

RE
OF
1900

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 23rd
day of July, 1998.

In the Matter of Missouri Gas Energy's)
Tariff Sheets Designed to Increase Rates) Case No. GR-98-140
for Gas Service in the Company's Missouri)
Service Area.)

In the Matter of Missouri Gas Energy's)
Proposed Modifications to its Facilities) Case No. GT-98-237 ✓
Extension Policy.)

ORDER DIRECTING PARTIES TO FILE REVISED RECONCILIATION

In order to facilitate its deliberations, the Commission directs the parties to file two revised reconciliations in a format similar to that filed as Exhibit 103 in Case No. ER-97-394 (attached), that begin with MGE's revised revenue requirement of \$21,847,120, and show each party's line item adjustment for each contested issue. One of these reconciliations shall include tax factor adjustments, and one shall not.

IT IS THEREFORE ORDERED:

1. The parties shall file revised reconciliations as described herein as soon as possible, but no later than July 29, 1998 at 12:00 P.M.

2. That this order shall become effective on July 23, 1998.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive style with a large initial "D".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray, Schemenauer
and Drainer, CC., concur.
Crompton, C., absent.

Register, Regulatory Law Judge

Missouri Public Service Compar

Case No. ER 97 - 394

True-Up Reconciliation

Hearing Memo Ref.	Company	Staff	Public Counsel	Difference	Revenue Requirement
	Company's Filed Recommendation				\$25,245,850
	Settled Items and Corrections				\$9,935,263
	Company's Revised Recommendation				\$15,310,587
	Staff Issues				
	10.33%	9.12%	8.90%		
E - 1	Capital Structure				\$4,128,835
E - 2	Return on Equity				\$5,968,700
E - 3	Cost of Long Term Debt				\$570,133
	Total Rate of Return & Capital Structure				\$10,667,668
	Revenue Issues				
C - 1	Weather Normalization - net of Fuel Expense				\$1,416,672
C - 2	Economic Development Rider Revenue				\$320,795
C - 3	Off System Sales Revenue - net of Fuel Expense				\$1,325,968
	Expense Issues				
B - 1	New Headquarters Building				\$301,369
D - 1	Systems Maintenance				\$628,745
D - 2	Depreciation Issues :				
	Change in Service Lives				\$7,609,096
	Terminal Net Salvage				\$2,315,812
	Elimination of Interim Additions				\$1,984,981
	Change in Procedure				\$1,654,151
	Change in Technique				\$2,977,472
D - 3	Amortization of Regulatory Assets - Transition Costs				\$4,565,995
D - 4	FAS 87 vs ERISA Minimum Contribution - Pension Expense				\$297,628
D - 5	FAS 106 - Post Retirement Benefits Expense				\$357,023
D - 6	Maintenance Normalization				\$1,125,322
D - 7	Property Tax				\$107,309
D - 8	Economic Development Costs				\$90,308
D - 9	UCU Corporate Allocation Issues :				
A	Governmental Affairs				\$399,794
B	Public Affairs				\$249,444
C	Trans UCU				\$615,922
D	Severance Costs				\$142,662
E	Allocations - International & Other Costs				\$567,229
F	Mergers & Acquisitions, International & New Products				\$726,122
G	Discretionary Bonus / Employee Recognition				\$147,787
H	Relocation / Recruiting Costs				\$241,756
I	ESF - Time Reporting				
J	Ernst & Young Synergy Study				\$279,343
K	Common Plant Allocation Factor				\$18,794
D - 10	Dues & Donations				\$42,627
	Sub Total - Staff Issues				\$41,677,794
	Staff Recommendation				(\$26,367,207)
	September 30, 1997 True- Up Impact				(\$157,585)
	Staff Recommendation after True-Up				(\$26,209,622)
	Public Counsel Issues				
	Rate of Return				\$182,509
	Capital Structure				\$1,304,639
	Public Counsel Recommendation				(\$27,606,770)

(copy)
EXH.103