

KDT-1

MISSOURI GAS UTILITY, INC

FILED WITH THE MISSOURI PUBLIC SERVICE COMMISSION

**COST OF SERVICE STUDY FOR TEST YEAR ENDING MARCH 31, 2007
AS ADJUSTED**

August 23, 2007

Prepared by Kent Taylor, KTM Inc.

**MISSOURI GAS UTILITY, INC
COST OF SERVICE STUDY DOCUMENT LIST**

Schedule KDT-1

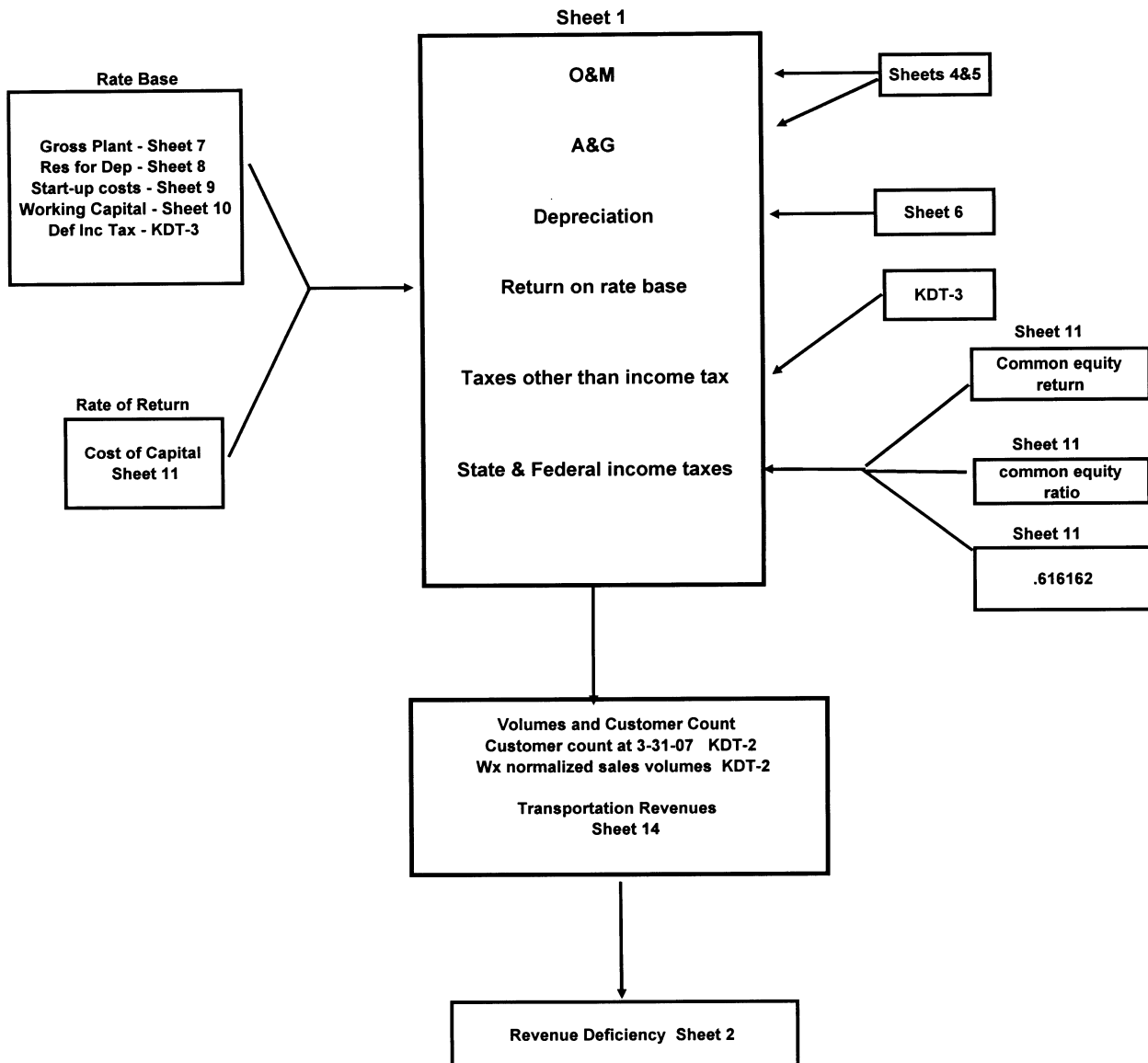
Sheet 1	Cost of Service and Proposed Distribution Rates
Sheets 2 & 3	Revenue Deficiency Calculations
Sheets 4 & 5	Operations & Maintenance Expense
Sheet 6	Test Period Depreciation
Sheet 7	Gross Plant
Sheet 8	Reserve for Depreciation
Sheet 9	Start-up Costs
Sheet 10	Working Capital
Sheets 11 & 12	Capital Structure
Sheets 13 & 14	Test Period Weather Adjusted Sales Volumes at Current Rates Test Period Weather Adjusted Sales Volumes at Proposed Rates

