Exhibit No.:	
Issue:	*Staff Accounting Schedules*
Witness:	*MoPSC Auditors*
Sponsoring Party:	*MoPSC Staff*
Case No.:	*GR-2004-0209*
Date Prepared:	*April 15, 2004*

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

MISSOURI GAS ENERGY

CASE NO. GR-2004-0209

STAFF ACCOUNTING SCHEDULES

Jefferson City, Missouri
April 2004

Missouri Gas Energy, A Division of Southern Union Company
Case: GR-04-209
The Twelve Months Ending June 30, 2003 Updated 12/31/2003

Revenue Requirement

Line		6.68% Return	6.81% Return	6.94% Return
	(A)	(B)	(C)	(D)
1	Net Orig Cost Rate Base (Sch 2)	$ 504,358,631	$ 504,358,631	$ 504,358,631
2	Rate of Return	6.68%	6.81%	6.94%
3	Net Operating Income Requirement	$ 33,691,157	$ 34,346,823	$ 35,002,489
4	Net Income Available (Sch 9)	$ 35,683,203	$ 35,683,203	$ 35,683,203
5	Additional NOIBT Needed	$ (1,992,046)	$ (1,336,380)	$ (680,714)
6	Income Tax Requirement (Sch 11)			
7	Required Current Income Tax	$ 8,296,312	$ 8,704,842	$ 9,113,372
8	Test Year Current Income Tax	$ 9,537,509	$ 9,537,509	$ 9,537,509
9	Additional Current Tax Required	$ (1,241,197)	$ (832,667)	$ (424,137)
10	Required Deferred ITC	$ 0	$ 0	$ 0
11	Test Year Deferred ITC	$ 0	$ 0	$ 0
12	Additional Deferred ITC Required	$ 0	$ 0	$ 0
13	Total Additional Tax Required	$ (1,241,197)	$ (832,667)	$ (424,137)
14	Gross Revenue Requirement	$ (3,233,243)	$ (2,169,047)	$ (1,104,851)
	Allowance for True-Up	$2,500,000	$2,500,000	$2,500,000
	Adjusted Gross Revenue Requirement	$(733,243)	$ 330,953	$1,395,149

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Rate Base

Line	Description	Amount
	(A)	(B)
1	Total Plant in Service (Sch 3)	$ 789,738,767
	Subtract from Total Plant	
2	Depreciation Reserve (Sch 6)	$ 257,842,490
3	Net Plant in Service	$ 531,896,277
	Add to Net Plant in Service	
4	Cash Working Capital (Sch 8)	$ (745,824)
5	Materials and Supplies	2,579,461
6	Prepayments	278,938
7	Gas Inventory	48,101,139
8	Alternative Minimum Tax Credit	0
9	Prepaid Pension Asset	9,275,181
	Subtract from Net Plant	
10	Federal Tax Offset 1.0200 %	$ 73,130
11	State Tax Offset 1.0200 %	11,492
12	City Tax Offset 0.0000 %	0
13	Interest Expense Offset 12.0500 %	2,455,319
14	Customer Advances for Construction	10,575,798
15	Customer Deposits	3,619,432
16	Unamort Deferred Credit GM-94-40	0
17	Deferred Income Taxes GO-94-234	2,171,895
18	Deferred Income Taxes GO-97-301	552,001
19	Deferrred Taxes SLRP GR-98-140	2,690,861
20	Deferred Income Taxes GR-2001-292	516,109
21	Deferred Taxes - Direct Plant	64,078,066
22	Deferred Taxes - Allocated Plant	55,654
23	Deferred Taxes AAO 2000	226,784
24	Total Rate Base	$ 504,358,631

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Total Plant in Service

Line No	Acct	Description		Total Company		Total Co Adjustment	Alloc Factor		Jurisdictional Adjustment			Adjusted Jurisdictional
		(A)		(B)		(C)	(D)		(E)			(F)
		Intangible Plant										
1	301.000	Organization	$	15,600	$	0	100.0000	$	0	P-1	$	15,600
2	302.000	Franchises & Consents		34,630		0	100.0000		0	P-2		34,630
3	303.000	Corrosion Control Management System		1,117,800		0	100.0000		0	P-3		1,117,800
4	303.000	Landbase Digitized Mapping		1,701,543		0	100.0000		0	P-4		1,701,543
5	303.000	Premise Data Sys (PDS)		985,196		0	100.0000		0	P-5		985,196
6	303.000	AMR Project -- Programming		469,443		0	100.0000		0	P-6		469,443
7	303.000	FPI Main Segmentation		894,795		0	100.0000		0	P-7		894,795
8	303.000	Geographic Info Systems -- GIS		1,006,719		0	100.0000		0	P-8		1,006,719
9	303.000	Licensing Office Pro2000		54,012		0	100.0000		0	P-9		54,012
10	303.000	Stoner Low Pressure/Intermediate		279,672		0	100.0000		0	P-10		279,672
11	303.000	BASIC -- Customer Billing System		294,516		0	100.0000		0	P-11		294,516
12	303.000	TCS System		189,193		0	100.0000		0	P-12		189,193
13	303.000	GEO Tax Software		79,294		0	100.0000		0	P-13		79,294
14	303.000	Customer Service System (CSS)		3,786,000		0	100.0000		0	P-14		3,786,000
15	303.000	Work Force Automation		3,785,364		0	100.0000		0	P-15		3,785,364
16	303.000	CSS Enhancement		8,360,981		0	100.0000		0	P-16		8,360,981
17	303.000	Mainframe Software/Enhancement		1,912,642		0	100.0000		0	P-17		1,912,642
18	303.000	Infinium Enhancements		6,774,073		0	100.0000		0	P-18		6,774,073
19	303.000	Witness Software		194,706		0	100.0000		0	P-19		194,706
20	303.000	MGE Website		485,944		0	100.0000		0	P-20		485,944
21		Total	$	32,422,123	$	0		$	0		$	32,422,123

