40,000	35	4.0
\$40,001 - \$45,000	22	2.5
\$45,001 - \$50,000	26	3.0
\$50,001 - \$55,000	27	3.1
\$55,001 - \$60,000	15	1.7
\$60,001 - \$65,000	15	1.7
\$65,001 - \$70,000	9	1.0
\$70,001 - \$75,000	20	2.3
\$75,001 - \$80,000	24	2.7
\$80,001 - \$85,000	43	5.0
\$85,001 - \$90,000	39	4.5
Over \$90,000	22	2.5
Don't Know	63	7.3
Not Reported	150	17.4
Not Applicable	324	37.6

Student Law Clerk Salary

	Responses	Percent
\$1,000 or Less	28	3.2
\$1,001 - \$1,500	35	4.0
\$1,501 - \$2,000	42	4.8
\$2,001 - \$2,500	19	2.2
\$2,501 - \$3,000	16	1.8
\$3,001 - \$3,500	14	1.6
\$3,501 - \$4,000	14	1.6
\$4,001 - \$4,500	16	1.8
\$4,501 - \$5,000	15	1.7
\$5,001 - \$5,500	17	1.9
\$5,501 - \$6,000	33	3.8
Over \$6,000	7	0.8
Not Reported	243	28.2
Not Applicable	361	41.9

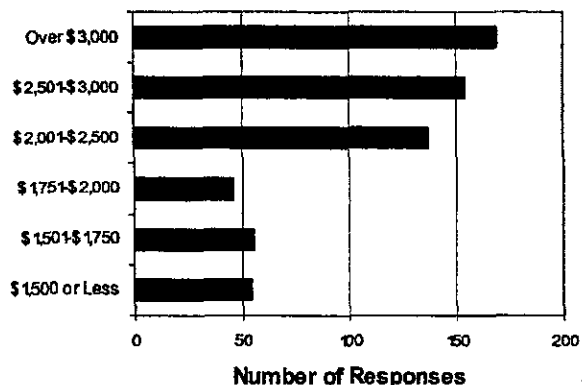
Salary of Newly Admitted Lawyer



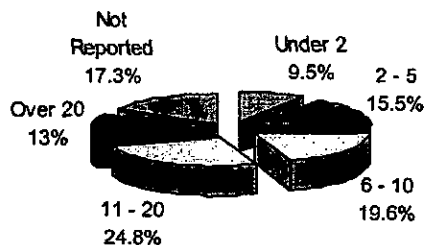
Legal Secretary Salary

	Responses	Percent
\$1,500 or Less	55	6.4
\$1,501 - \$1,750	56	6.5
\$1,751 - \$2,000	46	5.3
\$2,001 - \$2,500	137	15.9
\$2,501 - \$3,000	155	18.0
Over \$3,000	170	19.7
Not Reported	127	14.7
Not Applicable	114	13.2

Legal Secretary Salary



Secretarial Experience by Years



Secretarial Experience by Years

	Responses	Percent
Under 2	82	9.5
2 - 5	134	15.5
6 - 10	169	19.6
11 - 20	214	24.8
Over 20	112	13.0
Not Reported	149	17.3

Lawyers in Private Practice

Salaries, Fees, Overhead and Related

Legal Assistants/Paralegals Monthly Salary

	Responses	Percent
\$1,500 or Less	15	1.7
\$1,501-\$1,750	17	1.9
\$1,751-\$2,000	25	2.9
\$2,001-\$2,500	42	4.8
\$2,501-\$3,000	74	8.6
\$3,001-\$3,500	72	8.3
\$3,501-\$4,000	56	6.5
\$4,001-\$4,500	36	4.1
\$4,501-\$5,000	15	1.7
Over \$5,000	6	0.7
Not Reported	130	15.1
Not Applicable	372	43.2

Legal Assistants/Paralegals Hourly Charge

	Responses	Percent
\$20 or Less	3	0.3
\$21 - \$30	12	1.4
\$31 - \$40	29	3.3
\$41 - \$50	59	6.8
\$51 - \$60	90	10.4
Over \$60	264	30.7
Not Reported	77	8.9
Not Applicable	326	37.9