Schedule KDT - 2 Weather adjusted sales volumes and supporting documents

Schedule KDT - 3 Auditor's Trial Balance for FY 2007

Schedule KDT - 4 Cost of Service Adjustments

MISSOURI GAS UTILITY, INC
COST OF SERVICE AND RATE DESIGN FLOWCHART



MISSOURI GAS UTILITY, INC.
COST OF SERVICE SUMMARY
FOR TEST YEAR ENDED MARCH 31, 2007 AS ADJUSTED
Volumes in Mcf

Line No	Particulars (a)	Reference (b)	Total (c)	Line No
<u>Annual Cost of Service</u>				
1	Operation and Maintenance Expense	Sheets 4&5	\$ 272,076	1
2	Depreciation	Sheet 6	112,688	2
3	Income taxes	Sheet 3	184,118	3
4	Taxes other than income taxes	KDT-3	38,456	4
5	Revenue credits	KDT-3	(7,089)	5
6	<u>Return on Rate Base at 9.50%</u>	line 15	454,806	6
7	Total cost of service		<u>\$ 1,055,054</u>	7
<u>Rate Base</u>				
8	Utility Plant in Service	Sheet 7	\$ 4,585,320	8
9	Less: Reserve for Depreciation	Sheet 8	(164,661)	9
10	Net Plant adjusted		<u>\$ 4,420,659</u>	10
11	Start-up Costs	Sheet 9	122,137	11
12	Working Capital	Sheet 10	310,874	12
13	Deferred income taxes	KDT-3	(65,000)	13
14	Total		<u>\$ 4,788,670</u>	14
15	<u>Return on Rate Base at 9.50%</u>	<u>Ln 14 * 9.50%</u>	<u>\$ 454,806</u>	15
<u>Required Rates</u>				
16	Total Revenue Requirement	line 7	\$ 1,055,054	16
17	Less: Customer charges (includes transportation)	Sheet 14	(200,460)	17
18	transportation rev (commodity only)	Sheet 14	(179,708)	18
19	Amount to recover from Commodity charge	ln 16 - ln 17 - ln 18	<u>\$ 674,887</u>	19
20	Required Distribution charge per Mcf	ln 19 / annual vol	<u>\$ 5.557</u>	20
<u>Customer and Usage Statistics</u>				
Customer count at 3/31/07				
21	residential	Sheet 14	853	21
22	commercial	Sheet 14	57	22
23	large volume sales	Sheet 14	12	23
24	transportation	Sheet 14	1	24
Annual usage by customer class (Mcf)				
25	general service	Sheet 14	68,252	25
26	commercial	Sheet 14	11,581	26
27	large volume sales	Sheet 14	41,613	27
28	transportation (dt)	Sheet 14	51,345	28

