

## Infrastructure System Replacement Surcharge

The Infrastructure System Replacement Surcharge (ISRS), as approved by the Missouri Public Service Commission (MPSC), recovers the cost of local, state and federal government-mandated public improvement projects not included in MGEs rates.

These projects include safety line replacements made to comply with requirements of the MPSC and facility relocations required by municipalities, such as road-widenings.

By utilizing the ISRS, MGE recovers over time the costs associated with these government-mandated projects, which should reduce the frequency of expensive general rate cases in the future.

(Please See Other Side)

ISRS, as authorized by Missouri law (sections 393.1009, 393.1012 and 393.1015 RSMo.), is subject to review and approval by the Missouri Public Service Commission and may be adjusted periodically. The order approving the following increase in monthly rates is effective \_\_\_\_\_.)

Residential Customers.....	\$ 0.18
Small General Service Customers .....	\$ 0.25
Large General Service Customers .....	\$1.47
Large Volume Customers .....	\$7.55

Please note: taxes applicable to the ISRS are shown on the bill as "ISRS taxes".

**Billing Information**

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

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

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

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

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

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

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

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

**METER READING CODES**

E-Computer Estimated Consumption-No volume reading available

L-Estimated Consumption-Manual correction to volume reading

W-Window reading provided by customer

P-Telephone reading provided by customer

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

**PAYMENT OPTIONS**

Mail In Envelope provided for your convenience

Auto-Pay Bank draft via verbal authorization by customer

Bank Plan Automatic bank withdrawal on a monthly basis

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

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

# APPENDIX F

## PAGE 2

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

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

H

**DRAFT**

00001 1 P 0.370 07  
XXXXXXXXXXSNGLP 64114

**DRAFT**

STATEMENT DATE:  
FEB 23, 2004

MO 64114-6024

DEPOSIT: NONE  
ACCOUNT NBR:

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

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

*Example only*

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

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

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

STATEMENT DATE: FEB 23, 2004

21/09070/07  
ACCOUNT NBR:  
0060137868

KANSAS CITY, MO 64114-6024

BY MAR 16, 2004

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

\$ 28.73

WITH LATE CHARGE

\$ 29.18

Appendix 1


[emergency numbers](#) | [contact us](#) | [site map](#)

## Missouri Gas Energy

[manage my account](#)
[customer resources](#)
[safety first](#)
[gas conservation](#)
[company info](#)
[Customer Resources > How to Read My Bill](#)

### How to Read My Bill

#### Tell me more

- [FAQ](#)
- [About payment options](#)
- [How to read my bill](#)
- [How to read my meter](#)

#### Where can I find...?

- [Pay stations](#)
- [Energy Assistance](#)
- [Neighbors Helping Neighbors](#)
- [Bill payment assistance](#)
- [Request new service](#)
- [Web site survey](#)

[View my bill](#)

The following is an explanation of the terms found on your Missouri Gas Energy bill.



If you have additional questions about your bill, contact your regional Customer Service Center.

#### Explanation of terms

Energy use	Natural gas is sold on a volumetric (cubic feet) basis, MCF or CCF.
MCF	An abbreviation for 1,000 cubic feet
CCF	Natural gas is sold according to the volume of gas used. CCF, the abbreviation for 100 cubic feet, is the unit of measurement used by Missouri Gas Energy
Energy charge	A charge per unit of gas (ccf) delivered to you, which will fluctuate according to usage. This charge is designed to allow MGE to recover remaining costs not covered by the Customer Charge, including the company's piping system, wages, trucks, equipment, supplies, and other expenses. Regulated by the Missouri Public Service Commission.
PGA/COG	(Purchased Gas Adjustment/Cost Of Gas): Reflects the wholesale cost of gas paid by MGE to its many suppliers in the natural gas commodity market. Currently, PGA/COG changes are limited to a maximum of four times a year. If the PGA/COG rate changes during a billing period, the charge will be prorated based upon the number of days each rate was in effect during the billing period. If that occurs, the charge for each rate will be shown on two separate lines on each bill.
PGA	An abbreviation for purchased gas adjustment
COG	An abbreviation for cost of gas
Franchise Fee	The franchise fee is a tax levied by local municipalities which MGE collects and then passes on to those respective cities. Fee varies from city to city and it usually a percentage based upon a customer's total gas bill.
Pressure Adjustment	For most customers, the Pressure Adjustment does not apply. Some customers receive natural gas at a pressure higher than our base delivery pressure. When this occurs, the meter reading does not reflect actual usage and the Pressure Adjustment must be used to determine actual usage. This Pressure Adjustment is a factor by which the metered usage is multiplied to determine actual usage. Meters operating at normal pressure will have a Pressure Adjustment of 1.0. The Pressure Adjustment for meters operating at pressure higher than normal will be greater than 1.0, such as 1.1, 1.2, or more.
Service Charges	These charges have been assessed for one or more of the following items: Return Check Charge; Succession Charge; Connect Charge; Reconnect Charge; Disconnect Charge; Collection Charge; and or Requested Meter

