| | |
|---|---|
| *Exhibit No.:* | |
| *Issue:* | *Staff Accounting Schedules* |
| *Witness:* | *MoPSC Auditors* |
| *Sponsoring Party:* | *MoPSC Staff* |
| *Type of Exhibit:* | *Direct* |
| *Case No.:* | *GR-2008-0060* |
| *Date Prepared:* | *January 18, 2008* |

# MISSOURI PUBLIC SERVICE COMMISSION

## UTILITY SERVICES DIVISION

# DIRECT

# STAFF ACCOUNTING SCHEDULES

# MISSOURI GAS UTILITY, INC.

# CASE NO. GR-2008-0060

***Jefferson City, Missouri***
***January 2008***

MGU Gas Company
Case: GR-08-060I
9-30-07

Revenue Requirement

| Line | | 7.84% Return | 7.97% Return | 8.11% Return |
|---|---|---|---|---|
| | (A) | (B) | (C) | (D) |
| 1 | Net Orig Cost Rate Base (Sch 2) | $ 3,282,720 | $ 3,282,720 | $ 3,282,720 |
| 2 | Rate of Return | 7.84% | 7.97% | 8.11% |
| 3 | Net Operating Income Requirement | $ 257,365 | $ 261,633 | $ 266,229 |
| 4 | Net Income Available (Sch 9) | $ 88,751 | $ 88,751 | $ 88,751 |
| 5 | Additional NOIBT Needed | $ 168,614 | $ 172,882 | $ 177,478 |
| 6 | Income Tax Requirement (Sch 11) | | | |
| 7 | Required Current Income Tax | $ 31,746 | $ 34,850 | $ 38,193 |
| 8 | Test Year Current Income Tax | $ 0 | $ 0 | $ 0 |
| 9 | Additional Current Tax Required | $ 31,746 | $ 34,850 | $ 38,193 |
| 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 | $ 31,746 | $ 34,850 | $ 38,193 |
| 14 | Gross Revenue Requirement | $ 200,360 | $ 207,732 | $ 215,671 |

MGU Gas Company
Case: GR-08-060I
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Rate Base

| Line | Description | Amount |
|---|---|---|
| | (A) | (B) |
| 1 | Total Plant in Service (Sch 3) | $ 3,605,730 |
| | Subtract from Total Plant | |
| 2 | Depreciation Reserve (Sch 6) | $ 194,307 |
| 3 | Net Plant in Service | $ 3,411,423 |
| | Add to Net Plant in Service | |
| 4 | Cash Working Capital (Sch ) | $ 0 |
| 5 | Materials and Supplies | 3,874 |
| 6 | Prepayments | 9,345 |
| 7 | Gas Inventory | 221,857 |
| | Subtract from Net Plant | |
| 8 | Federal Tax Offset 0.0000 % | $ 0 |
| 9 | State Tax Offset 0.0000 % | 0 |
| 10 | City Tax Offset 0.0000 % | 0 |
| 11 | Interest Expense Offset 0.0000 % | 0 |
| 12 | Customer Deposits | 21,680 |
| 13 | Contribution in aid of Construction | 100,000 |
| 14 | Deferred Income Taxes-Depreciation | 275,569 |
| 15 | Def In Taxes-Capitalized Allocation | (33,470) |
| 16 | Total Rate Base | $ 3,282,720 |