MISSOURI GAS UTILITY, INC.
TEST PERIOD REVENUE DEFICIENCY CALCULATION
FOR TEST YEAR ENDED MARCH 31, 2007 AS ADJUSTED

Line No.	Description (a)	References cols (e) - (g) (b)	Actual Test Period Revenues & Expense (c)	Adjustments (d)	Revenues at Current Rates & Customers (e)	Adjustments (f)	Revenues at Proposed Rates (g)	Line No.
Note 1								
Operating Margin								
1	Unbilled revenue	Schedule KDT-3	\$ 14,026	\$ (14,026)	\$ -	\$ -	\$ -	1
2	Customer charges	Sheets 13 & 14	98,127	8,721	106,848	93,612	200,460	2
3	Distribution revenues	Sheets 13 & 14	251,332	115,111	366,443	308,443	674,887	3
4	Transportation revenues	Sheets 13 & 14	137,819	813	138,632	41,076	179,708	4
5	Miscellaneous revenue		7,089	-	7,089	-	7,089	5
6	Total Margin		\$ 494,367	\$ 124,645	\$ 619,012	\$ 443,131	\$ 1,062,143	6
Operating Expenses								
7	Operation and Maintenance	Sheet 4 & 5	\$ 202,026	\$ 70,050	\$ 272,076	\$ -	\$ 272,076	7
8	Depreciation	Sheet 6	72,102	40,586	112,688	-	112,688	8
9	Taxes Other Than Income	Schedule KDT-3	38,456	-	38,456	-	38,456	9
10	Subtotal Expenses		\$ 312,583	\$ 110,636	\$ 423,220	\$ -	\$ 423,220	10
11	Net Operating Income Before Income Taxes		\$ 181,783	\$ 14,009	\$ 195,792	\$ 443,131	\$ 638,923	11
12	State and Federal Income Taxes	Sheet 3	18,515	(3,341)	15,174	168,944	184,118	12
13	Net Operating Income		\$ 163,268	\$ 17,350	\$ 180,618	\$ 274,187	\$ 454,806	13
14	Return on Rate Base		4.95%		3.77%		9.50%	14
Rate Base								
15	Gas Plant in Service	Sheet 1	\$ 3,038,672	\$ 1,546,648	\$ 4,585,320	\$ -	\$ 4,585,320	15
16	Less: Accum Reserve for Depreciation	Sheet 1	(132,129)	(32,533)	(164,661)	-	(164,661)	16
17	Net Plant in Service		\$ 2,906,544	\$ 1,514,115	\$ 4,420,659	\$ -	\$ 4,420,659	17
18	Start-up costs	Sheet 1	133,528	(11,391)	122,137	-	122,137	18
19	Working Capital	Sheet 1	310,874	-	310,874	-	310,874	19
20	Deferred Taxes	Sheet 1	(52,917)	(12,084)	(65,000)	-	(65,000)	20
21	Total Rate Base		\$ 3,298,030	\$ 1,490,640	\$ 4,788,670	\$ -	\$ 4,788,670	21
22	Target return on rate base				9.50%		9.50%	22

Notes: (1) all data for test period actuals taken from auditor's trial balance (Schedule KDT-3) for the fiscal year ended March 31, 2007.

MISSOURI GAS UTILITY, INC.
CALCULATION OF STATE AND FEDERAL INCOME TAXES
FOR TEST YEAR ENDED MARCH 31, 2007 AS ADJUSTED

Line No.	Description (a)	References cols (e) - (g) (b)	Actual Test Period Revenues (c)	Adjustments (d)	Revenue at Current rates (e)	Adjustments (f)	Revenues at Proposed Rates (g)	Line No.
1	Margin		\$ 494,367	\$ 124,645	\$ 619,012	\$ 443,131	\$ 1,062,143	1
2	Other Operating Expenses	Sheet 2	312,583	110,636	423,220	-	423,220	2
3	Net Operating Income Before Income Taxes		\$ 181,783	\$ 14,009	\$ 195,792	\$ 443,131	\$ 638,923	3
4	Interest Expense		133,219 (1)	22,773	155,992 (2)	-	155,992	4
5	Operating Income(Loss) Before Income Taxes		\$ 48,565	\$ (8,765)	\$ 39,800	\$ 443,131	\$ 482,931	5
6	Current Missouri State income tax @6.25%		3,035	(548)	2,488	27,696	30,183	6
7	Income Subject to Federal Income Tax		\$ 45,529	\$ (8,217)	\$ 37,313	\$ 415,436	\$ 452,748	7
8	Current Federal Income Tax		15,480	(2,794)	12,686	141,248	153,934	8
9	Total State and Federal Income Tax	In 6 + In 8	\$ 18,515	\$ (3,341)	\$ 15,174	\$ 168,944	\$ 184,118	9
			to Sheet 2		to Sheet 2		to Sheet 2	