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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Distribution Plant						
22	374.100	Land	$ 240,448	$ 0	100.0000	$ 0	P-21	$ 240,448
23	374.200	Land Rights	1,324,112	50,488	100.0000	0	P-22	1,374,600
24	375.100	Structures	6,034,146	31,327	100.0000	0	P-23	6,065,473
25	375.200	Leasehold Improvements	0	0	100.0000	0	P-24	0
26	376.000	Mains	301,505,277	8,638,500	100.0000	0	P-25	310,143,777
27	378.000	Meas. & Reg. Sta. Equip. - General	10,920,214	241,993	100.0000	0	P-26	11,162,207
28	379.000	Meas. & Reg. Sta. Equip - City Gate	3,208,061	3,697	100.0000	0	P-27	3,211,758
29	380.000	Services	267,525,014	2,565,889	100.0000	0	P-28	270,090,903
30	381.000	Meters	28,847,221	360,447	100.0000	0	P-29	29,207,668
31	382.000	Meter Installations	57,186,486	2,290,330	100.0000	0	P-30	59,476,816
32	383.000	House Regulators	10,272,508	235,656	100.0000	0	P-31	10,508,164
33	385.000	Electronic Gas Measuring	351,092	(5,235)	100.0000	0	P-32	345,857
34	387.000	Other Equipment	0	0	100.0000	0	P-33	0
35		Total	$ 687,414,579	$ 14,413,092		$ 0		$ 701,827,671
		General Plant -- Direct						
36	389.000	Land	$ 468,315	$ 0	100.0000	$ 0	P-34	$ 468,315
37	390.100	Structures	526,157	73,045	100.0000	0	P-35	599,202
38	390.200	Leasehold Improvements	1,380,409	9,000	100.0000	0	P-36	1,389,409
39	391.000	Office Furniture & Equipment	5,358,750	(563,894)	100.0000	0	P-37	4,794,856
40	392.000	Transportation Equipment	4,541,766	48,014	100.0000	0	P-38	4,589,780
41	393.000	Stores Equipment	540,775	673	100.0000	0	P-39	541,448
42	394.000	Tools, Shop & Garage Equipment	4,680,888	131,032	100.0000	0	P-40	4,811,920
43	395.000	Laboratory Equipment	0	0	100.0000	0	P-41	0
44	396.000	Power Operated Equipment	325,741	5,162	100.0000	0	P-42	330,903
45	397.100	Communication Equipment -- AMR	34,236,118	479,162	100.0000	0	P-43	34,715,280
46	397.200	Communication Equipment	2,813,804	17,446	100.0000	0	P-44	2,831,250
47	398.000	Miscellaneous Equipment	195,718	641	100.0000	0	P-45	196,359
48		Total	$ 55,068,441	$ 200,281		$ 0		$ 55,268,722

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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		General Plant -- Allocated						
49	390.000	Leasehold Improvements	$ 661,996	$ 0	16.8700	$ 0	P-47	$ 111,679
50	391.000	Office Furniture	245,058	0	16.8700	0	P-48	41,341
51	391.100	Computer Equipment	249,697	0	16.8700	0	P-49	42,124
52	392.000	Transportation Equipment	148,825	0	16.8700	0	P-50	25,107
53		Total	$ 1,305,576	$ 0		$ 0		$ 220,251
54		Total Plant In Service	$ 776,210,719	$ 14,613,373		$ 0		$ 789,738,767

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Land Rights	P-22	$ 50,488	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 50,488	
	Structures	P-23	$ 31,327	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 31,106	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 221	
	Mains	P-25	$ 8,638,500	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 5,565,410	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 3,073,090	
	Meas. & Reg. Sta. Equip. - General	P-26	$ 241,993	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 230,514	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 11,479	

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Meas. & Reg. Sta. Equip - City Gate	P-27	$ 3,697	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 3,697	
	Services	P-28	$ 2,565,889	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 5,417,869	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 1,060,774	
3.	To remove inactive services as of 12/31/2003. (Preston)		$ (3,912,754)	
	Meters	P-29	$ 360,447	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 356,558	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 3,889	
	Meter Installations	P-30	$ 2,290,330	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 1,954,359	

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 335,971	
	House Regulators	P-31	$ 235,656	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 192,726	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 42,930	
	Electronic Gas Measuring	P-32	$ (5,235)	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ (5,235)	
	Structures	P-35	$ 73,045	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 8,896	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 64,149	
	Leasehold Improvements	P-36	$ 9,000	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 9,000	

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Office Furniture & Equipment	P-37	$ (563,894)	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 63,880	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 386,888	
3.	To remove CSS Enhancements that benefit Texas only. (Preston)		$ (1,014,662)	
	Transportation Equipment	P-38	$ 48,014	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 48,014	
	Stores Equipment	P-39	$ 673	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 673	
	Tools, Shop & Garage Equipment	P-40	$ 131,032	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 115,236	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 15,796	

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Adjustments to Total Plant

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Power Operated Equipment	P-42	$ 5,162	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 5,162	
	Communication Equipment -- AMR	P-43	$ 479,162	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 335,239	
2.	To adjust plant to reflect plant not yet classified at 12/31/2003. (Preston)		$ 143,923	
	Communication Equipment	P-44	$ 17,446	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 17,446	
	Miscellaneous Equipment	P-45	$ 641	
1.	To adjust plant to reflect the balance at 12/31/2003. (Preston)		$ 641	

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Depreciation Expense

Line No	Acct	Description		Adjusted Jurisdictional	Depreciation Rate		Depreciation Expense
		(A)		(B)	(C)		(D)
		Intangible Plant					
1	301.000	Organization	$	15,600	0.0000	$	0
2	302.000	Franchises & Consents		34,630	0.0000		0
3	303.000	Corrosion Control Management System		1,117,800	0.0000		0
4	303.000	Landbase Digitized Mapping		1,701,543	0.0000		0
5	303.000	Premise Data Sys (PDS)		985,196	0.0000		0
6	303.000	AMR Project -- Programming		469,443	0.0000		0
7	303.000	FPI Main Segmentation		894,795	0.0000		0
8	303.000	Geographic Info Systems -- GIS		1,006,719	0.0000		0
9	303.000	Licensing Office Pro2000		54,012	0.0000		0
10	303.000	Stoner Low Pressure/Intermediate		279,672	0.0000		0
11	303.000	BASIC -- Customer Billing System		294,516	0.0000		0
12	303.000	TCS System		189,193	0.0000		0
13	303.000	GEO Tax Software		79,294	0.0000		0
14	303.000	Customer Service System (CSS)		3,786,000	0.0000		0
15	303.000	Work Force Automation		3,785,364	0.0000		0
16	303.000	CSS Enhancement		8,360,981	0.0000		0
17	303.000	Mainframe Software/Enhancement		1,912,642	0.0000		0
18	303.000	Infinium Enhancements		6,774,073	0.0000		0
19	303.000	Witness Software		194,706	0.0000		0
20	303.000	MGE Website		485,944	0.0000		0
21		Total	$	32,422,123		$	0
		Distribution Plant					
22	374.100	Land	$	240,448	0.0000	$	0
23	374.200	Land Rights		1,374,600	2.0900		28,729
24	375.100	Structures		6,065,473	1.6500		100,080
25	375.200	Leasehold Improvements		0	0.0000		0
26	376.000	Mains		310,143,777	2.2700		7,040,264
27	378.000	Meas. & Reg. Sta. Equip. - General		11,162,207	2.8600		319,239
28	379.000	Meas. & Reg. Sta. Equip - City Gate		3,211,758	2.1300		68,410
29	380.000	Services		270,090,903	2.2700		6,131,063
30	381.000	Meters		29,207,668	2.8600		835,339
31	382.000	Meter Installations		59,476,816	2.8600		1,701,037
32	383.000	House Regulators		10,508,164	2.4400		256,399
33	385.000	Electronic Gas Measuring		345,857	3.3300		11,517
34	387.000	Other Equipment		0	4.6000		0
35		Total	$	701,827,671		$	16,492,077