MGU Gas Company
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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 | | | | | | |
| 1 | 302.000 | Franchise | $ 1,435 | $ 0 | 100.0000 | $ (284) | P-26 | $ 1,151 |
| 2 | 374.000 | Land & Land Rights | 66,409 | 0 | 100.0000 | (19,645) | P-1 | 46,764 |
| 3 | 375.000 | Structures & Improvements | 3,513 | 0 | 100.0000 | (1,688) | P-2 | 1,825 |
| 4 | 376.000 | Mains | 2,487,702 | 0 | 100.0000 | (108,946) | P-3 | 2,378,756 |
| 5 | 377.000 | Compressor Station Equipment | 0 | 0 | 100.0000 | 0 | P-4 | 0 |
| 6 | 378.000 | Meas. & Reg. Sta. Equip. - General | 50,567 | 0 | 100.0000 | (5,739) | P-5 | 44,828 |
| 7 | 379.000 | Meas. & Reg. Sta. Equip - City Gate | 0 | 0 | 100.0000 | 0 | P-6 | 0 |
| 8 | 380.000 | Services | 751,522 | 0 | 100.0000 | (141,980) | P-7 | 609,542 |
| 9 | 381.000 | Meters | 138,764 | 0 | 100.0000 | (4,872) | P-8 | 133,892 |
| 10 | 382.000 | Meter Installations | 153,197 | 0 | 100.0000 | (43,614) | P-9 | 109,583 |
| 11 | 383.000 | House Regulators | 1,786 | 0 | 100.0000 | (218) | P-10 | 1,568 |
| 12 | 384.000 | House Regulatory Installations | 0 | 0 | 100.0000 | 0 | P-11 | 0 |
| 13 | 385.000 | Industr. Meas. & Reg. Sta. Equip. | 0 | 0 | 100.0000 | 0 | P-12 | 0 |
| 14 | 386.000 | Other Property On Cust. Premises | 0 | 0 | 100.0000 | 0 | P-13 | 0 |
| 15 | 387.000 | Other Equipment | 0 | 0 | 100.0000 | 0 | P-14 | 0 |
| 16 | | Total | $ 3,654,895 | $ 0 | | $ (326,986) | | $ 3,327,909 |

MGU Gas Company
Case: GR-08-060I
9-30-07

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 | | | | | | |
| 17 | 389.000 | Land & Land Rights | $ 0 | $ 0 | 100.0000 | $ 0 | P-15 | $ 0 |
| 18 | 390.000 | Structures & Improvements | 13,759 | 0 | 100.0000 | (6,784) | P-16 | 6,975 |
| 19 | 391.000 | Office Furniture & Equipment | 31,356 | 0 | 100.0000 | 40,297 | P-17 | 71,653 |
| 20 | 392.000 | Transportation Equipment | 126,209 | 0 | 100.0000 | 18,833 | P-18 | 145,042 |
| 21 | 393.000 | Stores Equipment | 0 | 0 | 100.0000 | 0 | P-19 | 0 |
| 22 | 394.000 | Tools, Shop & Garage Equipment | 63,629 | 0 | 100.0000 | (26,459) | P-20 | 37,170 |
| 23 | 395.000 | Laboratory Equipment | 0 | 0 | 100.0000 | 0 | P-21 | 0 |
| 24 | 396.000 | Power Operated Equipment | 1,712 | 0 | 100.0000 | 0 | P-22 | 1,712 |
| 25 | 397.000 | Communication Equipment | 5,946 | 0 | 100.0000 | 9,323 | P-23 | 15,269 |
| 26 | 398.000 | Miscellaneous Equipment | 0 | 0 | 100.0000 | 0 | P-24 | 0 |
| 27 | 399.000 | Other Tangible Property | 0 | 0 | 100.0000 | 0 | P-25 | 0 |
| 28 | | Total | $ 242,611 | $ 0 | | $ 35,210 | | $ 277,821 |
| 29 | | Total Plant In Service | $ 3,897,506 | $ 0 | | $ (291,776) | | $ 3,605,730 |

MGU Gas Company
Case: GR-08-060I
9-30-07

Adjustments to Total Plant

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Land & Land Rights** | P-1 | | $ (19,645) |
| | 1. To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (19,645) |
| | **Structures & Improvements** | P-2 | | $ (1,688) |
| | 1. To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (1,688) |
| | **Mains** | P-3 | | $ (108,946) |
| | 1. To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (108,946) |
| | **Meas. & Reg. Sta. Equip. - General** | P-5 | | $ (5,739) |
| | 1. To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (5,739) |
| | **Services** | P-7 | | $ (141,980) |
| | 1. To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (141,920) |