Notes: (1) actual interest expense from KDT-3
(2) long term debt interest expense = component cost of capital * rate base

MISSOURI GAS UTILITY, INC.
OPERATION AND MAINTENANCE EXPENSE AS ADJUSTED
FOR THE TWELVE MONTHS ENDED MARCH 31, 2007

Line No.	Description (a)	Account Number (b)	Labor (c)	Test year O&M Other (d)	Total (e)	#1 (f)	#2 (g)	#3 (h)	#7 (i)	Adjusted Total (j)	Line No.
Operations & Maintenance Expense											
1	Gas Supply Expenses	804									1
2	Natural Gas City Gate Purchases	805.1									2
3	Purchased Gas Cost Adjustments										3
	Total Gas Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transmission Expenses - Operations (850-860)											
4											4
5	Total Transmission Operations Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5
Transmission Expenses - Maintenance (861-869)											
6	Maintenance of Mains	863	\$ -	\$ -	\$ -						6
7	Maintenance of Meas. & Reg St equip	865	-	-	-						7
8	Maintenance of Other Equipment	867	-	-	-						8
9	Total Transmission Maintenance Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9
Distribution Expense - Operations (870-881)											
10	Operation Supervision and Engineering	870	\$ 89	\$ -	\$ 89						10
11	Distribution Load Dispatching	871	-	-	-						11
12	Mains and Services Expenses	874	4,974	7,982	12,956		37,368 (2)			50,324	12
13	Meas. & Regulating Expenses - General	875	706	-	706					706	13
14	Meas. & Regulating Sta. exp - city gate	877	-	-	-					-	14
15	Meter & House Regulator Expenses	878	1,823	-	1,823					1,823	15
16	Customer Installation Expenses	879	3,541	-	3,541					3,541	16
17	Other Expenses	880	-	-	-					-	17
18	Rents	881	-	(20)	(20)					(20)	18
	Total Distribution Operations Expenses		\$ 11,133	\$ 7,962	\$ 19,094	\$ -	\$ 37,368	\$ -	\$ -	\$ 56,462	
Distribution Expense - Maintenance 885-894											
19	Maintenance Supervision and Engineering	885	\$ -	\$ -	\$ -					-	19
20	Maintenance of Structures & Improvements	886	-	68	68					68	20
21	Maintenance of Mains	887	5,399	356	5,755					5,755	21
22	Maintenance of Meas. & Reg. Sta. Equip - Gen	889	-	5,059	5,059					5,059	22
23	Maintenance of Meas. & Reg. Sta. Equip - CG	891	-	-	-					-	23
24	Maintenance of Services	892	535	-	535					535	24
25	Maintenance of Meters and House Regulators	893	277	-	277					277	25
26	Maintenance of Other Equipment	894	109	25	134	two entries				134	26
27	Total Distribution Maintenance Expense		\$ 6,320	\$ 5,507	\$ 11,828	\$ -	\$ -	\$ -	\$ -	\$ 11,828	27
Customer Accounts Expenses											
28	Supervision	901	\$ -	\$ -	\$ -					-	28
29	Meter Reading	902	3,375	2,434	5,810					5,810	29
30	Customer Records and Collection Expenses	903	9,613	3,996	13,609					13,609	30
31	Uncollectible Accounts	904	-	25,534	25,534			(15,498)		10,036	31
32	Miscellaneous Customer Accounts Expenses	905	-	-	-					-	32
33	Total Customer Accounts Expenses		\$ 12,988	\$ 31,965	\$ 44,952	\$ -	\$ -	\$ (15,498)	\$ -	\$ 29,454	33