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Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
	General	Plant -- Direct			
36	389.000	Land	$ 468,315	0.0000	$ 0
37	390.100	Structures	599,202	2.0000	11,984
38	390.200	Leasehold Improvements	1,389,409	0.0000	0
39	391.000	Office Furniture & Equipment	4,794,856	8.0600	386,465
40	392.000	Transportation Equipment	4,589,780	8.7000	399,311
41	393.000	Stores Equipment	541,448	2.7000	14,619
42	394.000	Tools, Shop & Garage Equipment	4,811,920	2.3800	114,524
43	395.000	Laboratory Equipment	0	6.0000	0
44	396.000	Power Operated Equipment	330,903	8.3300	27,564
45	397.100	Communication Equipment -- AMR	34,715,280	5.0000	1,735,764
46	397.200	Communication Equipment	2,831,250	6.2500	176,953
47	398.000	Miscellaneous Equipment	196,359	3.8500	7,560
48		Total	$ 55,268,722		$ 2,874,744
	General	Plant -- Allocated			
49	390.000	Leasehold Improvements	$ 111,679	0.0000	$ 0
50	391.000	Office Furniture	41,341	3.2200	1,331
51	391.100	Computer Equipment	42,124	10.0000	4,212
52	392.000	Transportation Equipment	25,107	10.0000	2,511
53		Total	$ 220,251		$ 8,054
54		Total Depreciation Expense	$ 789,738,767		$ 19,374,875

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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Intangible Plant						
1	301.000	Organization	$ 0	$ 0	100.0000	$ 0	R-1	$ 0
2	302.000	Franchises & Consents	0	0	100.0000	0	R-2	0
3	303.000	Corrosion Control Management System	955,358	57,332	100.0000	0	R-3	1,012,690
4	303.000	Landbase Digitized Mapping	1,118,693	98,595	100.0000	0	R-4	1,217,288
5	303.000	Premise Data Sys (PDS)	985,196	0	100.0000	0	R-5	985,196
6	303.000	AMR Project -- Programming	151,630	16,574	100.0000	0	R-6	168,204
7	303.000	FPI Main Segmentation	801,824	44,792	100.0000	0	R-7	846,616
8	303.000	Geographic Info Systems -- GIS	656,401	43,148	100.0000	0	R-8	699,549
9	303.000	Licensing Office Pro2000	17,554	2,701	100.0000	0	R-9	20,255
10	303.000	Stoner Low Pressure/Intermediate	162,220	14,583	100.0000	0	R-10	176,803
11	303.000	BASIC -- Customer Billing System	168,295	18,032	100.0000	0	R-11	186,327
12	303.000	TCS System	77,741	9,553	100.0000	0	R-12	87,294
13	303.000	GEO Tax Software	33,039	3,965	100.0000	0	R-13	37,004
14	303.000	Customer Service System (CSS)	2,926,186	126,213	100.0000	0	R-14	3,052,399
15	303.000	Work Force Automation	442,459	126,179	100.0000	0	R-15	568,638
16	303.000	CSS Enhancements	2,767,774	418,049	100.0000	0	R-16	3,185,823
17	303.000	Mainframe Software/Enhancement	323,894	95,632	100.0000	0	R-17	419,526
18	303.000	Infinium Enhancement	3,516,095	338,704	100.0000	0	R-18	3,854,799
19	303.000	Witness Software	17,821	9,735	100.0000	0	R-19	27,556
20	303.000	MGE Website	32,202	24,308	100.0000	0	R-20	56,510
21		Total	$ 15,154,382	$ 1,448,095		$ 0		$ 16,602,477
		Distribution Plant						
22	374.100	Land	$ 0	$ 0	100.0000	$ 0	R-21	$ 0
23	374.200	Land Rights	298,680	14,061	100.0000	0	R-22	312,741
24	375.100	Structures	1,139,382	44,368	100.0000	0	R-23	1,183,750
25	375.200	Leasehold Improvements	0	0	100.0000	0	R-24	0
26	376.000	Mains	92,125,170	1,130,380	100.0000	0	R-25	93,255,550
27	378.000	Meas. & Reg. Sta. Equip. - General	2,817,796	118,183	100.0000	0	R-26	2,935,979
28	379.000	Meas. & Reg. Sta. Equip - City Gate	634,502	26,108	100.0000	0	R-27	660,610
29	380.000	Services	116,469,478	(1,313,916)	100.0000	0	R-28	115,155,562
30	381.000	Meters	2,496,852	55,605	100.0000	0	R-29	2,552,457
31	382.000	Meter Installations	9,713,598	748,531	100.0000	0	R-30	10,462,129
32	383.000	House Regulators	1,446,303	122,812	100.0000	0	R-31	1,569,115
33	385.000	Electronic Gas Measuring	71,206	5,788	100.0000	0	R-32	76,994
34	387.000	Other Equipment	0	0	100.0000	0	R-33	0
35		Total	$ 227,212,967	$ 951,920		$ 0		$ 228,164,887

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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		General Plant -- Direct						
36	389.000	Land	$ 0	$ 0	100.0000	$ 0	R-34	$ 0
37	390.100	Structures	115,347	5,316	100.0000	0	R-35	120,663
38	390.200	Leasehold Improvements	528,000	35,882	100.0000	0	R-36	563,882
39	391.000	Office Furniture & Equipment	622,110	379,555	100.0000	0	R-37	1,001,665
40	392.000	Transportation Equipment	1,865,342	162,153	100.0000	0	R-38	2,027,495
41	393.000	Stores Equipment	207,435	7,307	100.0000	0	R-39	214,742
42	394.000	Tools, Shop & Garage Equipment	886,948	(14,517)	100.0000	0	R-40	872,431
43	395.000	Laboratory Equipment	0	0	100.0000	0	R-41	0
44	396.000	Power Operated Equipment	(385,501)	41,671	100.0000	0	R-42	(343,830)
45	397.100	Communication Equipment -- AMR	8,374,396	877,331	100.0000	0	R-43	9,251,727
46	397.200	Communication Equipment	(1,000,606)	88,046	100.0000	0	R-44	(912,560)
47	398.000	Miscellaneous Equipment	236,584	3,780	100.0000	0	R-45	240,364
48		Total	$ 11,450,055	$ 1,586,524		$ 0		$ 13,036,579
		General Plant -- Allocated						
49	390.000	Leasehold Improvements	$ 57,794	$ 0	16.8700	$ 0	R-47	$ 9,750
50	391.000	Furniture & Fixtures	48,335	0	16.8700	0	R-48	8,154
51	391.100	Computer Equipment	69,338	0	16.8700	0	R-49	11,697
52	392.000	Transportation Equipment	53,030	0	16.8700	0	R-50	8,946
53		Total	$ 228,497	$ 0		$ 0		$ 38,547
54		Total Depreciation Reserve	$ 254,045,901	$ 3,986,539		$ 0		$ 257,842,490