MGU Gas Company
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Adjustments to Total Plant

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| 2. | To remove advertising expense from plant in service account. (Boateng) | | | $ (60) |
| | **Meters** | P-8 | | $ (4,872) |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (4,872) |
| | **Meter Installations** | P-9 | | $ (43,614) |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (43,614) |
| | **House Regulators** | P-10 | | $ (218) |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (218) |
| | **Structures & Improvements** | P-16 | | $ (6,784) |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (6,784) |

MGU Gas Company
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Adjustments to Total Plant

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Office Furniture & Equipment** | P-17 | | $ 40,297 |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (930) |
| 2. | To increase MGU's office furniture account to allow for an allocation to MGU of Holdings general plant charges. (Harrison) | | | $ 41,227 |
| | **Transportation Equipment** | P-18 | | $ 18,833 |
| 1. | To increase MGU's transportation account to allow for an allocation to MGU of Holdings general plant charges. (Harrison) | | | $ 18,833 |
| | **Tools, Shop & Garage Equipment** | P-20 | | $ (26,459) |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (26,459) |
| | **Communication Equipment** | P-23 | | $ 9,323 |
| 1. | To increase MGU's communication plant account to allow for an allocation to MGU of Holdings general plant charges. (Harrison) | | | $ 9,323 |

MGU Gas Company
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Adjustments to Total Plant

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | Franchise | P-26 | | $ (284) |
| 1. | To remove costs capitalized to plant in service that should have been charged to expense. (Bolin) | | | $ (284) |

MGU Gas Company
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Depreciation Expense

| Line No | Acct | Description | Adjusted Jurisdictional | Depreciation Rate | Depreciation Expense |
|---|---|---|---|---|---|
| | | (A) | (B) | (C) | (D) |
| | | Distribution Plant | | | |
| 1 | 302.000 | Franchise | $ 1,151 | 0.0000 | $ 0 |
| 2 | 374.000 | Land & Land Rights | 46,764 | 0.0000 | 0 |
| 3 | 375.000 | Structures & Improvements | 1,825 | 2.2200 | 41 |
| 4 | 376.000 | Mains | 2,378,756 | 2.2200 | 52,808 |
| 5 | 377.000 | Compressor Station Equipment | 0 | 0.0000 | 0 |
| 6 | 378.000 | Meas. & Reg. Sta. Equip. - General | 44,828 | 2.2700 | 1,018 |
| 7 | 379.000 | Meas. & Reg. Sta. Equip - City Gate | 0 | 0.0000 | 0 |
| 8 | 380.000 | Services | 609,542 | 2.2200 | 13,532 |
| 9 | 381.000 | Meters | 133,892 | 2.5000 | 3,347 |
| 10 | 382.000 | Meter Installations | 109,583 | 2.5000 | 2,740 |
| 11 | 383.000 | House Regulators | 1,568 | 2.4400 | 38 |
| 12 | 384.000 | House Regulatory Installations | 0 | 2.4400 | 0 |
| 13 | 385.000 | Industr. Meas. & Reg. Sta. Equip. | 0 | 3.3300 | 0 |
| 14 | 386.000 | Other Property On Cust. Premises | 0 | 2.2200 | 0 |
| 15 | 387.000 | Other Equipment | 0 | 2.2200 | 0 |
| 16 | | Total | $ 3,327,909 | | $ 73,524 |
| | | General Plant | | | |
| 17 | 389.000 | Land & Land Rights | $ 0 | 0.0000 | $ 0 |
| 18 | 390.000 | Structures & Improvements | 6,975 | 2.2200 | 155 |
| 19 | 391.000 | Office Furniture & Equipment | 71,653 | 4.5500 | 3,260 |
| 20 | 392.000 | Transportation Equipment | 145,042 | 8.3300 | 12,082 |
| 21 | 393.000 | Stores Equipment | 0 | 2.7000 | 0 |
| 22 | 394.000 | Tools, Shop & Garage Equipment | 37,170 | 3.7000 | 1,375 |
| 23 | 395.000 | Laboratory Equipment | 0 | 0.0000 | 0 |
| 24 | 396.000 | Power Operated Equipment | 1,712 | 6.2500 | 107 |
| 25 | 397.000 | Communication Equipment | 15,269 | 3.5700 | 545 |
| 26 | 398.000 | Miscellaneous Equipment | 0 | 3.8500 | 0 |
| 27 | 399.000 | Other Tangible Property | 0 | 0.0000 | 0 |
| 28 | | Total | $ 277,821 | | $ 17,524 |
| 29 | | Total Depreciation Expense | $ 3,605,730 | | $ 91,048 |