MISSOURI GAS UTILITY, INC.
OPERATION AND MAINTENANCE EXPENSE AS ADJUSTED
FOR THE TWELVE MONTHS ENDED MARCH 31, 2007

Line No.	Description (a)	Account Number (b)	Labor (c)	Other (d)	Amount (e)	#1 (f)	#2 (g)	#3 (h)	#7 (i)	Adjusted Total (j)	Line No.
Operations & Maintenance Expense (Continued)											
Customer Service & Informational Expenses											
1	Customer Assistance Expenses	908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1
2	Inform. and Instruc. Advertising Expenses	909	-	90	90	-	-	-	-	90	2
3	Total Customer Service & Informational Expense		\$ -	\$ 90	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ 90	3
Sales Expenses											
4	Demonstration & Selling Expense	912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4
5	Advertising Expenses	913	47	118	165	-	-	-	-	165	5
6	Total Sales Expenses		\$ 47	\$ 118	\$ 165	\$ -	\$ -	\$ -	\$ -	\$ 165	6
7	Total Operation & Maintenance Expenses		\$ 30,488	\$ 45,641	\$ 76,130	\$ -	\$ 37,368	\$ (15,498)	\$ -	\$ 98,000	7
Administrative & General Expenses											
8	Administrative & General Expenses	920	\$ 45,379	\$ -	\$ 45,379	\$ -	\$ -	\$ -	\$ -	\$ 45,379	8
9	Office Supplies & Expenses	921	-	2,809	2,809	-	-	-	-	2,809	9
10	Admin. and Gen. Expenses transferred - credit	922	-	-	-	-	-	-	-	-	10
11	Outside Services Employed	923	-	40,526	40,526	-	-	-	-	40,526	11
12	Property Insurance	924	-	4,997	4,997	-	-	-	-	4,997	12
13	Injuries & Damages	925	-	2,075	2,075	-	-	-	-	2,075	13
14	Employee Pension and Benefits	926	-	11,837	11,837	-	-	-	-	23,047	14
15	Regulatory Commission Expenses	928	-	5,375	5,375	35,499 (1)	-	-	1,471	42,345	15
16	Miscellaneous General Expenses	930	-	11,430	11,430	-	-	-	-	11,430	16
17	Rents	931	-	1,468	1,468	-	-	-	-	1,468	17
18	Maintenance of General Plant	935	-	-	-	-	-	-	-	-	18
19	Total Administrative and General Expenses		\$ 45,379	\$ 80,518	\$ 125,897	\$ 35,499	\$ 11,210	\$ -	\$ 1,471	\$ 174,077	19
20	TOTAL 401 AND 402		\$ 75,867	\$ 126,159	\$ 202,026	\$ 35,499	\$ 48,578	\$ (15,498)	\$ 1,471	\$ 272,076	20
										to Sheet 1 In 1	

ADJUSTMENTS

#1 - rate case expense for current rate case recovered over three years - see KDT - 4

#2 - salary and benefits adjustments - see KDT-4

#3 - reductions to bad debt expense to acknowledge annual expectation - see KDT - 4

MISSOURI GAS UTILITY, INC.
TEST PERIOD DEPRECIATION - ADJUSTED

Line No	Acct No	Description	Adjusted Gross Plant	Dep Life	Adjusted Test Period Depreciation	Line No
	(a)	(b)	(c)	(d)	(e)	
1	302	Franchise & Consents	\$ -		\$ -	1
2	374	Land & Rights	29,077	na		2
3	375	Structures & Improvements	3,513	45	78	3
4	376	Mains	3,535,437	45	78,565	4
5	378	Meas Eqpt - Gen	32,747	44	744	5
6	379	Meas Eqpt - City	-	45	-	6
7	380	Services	500,141	40	12,504	7
8	381	Meters	79,194	40	1,980	8
9	382		143,837	40	3,596	9
10	383	House Regulators	-		na	10
11	387	Other Equipment	-		na	11
12	390	Structures	13,568	45	302	12
13	391	Office Equipment	61,091	22	2,777	13
14	392	Vehicles	112,405	12	9,367	14
15	393	Stores Equipment	-		na	15
16	394	Tools	57,327	27	2,123	16
17	395	Laboratory Equipment	-		na	17
18	396	Power Equipment	1,712	16	107	18
19	397	Communications Equipment	15,271	28	545	19
20	398	Misc Equipment	-		-	20
21	399	Other Tangible Property	-		-	21
22		Total	<u>\$ 4,585,320</u>		<u>\$ 112,688</u>	22
			from Sheet 7		to Sheet 1	