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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Corrosion Control Management System	R-3	$ 57,332	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 57,332	
	Landbase Digitized Mapping	R-4	$ 98,595	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 98,595	
	AMR Project -- Programming	R-6	$ 16,574	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 16,574	
	FPI Main Segmentation	R-7	$ 44,792	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 44,792	
	Geographic Info Systems -- GIS	R-8	$ 43,148	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 43,148	
	Licensing Office Pro2000	R-9	$ 2,701	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 2,701	

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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Stoner Low Pressure/Intermediate	R-10	$ 14,583	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 14,583	
	BASIC -- Customer Billing System	R-11	$ 18,032	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 18,032	
	TCS System	R-12	$ 9,553	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 9,553	
	GEO Tax Software	R-13	$ 3,965	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 3,965	
	Customer Service System (CSS)	R-14	$ 126,213	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 126,213	
	Work Force Automation	R-15	$ 126,179	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 126,179	

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Adjustments to Depreciation Reserve

Adj No	Description			Total Co Adjustment	Mo Juris Adjustment
	CSS Enhancements	R-16	$	418,049	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$	418,049	
	Mainframe Software/Enhancement	R-17	$	95,632	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$	95,632	
	Infinium Enhancement	R-18	$	338,704	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$	338,704	
	Witness Software	R-19	$	9,735	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$	9,735	
	MGE Website	R-20	$	24,308	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$	24,308	
	Land Rights	R-22	$	14,061	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$	14,061	

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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Structures	R-23	$ 44,368	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 44,368	
	Mains	R-25	$ 1,130,380	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 1,130,380	
	Meas. & Reg. Sta. Equip. - General	R-26	$ 118,183	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 118,183	
	Meas. & Reg. Sta. Equip - City Gate	R-27	$ 26,108	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 26,108	
	Services	R-28	$ (1,313,916)	
	1. To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 2,598,838	
	2. To remove reserve associated with the inactive services. (Preston)		$ (3,912,754)	

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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Meters	R-29	$ 55,605	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 55,605	
	Meter Installations	R-30	$ 748,531	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 748,531	
	House Regulators	R-31	$ 122,812	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 122,812	
	Electronic Gas Measuring	R-32	$ 5,788	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 5,788	
	Structures	R-35	$ 5,316	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 5,316	
	Leasehold Improvements	R-36	$ 35,882	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 35,882	

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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Office Furniture & Equipment	R-37	$ 379,555	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 210,059	
2.	To adjust reserve to reflect the removal of the Texas only CSS Enhancements. (Preston)		$ (658,973)	
3.	To adjust reserve to reflect the correction of depreciation entry. (Preston)		$ 828,469	
	Transportation Equipment	R-38	$ 162,153	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 162,153	
	Stores Equipment	R-39	$ 7,307	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 7,307	
	Tools, Shop & Garage Equipment	R-40	$ (14,517)	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ (14,517)	

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Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Power Operated Equipment	R-42	$ 41,671	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 41,671	
	Communication Equipment -- AMR	R-43	$ 877,331	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 877,331	
	Communication Equipment	R-44	$ 88,046	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 88,046	
	Miscellaneous Equipment	R-45	$ 3,780	
1.	To adjust reserve to reflect the 12/31/2003 balance. (Preston)		$ 3,780	

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Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Operation and Maintenance Expense						
1	Cash Vouchers	$ 17,944,329	41.2545	28.0000	13.2545	0.036314	$ 651,630
2	Bad Debt Expense	6,135,570	41.2545	41.2545	0.0000	0.000000	0
3	Net Payroll	25,176,063	41.2545	12.5000	28.7545	0.078779	1,983,345
4	FICA Withheld	2,399,110	41.2545	9.6000	31.6545	0.086725	208,063
5	Federal Income Tax Withheld	2,985,421	41.2545	15.5900	25.6645	0.070314	209,917
6	State Income Tax Withheld	974,745	41.2545	48.7600	(7.5055)	(0.020563)	(20,044)
7	City Tax Withheld	140,668	41.2545	20.2200	21.0345	0.057629	8,107
8	Resident State Tax Withheld	0	41.2545	30.7271	10.5274	0.028842	0
9	Vacation Expense Nonunion	452,948	41.2545	182.5000	(141.2455)	(0.386974)	(175,279)
10	Pension Expense	0	41.2545	41.2545	0.0000	0.000000	0
11	Medical Expense	6,304,753	41.2545	0.0000	41.2545	0.113026	712,601
12	Building Rents and Leases	1,321,743	41.2545	(14.6500)	55.9045	0.153163	202,442
13	Vacation Expense Union	876,515	41.2545	388.1500	(346.8955)	(0.950399)	(833,039)
14	Outside Legal Expense	505,040	41.2545	51.8100	(10.5555)	(0.028919)	(14,605)
15	Other Leases	0	41.2545	0.0000	41.2545	0.113026	0
16	Purchased Gas Expense	322,018,474	41.2545	38.8800	2.3745	0.006505	2,094,730
17	Purchased Gas Expense (Back Out)	(322,018,474)	41.2545	41.2545	0.0000	0.000000	0
18	PSC Assessment	1,419,590	41.2545	(45.0000)	86.2545	0.236314	335,469
19	Total Operation and Maintenance Expense	$ 66,636,495					$ 5,363,337
	Taxes						
20	Property Taxes	$ 8,462,808	41.2545	182.0000	(140.7455)	(0.385604)	$ (3,263,293)
21	State Franchise Taxes	193,682	41.2545	59.4100	(18.1555)	(0.049741)	(9,634)
22	Employer Portion of FICA	2,399,110	41.2545	9.6000	31.6545	0.086725	208,063
23	Federal and State Unemployment Tax	37,939	41.2545	87.8200	(46.5655)	(0.127577)	(4,840)
24	Use Tax	169,306	22.9145	76.1200	(53.2055)	(0.145768)	(24,679)
25	Sales Tax	7,336,089	22.9145	24.9700	(2.0555)	(0.005632)	(41,317)
26	Gross Receipts Tax	29,738,182	22.9145	59.4100	(36.4955)	(0.099988)	(2,973,461)
27	Reserved	0	0.0000	0.0000	0.0000	0.000000	0
28	Total Taxes	$ 48,337,116					$ (6,109,161)
29	Total Cash Working Capital Req						$ (745,824)