Monthly Salary of Legal Assistants/Paralegals by Selected Location

	Boone County		Cole County		Greene County		Jackson County		St. Louis County		St. Louis City		Other Areas		Not Reported		All Respondents	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
\$1,500 or Less	2	0.6%	1	0.3%	1	0.3%	5	1.4%	1	0.3%	3	0.8%	1	0.3%	1	0.3%	15	4.2%
\$1,501-\$1,750	1	0.3%	.	.	3	0.8%	4	1.1%	3	0.8%	1	0.3%	3	0.8%	2	0.6%	17	4.7%
\$1,751-\$2,000	1	0.3%	.	.	4	1.1%	8	2.2%	2	0.6%	3	0.8%	6	1.7%	1	0.3%	25	7.0%
\$2,001-\$2,500	.	.	1	0.3%	6	1.7%	10	2.8%	8	2.2%	7	2.0%	8	2.2%	2	0.6%	42	11.7%
\$2,501-\$3,000	.	.	3	0.8%	19	5.3%	16	4.5%	12	3.4%	10	2.8%	13	3.6%	1	0.3%	74	20.7%
\$3,001-\$3,500	.	.	2	0.6%	4	1.1%	27	7.5%	17	4.7%	11	3.1%	6	1.7%	5	1.4%	72	20.1%
\$3,501-\$4,000	.	.	1	0.3%	2	0.6%	30	8.4%	9	2.5%	11	3.1%	2	0.6%	1	0.3%	56	15.6%
\$4,001-\$4,500	.	.	1	0.3%	1	0.3%	12	3.4%	7	2.0%	14	3.9%	1	0.3%	.	.	36	10.1%
\$4,501-\$5,000	1	0.3%	.	.	.	.	4	1.1%	7	2.0%	3	0.8%	.	.	.	.	15	4.2%
Over \$5,000	.	.	.	.	.	.	4	1.1%	1	0.3%	1	0.3%	.	.	.	.	6	1.7%
All Respondents	5	1.4%	9	2.5%	40	11.2%	120	33.5%	67	18.7%	64	17.9%	40	11.2%	13	3.6%	358	100.0%

Monthly Salary of Legal Assistants/Paralegals by Size of Firm

	1		2 - 4		5 - 9		10 - 19		20 - 29		30 - 99		100 & Over		All Resp.	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
\$1,500 or Less	8	2.2%	6	1.7%	.	.	1	0.3%	.	.	.	.	.	.	15	4.2%
\$1,501-\$1,750	6	1.7%	6	1.7%	1	0.3%	2	0.6%	1	0.3%	.	.	1	0.3%	17	4.7%
\$1,751-\$2,000	4	1.1%	15	4.2%	4	1.1%	1	0.3%	1	0.3%	.	.	.	.	25	7.0%
\$2,001-\$2,500	10	2.8%	15	4.2%	8	2.2%	4	1.1%	1	0.3%	1	0.3%	3	0.8%	42	11.7%
\$2,501-\$3,000	7	2.0%	13	3.6%	21	5.9%	20	5.6%	3	0.8%	3	0.8%	7	2.0%	74	20.7%
\$3,001-\$3,500	3	0.8%	8	2.2%	11	3.1%	20	5.6%	10	2.8%	7	2.0%	13	3.6%	72	20.1%
\$3,501-\$4,000	1	0.3%	4	1.1%	3	0.8%	7	2.0%	6	1.7%	9	2.5%	26	7.3%	56	15.6%
\$4,001-\$4,500	.	.	1	0.3%	.	.	7	2.0%	1	0.3%	5	1.4%	22	6.1%	36	10.1%
\$4,501-\$5,000	2	0.6%	.	.	2	0.6%	1	0.3%	2	0.6%	4	1.1%	4	1.1%	15	4.2%
Over \$5,000	1	0.3%	.	.	.	.	.	.	.	.	.	5	1.4%	6	1.7%	
All Respondents	42	11.7%	68	19.0%	50	14.0%	63	17.6%	25	7.0%	29	8.1%	81	22.6%	358	100.0%