MGU Gas Company
Case: GR-08-060I
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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) |
| | | Distribution Plant | | | | | | |
| 1 | 302.000 | Franchise | $ 8 | $ 0 | 100.0000 | $ (8) | R-24 | $ 0 |
| 2 | 374.000 | Land & Land Rights | 0 | 0 | 100.0000 | 0 | | 0 |
| 3 | 375.000 | Structures & Improvements | 108 | 0 | 100.0000 | (52) | R-1 | 56 |
| 4 | 376.000 | Mains | 130,010 | 0 | 100.0000 | (5,694) | R-2 | 124,316 |
| 5 | 377.000 | Compressor Station Equipment | 0 | 0 | 100.0000 | 0 | R-3 | 0 |
| 6 | 378.000 | Meas. & Reg. Sta. Equip. - General | 886 | 0 | 100.0000 | (101) | R-4 | 785 |
| 7 | 379.000 | Meas. & Reg. Sta. Equip - City Gate | 0 | 0 | 100.0000 | 0 | R-5 | 0 |
| 8 | 380.000 | Services | 22,277 | 0 | 100.0000 | (4,207) | R-6 | 18,070 |
| 9 | 381.000 | Meters | 4,262 | 0 | 100.0000 | (150) | R-7 | 4,112 |
| 10 | 382.000 | Meter Installations | 4,686 | 0 | 100.0000 | (1,340) | R-8 | 3,346 |
| 11 | 383.000 | House Regulators | 8 | 0 | 100.0000 | (1) | R-9 | 7 |
| 12 | 384.000 | House Regulatory Installations | 0 | 0 | 100.0000 | 0 | R-10 | 0 |
| 13 | 385.000 | Industr. Meas. & Reg. Sta. Equip. | 0 | 0 | 100.0000 | 0 | R-11 | 0 |
| 14 | 386.000 | Other Property On Cust. Premises | 0 | 0 | 100.0000 | 0 | R-12 | 0 |
| 15 | 387.000 | Other Equipment | 0 | 0 | 100.0000 | 0 | R-13 | 0 |
| 16 | | Total | $ 162,245 | $ 0 | | $ (11,553) | | $ 150,692 |
| | | General Plant | | | | | | |
| 17 | 389.000 | Land & Land Rights | $ 0 | $ 0 | 100.0000 | $ 0 | | $ 0 |
| 18 | 390.000 | Structures & Improvements | 654 | 0 | 100.0000 | (322) | R-14 | 332 |
| 19 | 391.000 | Office Furniture & Equipment | 3,527 | 0 | 100.0000 | 11,414 | R-15 | 14,941 |
| 20 | 392.000 | Transportation Equipment | 21,935 | 0 | 100.0000 | 4,881 | R-16 | 26,816 |
| 21 | 393.000 | Stores Equipment | 0 | 0 | 100.0000 | 0 | R-17 | 0 |
| 22 | 394.000 | Tools, Shop & Garage Equipment | 3,557 | 0 | 100.0000 | (1,479) | R-18 | 2,078 |
| 23 | 395.000 | Laboratory Equipment | 0 | 0 | 100.0000 | 0 | R-19 | 0 |
| 24 | 396.000 | Power Operated Equipment | (8,431) | 0 | 100.0000 | 0 | R-20 | (8,431) |
| 25 | 397.000 | Communication Equipment | 417 | 0 | 100.0000 | 7,462 | R-21 | 7,879 |
| 26 | 398.000 | Miscellaneous Equipment | 0 | 0 | 100.0000 | 0 | R-22 | 0 |
| 27 | 399.000 | Other Tangible Property | 0 | 0 | 100.0000 | 0 | R-23 | 0 |
| 28 | | Total | $ 21,659 | $ 0 | | $ 21,956 | | $ 43,615 |
| 29 | | Total Depreciation Reserve | $ 183,904 | $ 0 | | $ 10,403 | | $ 194,307 |

