

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri Gas)
Energy, a Division of Southern Union Company,) **Case No. GO-2005-0273**
for Approval to Establish an Infrastructure System) **Tariff No. YG-2005-0615**
Replacement Surcharge.)

ORDER DIRECTING FILING

The Staff of the Missouri Public Service Commission filed a Memorandum, with Attachments, on April 13, 2005. Missouri Gas Energy, a division of Southern Union Company, filed its response thereto on April 18, 2005. The parties appear to agree that the Commission should authorize MGE to establish an Infrastructure System Replacement Surcharge sufficient to recover \$1,164,726. Although MGE's initial request was \$1,364,611, the parties agreed that "Cost of Removal" in the amount of \$199,884 should not be included. However, \$1,364,611 less \$199,884 is \$1,164,727.

Also, in Attachment A to Staff's Memorandum, the following is calculated:

Total Revenue Requirement	\$751,853
Under-recovery of previous ISRS	\$121,474
Depreciation Expense	\$197,974
Property Taxes	<u>\$93,425</u>
Total ISRS Revenue Requirement	\$1,164,726

However, in the body of Staff's Memorandum, the following is calculated to illustrate MGE's request:

Return on ISRS Plant	\$751,854
Depreciation Expense	\$197,974
Property Taxes	\$93,425
Cost of Removal	\$199,884
Under-recovery of MGS previous ISRS	<u>\$121,474</u>
	\$1,364,611

As stated above, \$1,364,611 less \$199,884, "Cost of Removal", equals \$1,164,727. Also, with the exception of "Cost of Removal", the figures from Staff's Attachment A and those in the body of Staff's Memorandum appear to reflect the same components. Assuming that "Return of ISRS Plant" and "Total Revenue Requirement" reflect the same thing, the Commission questions why the figures differ by one dollar.

IT IS THEREFORE ORDERED:

1. That the Staff of the Commission shall file, no later than April 29, 2005, a pleading which clarifies the following:
 - a. Do "Return of ISRS Plant" and "Total Revenue Requirement" reflect the same components?
 - b. If "Return of ISRS Plant" and "Total Revenue Requirement" reflect the same components, what is its value?
 - c. Should the total ISRS Revenue be \$1,164,726 or \$1,164,727.
2. That this order shall become effective on April 20, 2005.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Kennard L. Jones, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 20th day of April, 2005.