Lawyers in Private Practice

Salaries, Fees, Overhead and Related

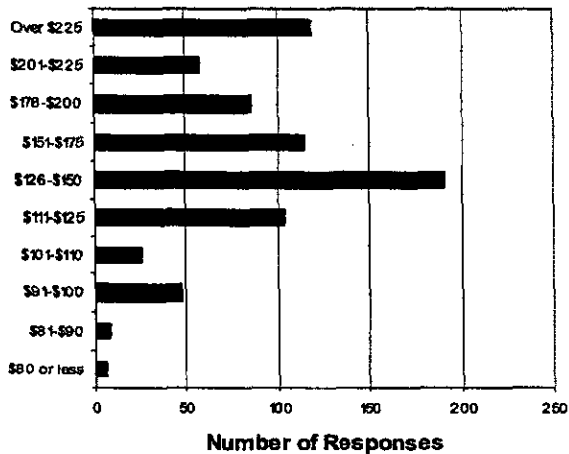
Hourly Charge - Office Work

	Responses	Percent
Not Hourly Basis	67	7.7
\$80 or Less	6	0.7
\$81-\$ 90	8	0.9
\$91-\$100	48	5.5
\$101-\$110	26	3.0
\$111-\$125	103	11.9
\$126-\$150	191	22.2
\$151-\$175	115	13.3
\$176-\$200	86	10.0
\$201-\$225	58	6.7
Over \$225	119	13.8
Not Reported	33	3.8

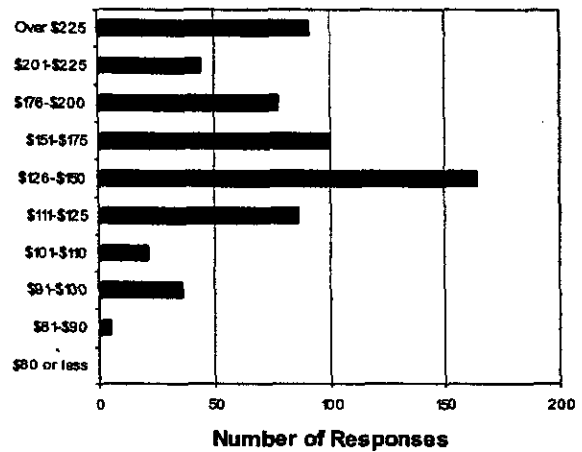
Hourly Charge - Trial Work

	Responses	Percent
Not Hourly Basis	62	7.2
\$80 or Less	1	0.1
\$81-\$ 90	5	0.5
\$91-\$100	36	4.1
\$101-\$110	21	2.4
\$111-\$125	86	10.0
\$126-\$150	164	19.0
\$151-\$175	100	11.6
\$176-\$200	78	9.0
\$201-\$225	44	5.1
Over \$225	91	10.5
Not Reported	172	20.0

Hourly Charge - Office Work



Hourly Charge - Trial Work



Lawyers in Private Practice

Salaries, Fees, Overhead and Related

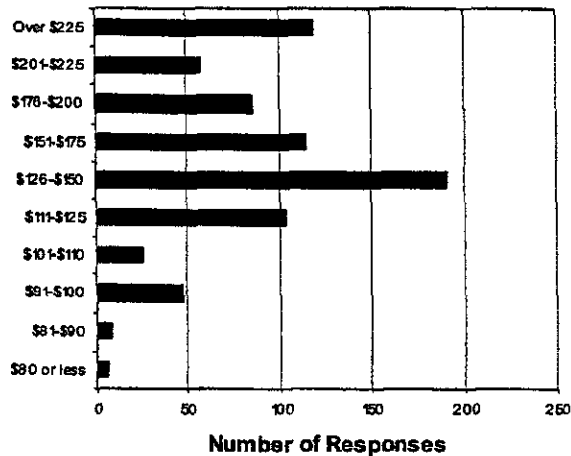
Hourly Charge - Office Work

	Responses	Percent
Not Hourly Basis	67	7.7
\$80 or Less	6	0.7
\$81-\$ 90	8	0.9
\$91-\$100	48	5.5
\$101-\$110	26	3.0
\$111-\$125	103	11.9
\$126-\$150	191	22.2
\$151-\$175	115	13.3
\$176-\$200	86	10.0
\$201-\$225	58	6.7
Over \$225	119	13.8
Not Reported	33	3.8