MGU Gas Company
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Adjustments to Depreciation Reserve

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Structures & Improvements** | R-1 | | $ (52) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (52) |
| | **Mains** | R-2 | | $ (5,694) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (5,694) |
| | **Meas. & Reg. Sta. Equip. - General** | R-4 | | $ (101) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (101) |
| | **Services** | R-6 | | $ (4,207) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (4,207) |
| | **Meters** | R-7 | | $ (150) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (150) |

MGU Gas Company
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Adjustments to Depreciation Reserve

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Meter Installations** | R-8 | | $ (1,340) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (1,340) |
| | **House Regulators** | R-9 | | $ (1) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (1) |
| | **Structures & Improvements** | R-14 | | $ (322) |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (322) |
| | **Office Furniture & Equipment** | R-15 | | $ 11,414 |
| | 1. To adjust the depreciation reserve consistent with the Staff's plant adjustment. (Bolin) | | | $ (105) |
| | 2. To include the depreciation reserve associated with MGU's allocated portion of Holdings general plant. (Harrison) | | | $ 11,519 |

MGU Gas Company
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Adjustments to Depreciation Reserve

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Transportation Equipment** | R-16 | | $ 4,881 |
| 1. | To include the depreciation reserve associated with MGU's allocated portion of Holdings general plant. (Harrison) | | | $ 4,881 |
| | **Tools, Shop & Garage Equipment** | R-18 | | $ (1,479) |
| 1. | To adjust the depreciation reserve associated with the corporate allocated plant adjustment. (Bolin) | | | $ (1,479) |
| | **Communication Equipment** | R-21 | | $ 7,462 |
| 1. | To include the depreciation reserve associated with MGU's allocated portion of Holdings general plant. (Harrison) | | | $ 7,462 |
| | **Franchise** | R-24 | | $ (8) |
| 1. | To adjust the depreciation reserve associated with the corporate allocated plant adjustment. (Bolin) | | | $ (8) |

MGU Gas Company
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9-30-07

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 | $ 708,017 | $ 0 | 100.0000 | $ (429,079) | S-1 | $ 278,938 |
| 2 | 481.000 | Commercial & Industrial | 232,722 | 0 | 100.0000 | (186,397) | S-2 | 46,325 |
| 3 | 481.100 | Large Volume | 56,546 | 0 | 100.0000 | 66,376 | S-3 | 122,922 |
| 4 | 489.000 | Transportation | 170,634 | 0 | 100.0000 | (25,316) | S-4 | 145,318 |
| 5 | 419.000 | Interest & Dividend Income | 0 | 0 | 100.0000 | 0 | S-5 | 0 |
| 6 | 400.000 | Misc. Service Revenues | 7,089 | 0 | 100.0000 | 828 | S-6 | 7,917 |
| 7 | | Total | $ 1,175,008 | $ 0 | | $ (573,588) | | $ 601,420 |