MISSOURI GAS UTILITY, INC.
GROSS PLANT AT MARCH 31, 2007 - ADJUSTED

Line No	Acct No	Description (b)	Total System (c)	Adjustments			Adjusted Gross Plant (g)	Line No
				#4 (d)	#5 (e)	#6 (f)		
1	302	Franchise & Consents						1
2	374	Land & Rights	\$ 29,077				\$ 29,077	2
3	375	Structures & Improvements	3,513				3,513	3
4	376	Mains	2,262,114	\$ 373,686	\$ 899,637		3,535,437	4
5	378	Meas Eqpt - Gen	17,355	15,392			32,747	5
6	379	Meas Eqpt - City					-	6
7	380	Services	490,906	9,235			500,141	7
8	381	Meters	71,855	7,339			79,194	8
9	382		143,837				143,837	9
10	383	House Regulators					-	10
11	387	Other Equipment					-	11
12	390	Structures	13,568				13,568	12
13	391	Office Equipment	31,356			\$ 29,735	61,091	13
14	392	Vehicles	98,152			14,253	112,405	14
15	393	Stores Equipment					-	15
16	394	Tools	57,327				57,327	16
17	395	Laboratory Equipment					-	17
18	396	Power Equipment	1,712				1,712	18
19	397	Communications Equipment	5,946			9,325	15,271	19
20	398	Misc Equipment					-	20
21	399	Other Tangible Property					-	21
22		Total	\$ 3,226,718	\$ 405,652	\$ 899,637	\$ 53,313	\$ 4,585,320	22
			from KDT-3				to Sheet 1	
							In 8	

MISSOURI GAS UTILITY, INC.
RESERVE FOR DEPRECIATION AT MARCH 31, 2007 - ADJUSTED

Line No	Acct No	Description (b)	Res for Dep 3/31/2007 (c)	Adjustments #6 (d)	Adjusted Res for Dep (e)	Line No
1	302	Franchise & Consents	\$ -	\$ -	-	1
2	374	Land & Rights	-	-	-	2
3	375	Structures & Improvements	69	-	69	3
4	376	Mains	106,364	-	106,364	4
5	378	Meas Eqpt - Gen	319	-	319	5
6	379	Meas Eqpt - City	-	-	-	6
7	380	Services - includes acct 386	15,508	-	15,508	7
8	381	Meters	-	-	-	8
9	382	Meters	6,410	-	6,410	9
10	383	House Regulators	-	-	-	10
11	387	Other Equipment	-	-	-	11
12	390	Structures	501	-	501	12
13	391	Office Equipment	2,814	10,306	13,120	13
14	392	Vehicles	17,516	4,367	21,883	14
15	393	Stores Equipment	-	-	-	15
16	394	Tools	2,441	-	2,441	16
17	395	Laboratory Equipment	-	-	-	17
18	396	Power Equipment	(8,933)	-	(8,933)	18
19	397	Communications Equipment	303	6,676	6,979	19
20	398	Misc Equipment	-	-	-	20
21	399	Other Tangible Property	-	-	-	21
22		Total	\$ 143,312	\$ 21,349	\$ 164,661	22
			from KDT-3		to Sheet 1 line 9	

MISSOURI GAS UTILITY, INC.
START-UP COSTS (note 1)

Line No	Acct No	Description	Total System per Trial Balance (c)	Adjustments		Total System Adjusted	Line No
				note 1	Adj #7		
	(a)	(b)					
1	186	Miscellaneous Deferred Debits	\$ 131,015	\$ (12,492)	\$ (1,765)	\$ 116,758	1
2	182	Study costs - legal	5,903		(524)	5,379	2
3		Total Start-up Costs	\$ 136,918	\$ (12,492)	\$ (2,289)	\$ 122,137	3
						to Sheet 1 In 11	

Notes: (1) This adjustment reduces the gross asset balance for the amortization prior to April 1, 2007 so as to show the net balance.

