

MISSOURI GAS ENERGY

Selected Cost of Service Component Allocation Differences Between the Company, Commission Staff, and Office of Public Counsel

Line	Cost of Service Component	Dollars (Company Direct Filing)	Cost of Service Study	Allocation Method/Factor	Residential	Small General Service	Large General Service	Large Volume Service
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Distribution Mains (376)</u>							
2	Net Plant	251,288,020						
3								
4	Depreciation Expense	8,990,721						
5	Oper. & Main. Exp. (874 and 887)	12,746,955	Company	Zero-Intercept Method (38.41% customer, 61.59% demand)	68.96%	18.52%	1.25%	11.27%
6			Staff	Stand Alone/Integrated System	62.47%	20.98%	1.64%	14.90%
7				Stand Alone/Integrated System - Recalculated	68.49%	18.28%	1.47%	11.76%
8			OPC	38.41% customer, 17.96% volumes, 43.63% demand	68.57%	18.36%	1.23%	11.85%
9								
10	<u>Services (380)</u>							
11	Net Plant	171,015,345						
12								
13	Depreciation Expense	10,655,167						
14	Operations & Maintenance Exp.	4,063,612	Company	Weighted Services	87.35%	12.30%	0.10%	0.25%
15	(874 and 892)		Staff	Weighted Services (sample averages)	86.86%	12.15%	0.25%	0.74%
16				Weighted Services (sample medians)	88.58%	10.94%	0.16%	0.32%
17			OPC	Weighted Services	87.55%	12.12%	0.10%	0.23%
18								
19	<u>Meters (381)</u>							
20	Net Plant	28,782,702						
21								
22	Depreciation Expense	940,837	Company	Weighted Meters	50.72%	46.19%	0.38%	2.71%
23			Staff	Weighted Meters/Meters and Installations	69.52%	21.81%	1.94%	6.73%
24			OPC	Weighted Meters	51.22%	45.88%	0.37%	2.53%
25								
26	<u>Meter Installations (382)</u>							
27	Net Plant (382)	57,328,167						
28								
29	Depreciation Expense (382)	2,190,649	Company	Weighted Meter Installations	70.88%	19.96%	2.08%	7.09%
30			Staff	Weighted Meters/Meters and Installations	69.52%	21.81%	1.94%	6.73%
31			OPC	Weighted Meter Installations	71.54%	19.81%	2.03%	6.62%

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32								
33	<u>Automated Meter Reading (397.1)</u>							
34	Net Plant	21,001,477						
35								
36	Depreciation Expense	1,913,901	Company	Customers, excluding Large Volume customers	87.61%	12.33%	0.06%	0.00%
37			Staff	Customers, excluding Large Volume customers	87.44%	12.50%	0.06%	0.00%
38			OPC	Non-General Net Plant	73.41%	18.20%	0.92%	7.46%
39								
40	Miscellaneous Intangible Plant							
41	<u>(303 - Software)</u>							
42	Unamortized Balance	7,835,745	Company	78% Direct Assignment 28% Non-Intangible Plant	84.55%	13.32%	0.25%	1.89%
43			Staff	Cost of Service	72.28%	17.83%	1.18%	8.71%
44				Cost of Service	68.69%	23.75%	0.90%	6.66%
45								
46	Amortization Expense	1,845,160	Company	78% Direct Assignment 28% Non-Intangible Plant	81.37%	15.76%	0.47%	2.40%
47			Staff	Total Distribution Plant	72.23%	17.84%	1.16%	8.77%
48			OPC	Non-General Net Plant	73.41%	18.20%	0.92%	7.46%
49								
50	Measuring and Regulating							
51	<u>Station Equipment (378 and 379)</u>							
52	Net Plant	10,498,080						
53								
54	Depreciation Expense	420,845						
55	Operations & Maintenance Exp.	1,713,808	Company	Demand	57.39%	22.39%	1.99%	18.23%
56	(875, 877, 889, 891)		Staff	Volumes	46.08%	19.16%	1.81%	32.94%
57			OPC	Annual Throughput (Volumes)	46.90%	17.66%	1.70%	33.74%

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	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
58								
59	Customer Deposits and Interest on							
60	Customer Deposits							
61	Customer Deposits	(4,559,511)	Company	Direct Assignment	17.18%	79.51%	3.08%	0.23%
62	(Rate Base Reduction)		Staff	Residential and Small General Service Bills	93.33%	6.67%	0.00%	0.00%
63			OPC	Bills	87.70%	12.15%	0.06%	0.09%
64								
65	Interest on Customer Deposits	146,575	Company	Direct Assignment	22.71%	74.20%	2.88%	0.22%
66			Staff	Cost of Service	72.28%	17.83%	1.18%	8.71%
67			OPC	Cannot be determined				
68								
69	Uncollectibles Expense (904)	9,435,379	Company	Direct Assignment	91.74%	8.22%	0.04%	0.00%
70			Staff	Cost of Service	72.28%	17.83%	1.18%	8.71%
71			OPC	Cost of Service	68.69%	23.75%	0.90%	6.66%
72								
73	Demonstrating and Selling (912)	1,026,962	Company	Direct Assignment	30.00%	20.00%	10.00%	40.00%
74			Staff	Cost of Service	72.28%	17.83%	1.18%	8.71%
75			OPC	Bills	71.54%	19.81%	2.03%	6.62%
76								
77	Meter Reading Expenses (902)	971,886	Company	Customers	87.52%	12.32%	0.06%	0.10%
78			Staff	Weighted Customer Counts	86.86%	12.15%	0.25%	0.74%
79			OPC	Weighted Meters	87.79%	12.16%	0.06%	0.00%
80								
81	Customer Accounts & Collect.(903)	13,128,223	Company	Service Order, Pay Agreement, and Bill Counts	87.02%	12.66%	0.13%	0.18%
82			Staff	Weighted Customers - Billing	86.86%	12.15%	0.25%	0.74%
83			OPC	Weighted Meters	51.22%	45.88%	0.37%	2.53%
84								
85	Safety Line Replacement Program							
86	(SLRP) Amortization Expense	1,081,178	Company	SLRP Deferrals (38.45% Mains and 61.55% Services)	80.54%	14.60%	0.53%	4.33%
87			Staff	Total Distribution Plant	72.23%	17.84%	1.16%	8.77%
88			OPC	Non-General Net Plant	73.41%	18.20%	0.92%	7.46%