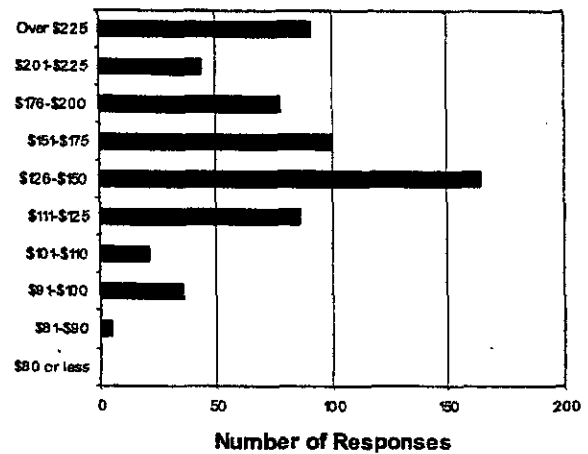
Hourly Charge - Trial Work

	Responses	Percent
Not Hourly Basis	62	7.2
\$80 or Less	1	0.1
\$81-\$ 90	5	0.5
\$91-\$100	36	4.1
\$101-\$110	21	2.4
\$111-\$125	86	10.0
\$126-\$150	164	19.0
\$151-\$175	100	11.6
\$176-\$200	78	9.0
\$201-\$225	44	5.1
Over \$225	91	10.5
Not Reported	172	20.0

Hourly Charge - Office Work



Hourly Charge - Trial Work



Lawyers in Private Practice

Salaries, Fees, Overhead and Related

Hourly Charge for Office Work by County of Practice (Grouped)

	Boone County		Cole County		Greene County		Jackson County		St. Louis County		St. Louis City		Other Areas		Not Reported		All Respondents	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
\$80 or Less	2	0.3%	.	.	.	.	1	0.1%	2	0.3%	.	.	1	0.1%	.	.	6	0.8%
\$81-\$90	.	.	.	.	.	.	2	0.3%	2	0.3%	1	0.1%	2	0.3%	1	0.1%	8	1.1%
\$91-\$100	2	0.3%	1	0.1%	3	0.4%	5	0.7%	13	1.7%	3	0.4%	18	2.4%	3	0.4%	48	6.3%
\$101-\$110	2	0.3%	1	0.1%	2	0.3%	3	0.4%	3	0.4%	4	0.5%	11	1.4%	.	.	26	3.4%
\$111-\$125	6	0.8%	3	0.4%	12	1.6%	18	2.4%	14	1.8%	15	2.0%	30	3.9%	5	0.7%	103	13.6%
\$126-\$150	8	1.1%	8	1.1%	16	2.1%	45	5.9%	33	4.3%	30	3.9%	44	5.8%	7	0.9%	191	25.1%
\$151-\$175	4	0.5%	4	0.5%	10	1.3%	28	3.7%	29	3.8%	21	2.8%	14	1.8%	5	0.7%	115	15.1%
\$176-\$200	.	.	2	0.3%	6	0.8%	31	4.1%	23	3.0%	9	1.2%	13	1.7%	2	0.3%	86	11.3%
\$201-\$225	1	0.1%	1	0.1%	1	0.1%	27	3.6%	16	2.1%	6	0.8%	4	0.5%	2	0.3%	58	7.6%
Over \$225	.	.	2	0.3%	1	0.1%	53	7.0%	31	4.1%	28	3.7%	2	0.3%	2	0.3%	119	15.7%
All Resp.	25	3.3%	22	2.9%	51	6.7%	213	28.0%	166	21.8%	117	15.4%	139	18.3%	27	3.6%	760	100.0%

Hourly Charge for Trial Work by County of Practice (Grouped)