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Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Operating Revenues						
1	480.000	Residential Revenue	$ 340,727,514	$ (242,669,521)	100.0000	$ 0	S-1	$ 98,057,993
2	481.000	Commercial and Industrial	142,605,911	(108,777,847)	100.0000	0	S-2	33,828,064
3	481.000	Reserved	0	0	100.0000	0	S-3	0
4	483.000	Sales for Resale	0	0	100.0000	0	S-4	0
5	487.000	Late Payment Charges	1,148,304	0	100.0000	0	S-5	1,148,304
6	488.000	Miscellaneous Service Revenue	2,313,358	0	100.0000	0	S-6	2,313,358
7	489.000	Transportation	8,439,483	160,086	100.0000	0	S-7	8,599,569
8	493.000	Rent from Property	0	0	100.0000	0	S-8	0
9	495.000	Other Gas Revenues	(136,799)	3	100.0000	0	S-9	(136,796)
10	421.300	Capacity Release Revenues	0	1,340,400	100.0000	0	S-74	1,340,400
11		Total	$ 495,097,771	$ (349,946,879)		$ 0		$ 145,150,892
		Operation & Maintenance Expense						
12	805.000	Other Gas Purchases	$ 321,980,474	$ (321,980,474)	100.0000	$ 0	S-10	$ 0
13	807.000	Purchased Gas Expense	38,000	(38,000)	100.0000	0	S-11	0
14	870.000	Operation Supervision & Engineering	506,443	8,100	100.0000	0	S-12	514,543
15	871.000	Distribution Load Dispatching	13,427	(25)	100.0000	0	S-13	13,402
16	874.000	Mains & Services Expense	2,571,135	7,404	100.0000	0	S-14	2,578,539
17	874.100	Mains & Services Expense-Line Locat	0	0	100.0000	0	S-15	0
18	875.000	Meas & Reg Station Exp-General	644,338	12,795	100.0000	0	S-16	657,133
19	876.000	Meas & Reg Station Exp-Industrial	5,310	(592)	100.0000	0	S-17	4,718
20	877.000	Meas & Reg Station Exp-City Gate	4,050	340	100.0000	0	S-18	4,390
21	878.000	Meter and House Regulator Expense	4,258,435	86,542	100.0000	0	S-19	4,344,977
22	879.000	Customer Installation Expense	2,248,341	16,011	100.0000	0	S-20	2,264,352
23	880.000	Other Expenses	1,107,496	55,201	100.0000	0	S-21	1,162,697
24	881.000	Rents	69,814	299,122	100.0000	0	S-22	368,936
25	885.000	Maint Supervision and Engineering	780,481	103,568	100.0000	0	S-23	884,049
26	886.000	Maint of Structures and Improvement	139,484	2,861	100.0000	0	S-24	142,345
27	887.000	Maintenance of Mains	6,748,357	95,792	100.0000	0	S-25	6,844,149
28	888.000	Maint of Compressor Station Equip	0	0	100.0000	0	S-26	0
29	889.000	Maint of Meas and Reg Stat Equip-Ge	211,527	3,006	100.0000	0	S-27	214,533
30	890.000	Maint of Meas and Reg Stat Equip-In	310,825	3,507	100.0000	0	S-28	314,332
31	891.000	Main of Meas and Reg Stat Equip-Cit	80,971	114	100.0000	0	S-29	81,085
32	892.000	Maintenance of Services	557,520	4,918	100.0000	0	S-30	562,438
33	893.000	Maint of Meter and House Reg	856,716	18,002	100.0000	0	S-31	874,718
34	894.000	Maint of Other Equip	227,498	1,187	100.0000	0	S-32	228,685
35	901.000	Supervision-Customer Accounts	578,740	8,946	100.0000	0	S-33	587,686
36	902.000	Meter Reading Expense	630,162	16,375	100.0000	0	S-34	646,537

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		(A)	(B)	(C)	(D)	(E)		(F)
37	903.000	Customer Records/Collection Expense	9,623,169	689,055	100.0000	0	S-35	10,312,224
38	904.000	Uncollectible Accounts	6,602,056	(466,485)	100.0000	0	S-36	6,135,571
39	905.000	Misc. Cusotmer Accts Expense	85,374	(1,128)	100.0000	0	S-37	84,246
40	907.000	Supervision-Customer Service	0	0	100.0000	0	S-38	0
41	908.000	Customer Assistance Expense	422,120	429	100.0000	0	S-39	422,549
42	909.000	Informational/Instructional Advert	43,018	0	100.0000	0	S-40	43,018
43	910.000	Misc. Customer Service & Info Exp	11,492	0	100.0000	0	S-41	11,492
44	911.000	Supervision-Sales	0	0	100.0000	0	S-42	0
45	912.000	Demonstrating and Sales Expense	243,883	(1,695)	100.0000	0	S-43	242,188
46	913.000	Advertising Expense	0	0	100.0000	0	S-44	0
47	916.000	Misc. Sales Expense	1,676	0	100.0000	0	S-45	1,676
48	920.000	Admin & Gen Expense-Salaries	3,718,333	1,145,084	100.0000	0	S-46	4,863,417
49	921.000	Office Supplies and Expense	3,221,659	1,091,210	100.0000	0	S-47	4,312,869
50	922.000	Admin & Gen Expense-Construction	(165,936)	(1,318,332)	100.0000	0	S-48	(1,484,268)
51	923.000	Outside Services	2,013,943	3,757,630	100.0000	(2,406,195)	S-49	3,365,378
52	924.000	Property Insurance	164,136	0	100.0000	0	S-50	164,136
53	925.000	Injuries & Damages	1,515,813	(448,934)	100.0000	1,142,982	S-51	2,209,861
54	926.000	Pension & Benefits	7,769,789	1,696,188	100.0000	0	S-52	9,465,977
55	928.000	Regulatory Commission Expense	1,854,587	(189,886)	100.0000	0	S-53	1,664,701
56	930.200	Misc. General Expense	(279,283)	420,390	100.0000	0	S-54	141,107
57	931.000	Rents	956,683	(9,396)	100.0000	0	S-55	947,287
58	932.000	Maint of General Plant	176,796	124,771	100.0000	0	S-56	301,567
59	431.000	Interest on Customer Deposits	218,822	(81,567)	100.0000	0	S-57	137,255
60	923.100	Reserved	0	0	100.0000	0	S-75	0
61	923.200	Reserved	0	0	100.0000	0	S-76	0
62		Total	$ 382,767,674	$ (314,867,966)		$ (1,263,213)		$ 66,636,495
		Depreciation Expense						
63		Depreciation Expense	$ 20,289,660	$ 0	100.0000	$ (914,785)	S-64	$ 19,374,875
64		Total	$ 20,289,660	$ 0		$ (914,785)		$ 19,374,875

