

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri Gas Energy's Tariffs)	
Increasing Rates for Gas Service Provided to)	Case No. GR-2006-0422
Customers in the Company's Missouri)	
Service Area.)	

UPDATED PRELIMINARY LIST OF ISSUES

On Thursday, November 9, 2006, pursuant to the Commission's Order Regarding Procedural Schedule, Test Year and True-Up Hearing dated July 13, 2006, MGE filed a Preliminary List of Issues. After further consultation with all of the Parties, the issues remaining in the case has been narrowed and updated. MGE hereby submits this Updated Preliminary List of Issues with the understanding the Parties continue to reserve the right to modify same at the time the Joint List of Issues is filed on November 28, 2006.

- I. Cost of Capital
 - a. Capital structure
 - b. Return on equity

- II. Income Statement – Revenues
 - a. Weather normalization

- III. Income Statement – Expenses
 - a. Property tax refunds
 - b. Unrecovered cost of service amortization
 - c. Rate case expense
 - d. Depreciation rates
 - e. Low-income weatherization/natural gas conservation
 - f. Environmental Response Fund
 - g. Rate Case Expense-Prior Case Amortization
 - h. Emergency Cold Weather Rule AAO recovery mechanism
 - i. Infinium software amortization

- IV. CCOS, Rate Design & Miscellaneous tariff language

- a. Rate design
 - i. Residential
 - 1. Straight fixed variable
 - 2. Weather normalization adjustment
 - 3. Delivery charge
 - 4. Status quo
 - ii. Small general service
 - iii. Large general service
 - iv. Large volume service
 - v. Seasonal disconnects

V. Miscellaneous

- a. Staff's Proposed PGA Tariff language
- b. Kansas Property Tax AAO

* MGE has accepted Staff and OPC positions or has agreed not to pursue the following issues that have been removed from the prior list: all Rate Base items, several Income Statement – Expenses items (Oklahoma Property Tax expense disallowance, Annual bad debts/uncollectibles expense and Uncollectible expense PGA recovery) and all Miscellaneous tariff changes (with the exception of seasonal disconnects).

Respectfully submitted,

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ATTORNEYS FOR MISSOURI GAS ENERGY,
A DIVISION OF SOUTHERN UNION
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted, sent by U.S. Mail, postage prepaid, or hand-delivered, on this 16th day of November, 2006, to:

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