	Boone County		Cole County		Greene County		Jackson County		St. Louis County		St. Louis City		Other Areas		Not Reported		All Respondents	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
\$80 or Less	.	.	.	.	.	.	.	.	.	.	.	.	1	0.2%	.	.	1	0.2%
\$81-\$90	.	.	.	.	.	.	.	.	1	0.2%	1	0.2%	2	0.3%	1	0.2%	5	0.8%
\$91-\$100	2	0.3%	1	0.2%	3	0.5%	4	0.6%	9	1.4%	3	0.5%	12	1.9%	2	0.3%	36	5.8%
\$101-\$110	1	0.2%	1	0.2%	2	0.3%	3	0.5%	2	0.3%	4	0.6%	8	1.3%	.	.	21	3.4%
\$111-\$125	3	0.5%	3	0.5%	8	1.3%	14	2.2%	15	2.4%	8	1.3%	29	4.6%	6	1.0%	86	13.7%
\$126-\$150	7	1.1%	7	1.1%	18	2.9%	34	5.4%	23	3.7%	29	4.6%	43	6.9%	3	0.5%	164	26.2%
\$151-\$175	6	1.0%	4	0.6%	8	1.3%	25	4.0%	26	4.2%	12	1.9%	13	2.1%	6	1.0%	100	16.0%
\$176-\$200	.	.	2	0.3%	4	0.6%	25	4.0%	18	2.9%	9	1.4%	16	2.6%	4	0.6%	78	12.5%
\$201-\$225	1	0.2%	.	.	1	0.2%	16	2.6%	14	2.2%	6	1.0%	3	0.5%	3	0.5%	44	7.0%
Over \$225	1	0.2%	3	0.5%	.	.	44	7.0%	24	3.8%	15	2.4%	2	0.3%	2	0.3%	91	14.5%
All Resp.	21	3.4%	21	3.4%	44	7.0%	165	26.4%	132	21.1%	87	13.9%	129	20.6%	27	4.3%	626	100.0%

Lawyers in Private Practice

Salaries, Fees, Overhead and Related

Charge Interest on Past-Due Billings

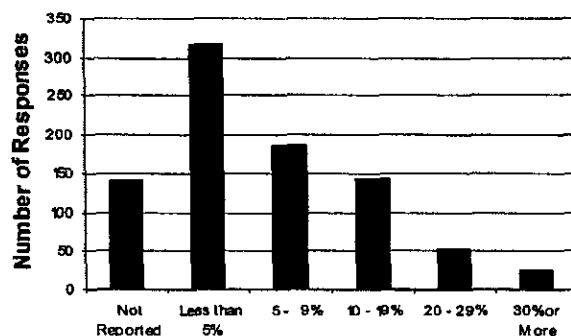
	Responses	Percent
Yes	162	18.8
No	594	69.0
Not Reported	104	12.0

Percent Billings Written

Off as a Loss

	Responses	Percent
Less than 5%	316	36.7
5- 9%	185	21.5
10-19%	143	16.6
20-29%	53	6.1
30% or More	23	2.6
Not Reported	140	16.2

Percent of Billings Written Off



Handle Undisputed Past Due Billings

	Responses	Percent
Lawsuit	60	6.9
Write Off	411	47.7
Collection Agency	49	5.7
Other	198	23.0
Lawsuit/Write Off	2	0.2
Write Off/Other	3	0.3
Write Off/Agency	0	0.0
Agency/Other	0	0.0
Lawsuit/Other	0	0.0
Not Reported	135	15.9

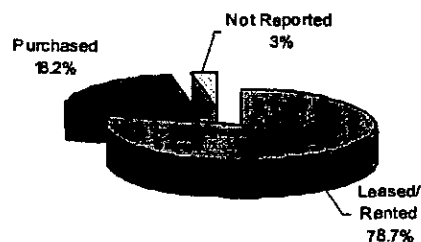
Overhead Percentage

	Responses	Percent
20% or Less	68	7.9
21-30%	86	10.0
31-40%	145	16.8
41-50%	181	21.0
Over 50%	100	11.6
Don't Know	253	29.4
Not Reported	27	3.1