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Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)		(F)
		Other Operating Expenses						
65		Cost of Removal/Salvage	$ 0	$ 673,327	100.0000	$ 0	S-58	$ 673,327
66	404.000	Amortization Expense	2,401,441	700,541	100.0000	0	S-59	3,101,982
67	408.000	Property Taxes	8,280,724	243,052	100.0000	0	S-60	8,523,776
68	408.000	Payroll Taxes	1,593,999	243,288	100.0000	0	S-61	1,837,287
69	408.000	Gross Receipts Tax	30,058,799	(30,058,799)	100.0000	0	S-62	0
70	408.000	Missouri Franchise Taxes	108,025	85,657	100.0000	0	S-63	193,682
71	403.001	Transportation Depr Clearing	0	(426,875)	100.0000	0	S-67	(426,875)
72	403.900	Kansas City Income Taxes Paid	0	15,631	100.0000	0	S-68	15,631
73	403.910	Reserved	0	0	100.0000	0	S-69	0
74	403.920	Reserved	0	0	100.0000	0	S-70	0
75	403.950	Reserved	0	0	100.0000	0	S-71	0
76	403.965	Reserved	0	0	100.0000	0	S-72	0
77	403.888	Reserved	0	0	100.0000	0	S-73	0
78		Total	$ 42,442,988	$ (28,524,178)		$ 0		$ 13,918,810
79		Total Operating Expenses	$ 445,500,322	$ (343,392,144)		$ (2,177,998)		$ 99,930,180
80		Net Income Before Taxes	$ 49,597,449	$ (6,554,735)		$ 2,177,998		$ 45,220,712
		Current Income Taxes						
81		Current Income Taxes	$ 11,248,450	$ 0	100.0000	$ (1,710,941)	S-65	$ 9,537,509
82		Total	$ 11,248,450	$ 0		$ (1,710,941)		$ 9,537,509
		Deferred Income Taxes						
83		Deferred Income Taxes	$ 0	$ 0	100.0000	$ 0	S-66	$ 0
84		Total	$ 0	$ 0		$ 0		$ 0
85		Total Income Taxes	$ 11,248,450	$ 0		$ (1,710,941)		$ 9,537,509

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Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
86		Net Operating Income	$ 38,348,999	$ (6,554,735)		$ 3,888,939	$ 35,683,203

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Residential Revenue	S-1	$ (242,669,521)	
1.	To annualize residential revenues. (Harrison)		$ 16,353	
2.	To remove gross receipts tax. (Harrison)		$ (19,149,441)	
3.	To remove unbilled revenues. (Harrison)		$ (3,208,879)	
4.	To remove gas cost refunds. (Harrison)		$ (2,340,304)	
5.	To remove PGA revenue. (Harrison)		$ (220,582,808)	
6.	To remove ACA costs. (Harrison)		$ 255,536	
7.	To remove refund/PEPL deferral. (Harrison)		$ 2,340,305	
8.	To remove take or pay (TOP) revenues. (Harrison)		$ (283)	
	Commercial and Industrial	S-2	$ (108,777,847)	
1.	To annualize small general service revenues. (Harrison)		$ 420,518	
2.	To annualize large general service revenues. (Harrison)		$ 106,297	
3.	To remove gross receipts taxes from commerical revenues. (Harrison)		$ (10,345,313)	

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Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To remove gas cost refunds from commercial revenue. (Harrison)	$ (1,020,644)	
5.	To remove PGA revenue from commercial revenue. (Harrison)	$ (96,161,924)	
6.	To remove ACA revenues from commercial revenue. (Harrison)	$ 7,281	
7.	To remove refund/PEPL deferral from commercial revenue. (Harrison)	$ 1,022,749	
8.	To remove take or pay (TOP) from commercial revenue. (Harrison)	$ (39)	
9.	To remove gross receipts taxes from industrial revenue. (Harrison)	$ (73,849)	
10.	To remove gas cost refunds from industrial revenue. (Harrison)	$ (19,618)	
11.	To remove PGA revenue from industrial revenues. (Harrison)	$ (2,091,761)	
12.	To remove ACA costs from industrial revenue. (Harrison)	$ (11,282)	
13.	To remove refund/PEPL deferrals from industrial revenue. (Harrison)	$ 19,618	
14.	To remove contract demand from commercial revenue. (Harrison)	$ (180,548)	
15.	To remove overrun/curtailment from commercial revenue. (Harrison)	$ 13	
16.	To remove contract demand from industrial revenues. (Harrison)	$ (99,621)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
17.	To adjust revenue for large general service and small general service customer rate switching. (Ross)		$ (332,110)	
18.	To remove overrun/curtailment from industrial revenue. (Harrison)		$ (273,301)	
19.	To add rate code 48 for succession gas costs. (Harrison)		$ 255,687	
	Transportation	S-7	$ 160,086	
1.	To remove gross receipts taxes. (Harrison)		$ (113,664)	
2.	To adjust transportation revenues to reflect flex rate charges at full tariff rates. (Imhoff)		$ 184,125	
3.	To reflect an increase in revenues to the Economic Development Rider. (Imhoff)		$ 2,834	
4.	To adjust revenues for customers switching rate classes. (Ross)		$ 93,317	
5.	To normalize customer usage to reflect normal weather. (Ross)		$ (6,526)	
	Other Gas Revenues	S-9	$ 3	
1.	Blank.			
2.	To annualize miscellaneous revenue. (Imhoff)		$ 3	

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Adjustments to Income Statement

