

GR-2006-0422

Missouri Gas Energy

Schedule 1. Comparison of Average Service Life Recommendations to "Regional Industry Norms"

		Regional Average Service Life			Proposed Average Service Life			
Account Number	Description	Range		Average	Company	Staff	Existing	Company Basis for Proposed ASL
		Low	High					
DISTRIBUTION								
375.00	Structures and Improvements	21	61	46	45	45	61	Average of regional survey for Accts. 375 and 390
376.00	Mains	33	79	49	44	45	44	Existing ASL
378.00	Measuring and Regulating Equip.	27	45	38	35	41	35	Existing ASL
379.00	Meas & Reg Equip - City Gate	28	49	40	40	41	47	Regional survey
380.00	Services	22	45	37	32	42	37	Simulated plant balance analysis - company specific data
381.00	Meters	32	52	39	35	41	35	Existing ASL
382.00	Meter Installations	31	41	37	35	41	35	Existing ASL
383.00	House Regulators	29	50	42	42	45	41	Regional survey
385.00	Industrial Meas and Reg Equipment	25	44	36	30	43	30	Existing ASL
GENERAL								
390.00	Structures and Improvements	8	79	44	45	41	50	Average of regional survey for Accts. 375 and 390
391.00	Office Furniture and Equipment	5	37	20	11	11	12	Weighting of assets within account
391.10	Computers**	5	13	7				
392.00	Transportation Equipment	7	14	11	11	12	11	Existing ASL
393.00	Stores Equipment	8	66	31	30	32	37	Simulated plant balance analysis - company specific data
394.00	Tool, Shop, and Garage Equipment	8	42	25	20	27	19	Rounded existing ASL
396.00	Power Operated Equipment	8	21	14	15	17	12	Experience
397.10	Electronic Reading - ERT				20	20	20	Existing ASL
397.20	Communication Equipment	8	29	19	16	21	16	Existing ASL
398.00	Miscellaneous Equipment	8	29	20	20	26	26	Regional survey

Mr. Macias' errors in developing Rebuttal Schedule GEM 1

1. Miscalculated the regional average ASL for General Plant accounts by failing to include Kinder Morgan in his calculation.
2. Failed to reflect Company's revised proposed average service lives for Accounts 375, 383, and 390.
3. Failed to recognize that the Company did not propose to change the existing ASLs for the 8 of the 18 of the accounts, which are based on Staff's recommendations in GR-2001-292 and GR-2004-0209.

Mr. Sullivan revised his recommendation on Accounts 375, 383, and 393 after correction of the formula.