Office Space Rented/Purchased

	Responses	Percent
Leased/Rented	677	78.7
Purchased	157	18.2
Not Reported	26	3.0

Office Space Rented/Purchased



Credit Card Payment for Legal Fees

	Responses	Percent
Yes	189	23.9
No	487	61.6
Don't Know	114	14.4

Responses Missing = 70

Lawyers in Private Practice

Law Practice Areas by Selected Demographic Factors

Law Practice Areas by Hourly Charge - Office Work

	\$90 or Less		\$91-\$100		\$101-\$110		\$111-\$125		\$126-\$150		\$151-\$175		\$176-\$200		\$201-\$225		Over \$225		All Resp. ¹	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Family Law	6	5.1%	8	6.8%	4	3.4%	20	17.1%	36	30.8%	14	12.0%	14	12.0%	7	6.0%	8	6.8%	117	100.0%
Civil Trial	3	1.2%	13	5.0%	8	3.1%	46	17.8%	68	26.3%	36	13.9%	37	14.3%	16	6.2%	32	12.4%	259	100.0%
Estate Planning	.	.	4	4.4%	.	.	5	5.5%	35	38.5%	15	16.5%	5	5.5%	10	11.0%	17	18.7%	91	100.0%
Criminal	4	6.6%	8	13.1%	4	6.6%	11	18.0%	22	36.1%	4	6.6%	2	3.3%	4	6.6%	2	3.3%	61	100.0%
Bankruptcy	.	.	3	5.8%	2	3.8%	8	15.4%	12	23.1%	10	19.2%	6	11.5%	3	5.8%	8	15.4%	52	100.0%
Business	.	.	3	2.9%	.	.	6	5.7%	19	18.1%	16	15.2%	15	14.3%	14	13.3%	32	30.5%	105	100.0%
Tax	.	.	2	5.7%	.	.	3	8.6%	5	14.3%	7	20.0%	6	17.1%	4	11.4%	8	22.9%	35	100.0%
Real Estate	.	.	2	3.0%	.	.	5	7.6%	15	22.7%	9	13.6%	8	12.1%	10	15.2%	17	25.8%	66	100.0%
Labor	.	.	.	.	1	2.8%	3	8.3%	11	30.6%	8	22.2%	5	13.9%	5	13.9%	3	8.3%	36	100.0%
Workers' Comp.	2	5.0%	4	10.0%	5	12.5%	9	22.5%	12	30.0%	3	7.5%	3	7.5%	1	2.5%	1	2.5%	40	100.0%
Patent, Trademark, Copyright	.	.	.	.	1	6.7%	1	6.7%	2	13.3%	2	13.3%	2	13.3%	1	6.7%	6	40.0%	15	100.0%
Health	.	.	.	.	1	5.9%	.	.	5	29.4%	6	35.3%	.	.	1	5.9%	4	23.5%	17	100.0%
Environ-ment	.	.	.	.	.	.	.	.	1	8.3%	1	8.3%	2	16.7%	2	16.7%	6	50.0%	12	100.0%
Elder Law/ Soc. Sec.	.	.	.	.	.	.	1	33.3%	1	33.3%	.	.	.	.	.	.	1	33.3%	3	100.0%
Alternative Dispute Resolution	.	.	.	.	.	.	.	.	3	37.5%	2	25.0%	1	12.5%	1	12.5%	1	12.5%	8	100.0%
Insurance Practice	1	2.3%	7	16.3%	2	4.7%	11	25.6%	11	25.6%	4	9.3%	2	4.7%	1	2.3%	4	9.3%	43	100.0%
Admin./ Reg. Law	.	.	1	5.3%	.	.	1	5.3%	2	10.5%	5	26.3%	3	15.8%	3	15.8%	4	21.1%	19	100.0%
Other	1	1.9%	2	3.8%	1	1.9%	7	13.5%	8	15.4%	13	25.0%	8	15.4%	3	5.8%	9	17.3%	52	100.0%
All Resp. ²	12	1.8%	39	5.7%	21	3.1%	90	13.3%	168	24.7%	104	15.3%	78	11.5%	55	8.1%	112	16.5%	679	100.0%

Respondents may have answered in more than one law practice area.