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Other Gas Purchases	S-10	$ (321,980,474)	
	1. To remove purchased gas expense. (Harrison)		$ (321,980,474)	
	Purchased Gas Expense	S-11	$ (38,000)	
	1. To remove purchased gas expense. (Harrison)		$ (38,000)	
	Operation Supervision & Engineering	S-12	$ 8,100	
	1. To annualize payroll at December 31, 2003. (Eaves)		$ 11,278	
	2. To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (3,178)	
	Distribution Load Dispatching	S-13	$ (25)	
	1. To annualize payroll at December 31, 2003. (Eaves)		$ 33	
	2. To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (58)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Mains & Services Expense	S-14	$ 7,404	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 9,084	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (1,680)	
	Meas & Reg Station Exp-General	S-16	$ 12,795	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 15,754	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (2,959)	
	Meas & Reg Station Exp-Industrial	S-17	$ (592)	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ (573)	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (19)	
	Meas & Reg Station Exp-City Gate	S-18	$ 340	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 359	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (19)	
	Meter and House Regulator Expense	S-19	$ 86,542	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 105,650	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (19,108)	
	Customer Installation Expense	S-20	$ 16,011	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 27,198	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (11,187)	
	Other Expenses	S-21	$ 55,201	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 60,957	
2.	To adjust miscellaneous expenses. (Preston)		$ (1,032)	
3.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (4,501)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
4.	To remove miscellaneous dues and donations. (Preston)		$ (223)	
	Rents	S-22	$ 299,122	
1.	To annualize the nonpayroll costs of MGE's Information Technology department. (Hyneman)		$ 299,122	
	Maint Supervision and Engineering	S-23	$ 103,568	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 108,805	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (5,237)	
	Maint of Structures and Improvement	S-24	$ 2,861	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 3,462	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (601)	
	Maintenance of Mains	S-25	$ 95,792	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 121,873	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (26,081)	
	Maint of Meas and Reg Stat Equip-Ge	S-27	$ 3,006	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 3,920	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (914)	
3.				
	Maint of Meas and Reg Stat Equip-In	S-28	$ 3,507	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 4,879	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (1,372)	
	Main of Meas and Reg Stat Equip-Cit	S-29	$ 114	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 226	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (112)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Maintenance of Services	S-30	$ 4,918	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 7,249	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (2,331)	
	Maint of Meter and House Reg	S-31	$ 18,002	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 21,761	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (3,759)	
	Maint of Other Equip	S-32	$ 1,187	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 1,481	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (294)	
	Supervision-Customer Accounts	S-33	$ 8,946	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 6,329	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ 2,617	
	Meter Reading Expense	S-34	$ 16,375	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 19,367	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (2,992)	
	Customer Records/Collection Expense	S-35	$ 689,055	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 522,070	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (28,223)	
3.	To annualize customer collection costs (Brazen Software - MGE Adj H-23). (Hyneman)		$ 195,208	
	Uncollectible Accounts	S-36	$ (466,485)	
1.	To normalize bad debt expense using a 5 year average of actual bad debt writeoffs. (Harrison)		$ (466,485)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Misc. Cusotmer Accts Expense	*S-37*	$ (1,128)	
1.	To adjust miscellaneous expenses. *(Preston)*		$ (293)	
2.	To remove miscellaneous dues and donations. (Preston)		$ (835)	
	Customer Assistance Expense	S-39	$ 429	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 919	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (490)	
	Demonstrating and Sales Expense	S-43	$ (1,695)	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 2,838	
2.	To adjust miscellaneous expenses. (Preston)		$ (2,685)	
3.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (1,348)	
4.	To remove miscellaneous dues and donations. (Preston)		$ (500)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Admin & Gen Expense-Salaries	S-46	$ 1,145,084	
1.	To annualize payroll at December 31, 2003. (Eaves)		$ 1,173,151	
2.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (28,067)	
	Office Supplies and Expense	S-47	$ 1,091,210	
1.	To remove certain expenses of the Customer and Government Relations Department. (Lonergan)		$ (26,691)	
2.	Reserved.			
3.	To annualize the nonpayroll costs of MGE's Information Technology department. (Hyneman)		$ 1,132,650	
4.	To annualize payroll at December 31, 2003. (Eaves)		$ 710	
5.	To adjust miscellaneous expenses. (Preston)		$ (13,911)	
6.	To remove a portion of test year incentive compensation and bonus expense. (Eaves)		$ (43)	
7.	To remove miscellaneous dues and donations. (Preston)		$ (1,505)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Admin & Gen Expense-Construction	S-48	$ (1,318,332)	
1.	To remove test year costs associated with the sale of Southern Union Gas Company. (Hyneman)		$ (1,318,332)	
	Outside Services	S-49	$ 3,757,630	$ (2,406,195)
1.	To remove certain expenses of the Customer and Government Relations Department. (Lonergan)		$ (15,910)	
2.	To remove payments to lobbyists and other below the line expenses that were recorded above the line. (Hyneman)		$ (322,005)	
3.	To annualize the nonpayroll costs of MGE's Information Technology department. (Hyneman)		$ 51,708	
4.	To include MGE's proposed level of corporate allocated employee related expenses. (Hyneman)		$ 2,249,489	
5.	To include MGE's proposed level of non-employee related corporate allocated expenses. (Hyneman)		$ 1,918,705	
6.	To adjust MGE's proposed level of corporate allocated payroll costs to reflect the Staff's adjustments. (Hyneman)			$ (1,217,328)
7.	To adjust MGE's proposed level of corporate allocated non-payroll costs to reflect the Staff's adjustments. (Hyneman)			$ (1,188,867)

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
8.	To remove cost of nonrecuring outside service (D Hays - CBIZ). (Hyneman)		$ (159,772)	
9.	To annualize cost of franchise and property tax compliance service performed by Deloitte and Touche. (Hyneman)		$ 35,415	
	Injuries & Damages	S-51	$ (448,934)	$ 1,142,982
1.	To remove per book charges to account 925. (Preston)		$ (1,515,813)	
2.	To reflect the normalized level of actual injuries and damages claims paid. (Preston)		$ 1,065,253	
3.	To annualize payroll at December 31, 2003. (Eaves)		$ 1,626	
4.	To annualize insurance premiums through December 31, 2003. (Hyneman)			$ 1,142,982
5.	To remove miscellaneous dues and donations. (Preston)			
	Pension & Benefits	S-52	$ 1,696,188	
1.	To reflect the change in accounting for pensions from the FAS 87 accrual method to the ERISA Minimum funding level method. (Hyneman)		$ 35,226	
2.	To annualize FAS 106 expense. (Hyneman)		$ 128,998	

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Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To adjust test year 401(k) and Shadow 401(k) costs to reflect an annualized level. (Eaves)	$ 92,534	
4.	To normalize test year medical costs. (Harrison)	$ 346,757	
5.	To reflect the amortization of MGE's prepaid pension asset. (Hyneman)	$ 999,245	
6.	To annualize retirement power benefits. (Eaves)	$ 54,918	
7.	To annualize Life, AD&D and LTD insurance. (Eaves)	$ 6,648	
8.	To annualize cost of dental benefits. (Eaves)	$ 31,862	
	Regulatory Commission Expense S-53	$ (189,886)	
1.	To remove per book charges from Account 928. (Preston)	$ (1,854,587)	
2.	To include a normalized level of rate case expense. (Preston)	$ 47,646	
3.	To include an annualized level of PSC assessment. (Preston)	$ 1,419,590	
4.	To include an annualized level of NARUC assessment. (Preston)	$ 6,198	
5.	To include a normalized level of expense for a Commission ordered depreciation study. (Preston)	$ 7,444	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
6.	To include an adjusted level of regulatory outside legal expenses. (Hyneman)		$ 183,823	
	Misc. General Expense	S-54	$ 420,390	
1.	To adjust test year expense to reflect Staff's disallowance of Advertising Expense. (Preston)		$ (16,705)	
2.	To adjust test year expense to reflect Staff's disallowance of Meals and Entertainment expense. (Lonergan)		$ (921)	
3.	To remove test year costs associated with the sale of Southern Union Gas Company. (Hyneman)		$ 531,062	
4.	Reserve.			
5.	To adjust miscellaneous expenses. (Preston)		$ (627)	
6.	To remove miscellaneous dues and donations (includes MEDA dues of $40,000, MGE Adjustment H-21). (Preston)		$ (92,419)	
	Rents	S-55	$ (9,396)	
1.	To include an annualized level of rent received from Broadway Ford for parking lot space ($783 X 12). (Harrison)		$ (9,396)	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Maint of General Plant	S-56	$ 124,771	
1.	To adjust test year expense to reflect Staff's disallowance of general utility subcontract labor charged to the Government Relations Dept. (Lonergan)		$ (91)	
2.	To annualize the nonpayroll costs of MGE's Information Technology department. (Hyneman)		$ 124,862	
	Interest on Customer Deposits	S-57	$ (81,567)	
1.	To adjust test year to reflect an annualized level of customer deposit interest. (Eaves)		$ (81,567)	
	Cost of Removal/Salvage	S-58	$ 673,327	
1.	To include a 5-year average of net cost of removal costs. (Hyneman)		$ 673,327	
	Amortization Expense	S-59	$ 700,541	
1.	To annualize amortization expense on intangibles in plant account 303. (Preston)		$ 566,988	
2.	Reserved			
3.	To amortize SLRP deferrals under the AAO granted in Case No. GR-2001-292. (Lonergan)		$ 133,553	