Line No	Account Name	Acct No (b)	MISSOURI GAS UTILITY, INC. Cash Working Capital												13 month Average (p)	Probation adjustments Adj #1 (q)	Total (r)	Line No
			March 06 (c)	April (d)	May (e)	June (f)	July (g)	August (h)	Sep (i)	Oct (j)	Nov (k)	Dec (l)	Jan 07 (m)	Feb (n)				
1	Investment in Stored Gas	Acct 117	\$ 44,908	\$ 118,991	\$ 250,010	\$ 381,710	\$ 372,718	\$ 372,718	\$ 372,718	\$ 310,040	\$ 246,867	\$ 92,585	\$ 15,751	\$ 35,203	\$ 689,040	\$ 206,412	1	
2	Materials and supplies	Acct 154	-	-	-	-	-	-	-	-	-	24,088	24,088	21,234	21,234	21,234	2	
3	Prepayments	Acct 165	15,085	14,626	14,801	14,971	13,924	16,613	7,425	5,910	5,055	6,371	9,186	9,030	8,319	10,917	3	
4	Deferred Charges:																4	
5	Misc deferred debits - rate case	Acct 186											5,997	5,997	5,997	5,997	5	
6	Customer deposits	Acct 235	(22,250)	(22,250)	(22,850)	(23,000)	(21,850)	(22,150)	(25,150)	(26,800)	(29,500)	(30,660)	(31,860)	(22,023)	(20,715)	(24,697)	6	
	Subtotal																7	
																	8	
																	9	
7	One-twenty sixth of annual natural gas purchase costs																10	
8	Total				(1/26 * \$ 676,268)												11	
9																	12	
10																	13	
11																	14	
12																	15	
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MISSOURI GAS UTILITY, INC
CNG HOLDINGS - COST OF CAPITAL AT JUNE 30, 2007

Line No.	Description (a)	Amount (2) (b)	Capital Ratio (c)	Cost of Capital (d)	Weighted Cost of Capital (c) * (d) (e)	Line No.
1	Long Term Debt	\$ 31,221,328 (1)	48.00%	6.79% (2)	3.26%	1
2	Common Equity	33,823,285 (1)	52.00%	12.00%	6.24%	2
3	Total	<u>\$ 65,044,613</u>	<u>100.00%</u>		<u>9.50%</u>	3
4	Income tax effect: .616162 * Weighted average cost of common equity (note 3)				<u>3.84%</u>	4
5	Pretax return on rate base				<u>13.34%</u>	5

Notes: (1) capital amounts are those related to CNG Holdings after recapitalization in first quarter of FY 2008
(2) weighted average debt from Sheet 11
(3) Missouri state income tax rate at 6.25%; Federal income tax rate at 34.00%; total 38.125%

0.616162

MISSOURI GAS UTILITY, INC
CNG HOLDINGS - COST OF LONG TERM DEBT WITH INCLUSION OF DEBT ISSUANCE AMORTIZATION
AT JUNE 30, 2007

Line No	Issue (a)	Principal Amount (b)	Premium/ (Discount) (c)	Underwriting Expense (1) (d)	Net Proceeds (e)	Effective Interest Rate (f)	Annual Cost (2) (g)	Nominal Interest Rate (h)	Line No
1	Long term revenue bonds	\$ 29,600,000		\$ 2,101,320	\$ 29,600,000	6.766%	2,002,821	6.525%	1
2	Long term debt - Cache Bank	1,315,489		68,042	1,315,489	7.574%	99,641	6.540%	2
3	Notes Payable - Cache Bank	0			0	8.750%	0	8.750%	3
4	Line of Credit to Cache Bank	0			0	8.750%	0	8.750%	4
5	Various vehicle loans	11,362			11,362	1.600%	182	1.600%	5
6	Long term capitalized leases	294,477			294,477	5.500%	16,196	5.500%	6
7	Total	<u>\$ 31,221,328</u>	<u>\$ -</u>	<u>\$ 2,169,362</u>	<u>\$ 31,221,328</u>	<u>6.787%</u>	<u>\$ 2,118,840</u>		7

Notes: (1) Underwriting expense stated at original amount - \$68,042 for Cache Bank; \$2,101,320 for long term revenue bonds.