¹This number is the total number of respondents within a specific category (ex. Family Law).

²This number is the total number of respondents within a specific range (ex. \$126-\$150).

Lawyers in Private Practice

Law Practice Areas by Selected Demographic Factors

Law Practice Areas by Hourly Charge - Trial Work

	\$90 or Less		\$91-\$100		\$101-\$110		\$111-\$125		\$126-\$150		\$151-\$175		\$176-\$200		\$201-\$225		Over \$225		All Resp. ¹	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Family Law	3	2.6%	9	7.9%	4	3.5%	18	15.8%	34	29.8%	15	13.2%	15	13.2%	8	7.0%	8	7.0%	114	100.0%
Civil Trial	.	.	9	3.6%	8	3.2%	40	16.1%	61	24.6%	40	16.1%	39	15.7%	17	6.9%	34	13.7%	248	100.0%
Estate Planning	.	.	1	2.1%	.	.	3	6.3%	19	39.6%	9	18.8%	4	8.3%	3	6.3%	9	18.8%	48	100.0%
Criminal	2	3.3%	9	15.0%	4	6.7%	9	15.0%	19	31.7%	7	11.7%	3	5.0%	2	3.3%	5	8.3%	60	100.0%
Bankruptcy	.	.	.	.	2	4.3%	9	19.1%	11	23.4%	6	12.8%	7	14.9%	2	4.3%	10	21.3%	47	100.0%
Business	.	.	3	6.4%	.	.	5	10.6%	11	23.4%	6	12.8%	4	8.5%	5	10.6%	13	27.7%	47	100.0%
Tax	.	.	2	12.5%	.	.	.	.	1	6.3%	4	25.0%	4	25.0%	1	6.3%	4	25.0%	16	100.0%
Real Estate	.	.	1	3.0%	.	.	2	6.1%	10	30.3%	3	9.1%	4	12.1%	7	21.2%	6	18.2%	33	100.0%
Labor	.	.	.	.	.	.	1	2.9%	12	34.3%	8	22.9%	6	17.1%	4	11.4%	4	11.4%	35	100.0%
Workers' Comp.	2	5.3%	3	7.9%	5	13.2%	7	18.4%	9	23.7%	7	18.4%	3	7.9%	1	2.6%	1	2.6%	38	100.0%
Patent, Trademark Copyright	.	.	.	.	1	7.1%	1	7.1%	2	14.3%	1	7.1%	2	14.3%	1	7.1%	6	42.9%	14	100.0%
Health	.	.	.	.	1	9.1%	.	.	4	36.4%	3	27.3%	.	.	1	9.1%	2	18.2%	11	100.0%
Environment	.	.	.	.	.	.	1	8.3%	1	8.3%	1	8.3%	2	16.7%	1	8.3%	6	50.0%	12	100.0%
Elder Law/ Soc. Sec.	.	.	.	.	.	.	1	50.0%	.	.	.	.	.	.	.	.	1	50.0%	2	100.0%
Alternative Dispute Resolution	.	.	.	.	.	.	.	.	3	37.5%	2	25.0%	1	12.5%	1	12.5%	1	12.5%	8	100.0%
Insurance Practice	.	.	6	14.3%	3	7.1%	10	23.8%	10	23.8%	6	14.3%	1	2.4%	2	4.8%	4	9.5%	42	100.0%
Admin./ Reg. Law	.	.	.	.	.	.	1	6.7%	1	6.7%	5	33.3%	3	20.0%	.	.	5	33.3%	15	100.0%
Other	.	.	2	4.7%	.	.	6	14.0%	8	18.6%	13	30.2%	3	7.0%	5	11.6%	6	14.0%	43	100.0%
All Resp. ²	6	1.1%	29	5.3%	19	3.4%	75	13.6%	140	25.4%	88	15.9%	70	12.7%	41	7.4%	84	15.2%	552	100.0%

Respondents may have answered in more than one law practice area.

¹This number is the total number of respondents within a specific category (ex. Family Law).

²This number is the total number of respondents within a specific range (ex. \$126-\$150).