ISRS	Reading Charge. Infrastructure System Replacement Surcharge may appear which is designed to recover the cost of government mandated infrastructure system replacements not currently included in MGE's rates. The ISRS, as authorized by Missouri law, is subject to review by the Missouri Public Service Commission and may change periodically. Taxes applicable to the ISRS are shown on the bill as "Taxes on ISRS"
Customer Charge	Same fixed charged every month designed to allow MGE to recover a portion of its costs associated with maintaining customer accounts. Whether or not a customer uses any gas during a billing period, MGE must still maintain and operate all the facilities necessary to serve customers, as well as monitor their usage, maintain their records and prepare and mail their bills. Each rate class – residential, small general service, large general service and large volume – pays a different rate. Regulated by the Missouri Public Service Commission.

**Note:** All charges and adjustments have been approved by the Regulatory Authorities in your service area.

**Note:** Checks returned for insufficient or uncollected funds are subject to electronic presentation without further notice. OR If your check is returned we reserve the right to collect the check electronically via a debit to your checking account.

## • The MGE Info Genie

### Information for MGE Employees

#### TOPICS



- [Home](#)

#### Legal Requirement:

- [Affiliate Questions](#)
- [Emergency Protocols](#)
- [ISRS](#)  
    [ISRS Q & A](#)
- [News Release](#)
- [PGA Rate Adjusted](#)
- [Pipeline Refunds](#)
- [Rate Case Changes](#)
- [Residential Alliance Program](#)

#### Human Resources:

- [Company Directory](#)
- [Employee Accounts](#)
- [How To Read Your Direct Deposit Voucher](#)
- [How To Read Your Paycheck](#)
- [Oracle FAQ](#)
- [Oracle Abbreviations](#)

#### Contact Center Info

- [ABC Calc July 2005](#)
- [Agencies](#)
- [Bank Plan Procedures](#)
- [Deduct Dates](#)
- [City Inspections](#)
- [Completion Codes](#)
- [Contact Center Directory](#)
- [Customer Advisor Service Area](#)
- [CWR Insert](#)
- [CWR Quotes](#)
- [CWR Talking Points](#)
- [Departmental Directory](#)

## Contact Center Q&A for ISRS

### What is this charge for the I-S-R-S?

That stands for the Infrastructure System Replacement Surcharge and it started on bills that were read on May 13, but will be mailed out on May 19. Different government entities, like cities or the state or the Public Service Commission, periodically require us to move or replace our pipe. This charge pays for those relocations or replacements.

### Why would MGE be required to move its pipes?

When cities want to build a new road, or widen a road, they often have to dig where our pipes and other utilities are. In order for the city to do these types of projects, they require that we move our lines. We also have to comply with Missouri Public Service Commission safety rules regarding replacement of our pipes. This charge will pay for government-mandated, non-revenue producing pipeline replacements or relocations.

### What do you mean by non-revenue producing?

If we have to move a pipe 20 feet to make way for a new road, the new pipe won't serve any more customers, so it won't produce new revenues. It is different than when we put in a pipe to serve a new subdivision.

### Why do I have to pay it and how long will it be on my bill?

You have always paid for these types of costs through our general rate structure. However, a new law passed in 2003 allows companies like MGE to begin recovering these types of costs more quickly through a surcharge. The charge is still subject to MPSC review, plus MGE will initiate a full rate review proceeding no later than three years after implementation of an I-S-R-S. The new charge began appearing on customer bills for service on or after May 13, 2005 and will be prorated based on the number of days during your billing period.

### Why do I have to pay taxes on the surcharge?

In most cities, you have to pay local taxes, or franchise fees on your bill. The MPSC wanted customers to see the taxes for the I-S-R-S broken out separately so customers knew what they were paying.

### What is the actual amount of the charge?

Residential = .17      SGS = .24      LGS = 1.40      Tport = 7.19

### Does this help me at all?

Yes. By collecting the I-S-R-S related costs over time, we should reduce the frequency of expensive general rate cases in the future.