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Property Taxes	S-60	$ 243,052	
1.	To adjust test year expense to reflect an annualized level of property taxes. (Preston)		$ 243,052	
	Payroll Taxes	S-61	$ 243,288	
1.	To annualize payroll tax expense. (Eaves)		$ 243,288	
	Gross Receipts Tax	S-62	$ (30,058,799)	
1.	To remove per book gross receipts taxes. (Harrison)		$ (30,058,799)	
	Missouri Franchise Taxes	S-63	$ 85,657	
1.	To annualize state franchise taxes (MGE adjustment H-17) using 2003 MO Corporation Franchise Tax Schedule and Southern Union assets at 6/30/02 adjusted for the removal of goodwill. (Hyneman)		$ 85,657	
	Current Income Taxes	S-65		$ (1,710,941)
1.	To annualize current income taxes. (Harrison)			$ (1,710,941)

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Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
	Transportation Depr Clearing	S-67	$ (426,875)	
1.	To remove depreciation expense booked to clearing accounts related to Account 392, Transportation Equipment. (Preston)		$ (399,311)	
2.	To remove depreciation expense booked to clearing accounts related to Account 396, Power Operated Equipment. (Preston)		$ (27,564)	
	Kansas City Income Taxes Paid	S-68	$ 15,631	
1.	To include a 5-year average of KC income taxes paid. (Harrison)		$ 15,631	
	Reserved	S-73		
1.				
	Capacity Release Revenues	S-74	$ 1,340,400	
1.	To reflect a 3-year average of capacity release revenues. (Allee)		$ 1,340,400	

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Income Tax

Line		Test Year	6.68% Return	6.81% Return	6.94% Return
	(A)	(B)	(C)	(D)	(E)
1	Net Income Before Taxes (Sch 9)	$ 45,220,712	$ 41,987,469	$ 43,051,665	$ 44,115,861
	Add to Net Income Before Taxes				
2	Book Depreciation Expense	$ 19,374,875	$ 19,374,875	$ 19,374,875	$ 19,374,875
3	Total	$ 19,374,875	$ 19,374,875	$ 19,374,875	$ 19,374,875
	Subtr from Net Income Before Taxes				
4	Interest Expense 4.0400 %	$ 20,376,089	$ 20,376,089	$ 20,376,089	$ 20,376,089
5	Depreciation Expense	19,374,875	19,374,875	19,374,875	19,374,875
6	Total	$ 39,750,964	$ 39,750,964	$ 39,750,964	$ 39,750,964
7	Net Taxable Income	$ 24,844,623	$ 21,611,380	$ 22,675,576	$ 23,739,772
	Provision for Federal Income Tax				
8	Net Taxable Income	$ 24,844,623	$ 21,611,380	$ 22,675,576	$ 23,739,772
9	Deduct Missouri Income Tax 100.0 %	$ 1,295,217	$ 1,126,660	$ 1,182,139	$ 1,237,618
10	Deduct City Income Tax	0	0	0	0
11	Federal Taxable Income	23,549,406	20,484,720	21,493,437	22,502,154
12	Total Federal Tax	$ 8,242,292	$ 7,169,652	$ 7,522,703	$ 7,875,754
	Provision for Missouri Income Tax				
13	Net Taxable Income	$ 24,844,623	$ 21,611,380	$ 22,675,576	$ 23,739,772
14	Deduct Federal Income Tax 50.0 %	$ 4,121,146	$ 3,584,826	$ 3,761,352	$ 3,937,877
15	Deduct City Income Tax	0	0	0	0
16	Missouri Taxable Income	20,723,477	18,026,554	18,914,225	19,801,895
17	Total Missouri Tax	$ 1,295,217	$ 1,126,660	$ 1,182,139	$ 1,237,618

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Income Tax

Line		Test Year	6.68% Return	6.81% Return	6.94% Return
	(A)	(B)	(C)	(D)	(E)
	Provision for City Income Tax				
18	Net Taxable Income	$ 24,844,623	$ 21,611,380	$ 22,675,576	$ 23,739,772
19	Deduct Federal Income Tax	$ 8,242,292	$ 7,169,652	$ 7,522,703	$ 7,875,754
20	Deduct Missouri Income Tax	1,295,217	1,126,660	1,182,139	1,237,618
21	City Taxable Income	15,307,114	13,315,068	13,970,734	14,626,400
22	Total City Tax	$ 0	$ 0	$ 0	$ 0
	Summary of Provision for Income Tax				
23	Federal Income Tax	$ 8,242,292	$ 7,169,652	$ 7,522,703	$ 7,875,754
24	Missouri Income Tax	1,295,217	1,126,660	1,182,139	1,237,618
25	City Income Tax	0	0	0	0
26	Total	$ 9,537,509	$ 8,296,312	$ 8,704,842	$ 9,113,372
	Deferred Income Taxes				
27	Deferred Investment Tax Credit	$ 0	$ 0	$ 0	$ 0
28	Deferred Repair Allowance	0	0	0	0
29	Deferred Tax Depreciation	0	0	0	0
30	Amort of Deferred Tax Depreciation	0	0	0	0
31	Amort of Repair Allowance	0	0	0	0
32	Amort of Deferred ITC	0	0	0	0
33	Deferred Unbilled	0	0	0	0
34	Total	$ 0	$ 0	$ 0	$ 0
35	Total Income Tax	$ 9,537,509	$ 8,296,312	$ 8,704,842	$ 9,113,372