(2) annual underwriting expense amortization for long term revenue bonds calculated at \$71,421.

MISSOURI GAS UTILITY, INC.
WEATHER NORMALIZED TEST PERIOD SALES REVENUE AT CURRENT RATES
TEST YEAR ENDED MARCH 31, 2007 AS ADJUSTED FOR CURRENT CUSTOMER COUNT

Line No	Customer Class (a)	Commodity Rate Revenue		Customer Charge Revenue			Total Revenue (h)	Line No
		Annual Volume - Mcf (b)	Existing Commodity Rate (c)	Revenue (d)	March 2007 Customer Count (e)	Existing Monthly Customer Charge (f)	Revenue (g)	
1	General Service	68,250	(4) \$ 3.074	\$ 209,801	852	\$ 8.00	\$ 81,792	1
2	General Service - I	2	(4) 2.200	4	1	8.00	96	2
3	Commercial	6,022	(5) 3.074	18,512	35	15.00	6,300	3
4	Commercial - I	5,559	(5) 2.200	12,230	22	15.00	3,960	4
5	Large volume sales	39,300	(3) (6) 3.074	120,809	9	50.00	5,400	5
6	Large Vol - I	2,313	(6) 2.200	5,088	3	50.00	1,800	6
7	Transportation	51,345	(2) 2.700	138,632	1	625.00 (1)	7,500	7
8	Totals	172,791		\$ 505,075	923		\$ 106,848	8
9	Total revenue at existing rates							9
10	Percent represented by Customer Charge revenue							10

- Notes:
- (1) five meters at one location
 - (2) transportation volumes in Dt's vs Mcf but there is no impact on the calculation since transportation revenues reduce the revenue requirement from other customer classes. Transportation rate change from \$2.70 per Dt to \$3.50 per Dt.
 - (3) Large volume sales include Landmark.
 - (4) Total combined volume is 68,252 Mcf; Only one GS-I customer whose actual test year usage was 2 Mcf.
 - (5) Total combined volume is 11,581 Mcf; Commercial I calculated at 48% of total.
 - (6) Total combined volume is 41,613 Mcf, LVSI calculated at 11% of total, net of Landmark anticipated sales volumes of 20,587 Mcf

MISSOURI GAS UTILITY, INC.
WEATHER NORMALIZED TEST PERIOD SALES REVENUE AT PROPOSED RATES
TEST YEAR ENDED MARCH 31, 2007 AS ADJUSTED FOR CURRENT CUSTOMER COUNT

Line No	Customer Class (a)	Commodity Rate Revenue		Customer Charge Revenue				Total Revenue (h)	Line No
		Annual Volume - Mcf (b)	Proposed Commodity Rate (c)	Revenue (d)	March 2007 Customer Count (e)	Proposed Monthly Customer Charge (f)	Revenue (g)		
1	General Service	68,252	\$ 5.557	\$ 379,283	853	\$ 15.00	\$ 153,540	\$ 532,823	1
2	Commercial	11,581	5.557	64,357	57	30.00	20,520	84,877	2
3	Large volume sales	41,613 (3)	5.557	231,247	12	100.00	14,400	245,647	3
4	Transportation	51,345 (2)	3.500	179,708	1	1,000.00 (1)	12,000	191,708	4
5	Totals	172,791		\$ 854,594	923		\$ 200,460	\$ 1,055,054	5
6	Total revenue requirement								6
7	Percent represented by Customer Charge revenue								7
								\$ 1,055,054	
								19.00%	

Notes: (1) five meters at one location
(2) transportation volumes in Dt's vs Mcf but there is no impact on the calculation since transportation revenues reduce the revenue requirement from other customer classes. Transportation rate change from \$2.70 per Dt to \$3.50 per Dt.
(3) Large volume sales include Landmark.