MGU Gas Company
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9-30-07

Income Statement

| Line No | Acct | Description | Total Company | Total Co Adjustment | Alloc Factor | Jurisdictional Adjustment | | Adjusted Jurisdictional |
|---|---|---|---|---|---|---|---|---|
| | | (A) | (B) | (C) | (D) | (E) | | (F) |
| | | Operation & Maintenance Expense | | | | | | |
| 8 | 804.000 | O&M-Gas Supply-City Gate | $ 715,959 | $ 0 | 100.0000 | $ (715,959) | S-7 | $ 0 |
| 9 | 805.000 | O&M-Purchased Gas Cost Adj | 5,157 | 0 | 100.0000 | (5,157) | S-8 | 0 |
| 10 | 808.000 | O&M-Gas Withdrawn from Storage | 0 | 0 | 100.0000 | 0 | S-9 | 0 |
| 11 | 852.000 | O&M-Comm System-Cells & Pagers | 0 | 0 | 100.0000 | 0 | S-10 | 0 |
| 12 | 870.000 | O&M-Spvsn & Eng-Labor | 89 | 0 | 100.0000 | 34 | S-11 | 123 |
| 13 | 874.000 | O&M-Mains & Services Exp-Labor | 12,956 | 0 | 100.0000 | 1,877 | S-12 | 14,833 |
| 14 | 875.000 | O&M-Meas&Reg Stn Exp-Gnrl-Labor | 706 | 0 | 100.0000 | 266 | S-13 | 972 |
| 15 | 878.000 | O&M-Meters & House Reg Exp-Labor | 1,823 | 0 | 100.0000 | 688 | S-14 | 2,511 |
| 16 | 879.000 | O&M-Cust-Installation Exp-Labor | 3,541 | 0 | 100.0000 | 1,336 | S-15 | 4,877 |
| 17 | 881.000 | O&M-Operating Exp-Tools | (20) | 0 | 100.0000 | 20 | S-16 | 0 |
| 18 | 884.000 | O&M-Operating Exp-MGU | 25 | 0 | 100.0000 | 0 | S-17 | 25 |
| 19 | 885.000 | O&M-Maint Spvn & Eng-Labor | 0 | 0 | 100.0000 | 0 | S-18 | 0 |
| 20 | 886.000 | O&M-Maint Structures & Imprvmnts-La | 68 | 0 | 100.0000 | 0 | S-19 | 68 |
| 21 | 887.000 | O&M-Mtce of Equp. Main-Labor | 5,755 | 0 | 100.0000 | 2,038 | S-20 | 7,793 |
| 22 | 889.000 | O&M-Mtce. of Equip | 5,059 | 0 | 100.0000 | 0 | S-21 | 5,059 |
| 23 | 892.000 | O&M-Mtce of Equip-Labor | 535 | 0 | 100.0000 | 202 | S-22 | 737 |
| 24 | 893.000 | O&M-Meters & House Reg-Labor | 277 | 0 | 100.0000 | 105 | S-23 | 382 |
| 25 | 894.000 | O&M-Mtce of Equip-Labor | 109 | 0 | 100.0000 | 41 | S-24 | 150 |
| 26 | 902.000 | Customer Accts-Meter Reading Expens | 5,810 | 0 | 100.0000 | 1,274 | S-25 | 7,084 |
| 27 | 903.000 | Customer Accts-Cust Records & Colle | 13,609 | 0 | 100.0000 | 8,157 | S-26 | 21,766 |
| 28 | 904.000 | Customer Accts-Uncollectable Accts | 25,534 | 0 | 100.0000 | (13,397) | S-27 | 12,137 |
| 29 | 909.000 | Customer Accts-Operating Exp-MGU | 90 | 0 | 100.0000 | 0 | S-28 | 90 |
| 30 | 913.000 | Customer Accts-Advertising Exp | 165 | 0 | 100.0000 | (100) | S-29 | 65 |
| 31 | 920.000 | A&G-Admin & Gnrl Salaries-Labor | 45,378 | 0 | 100.0000 | 32,466 | S-30 | 77,844 |
| 32 | 921.000 | A&G-Office Supp & Exp | 2,800 | 0 | 100.0000 | 0 | S-31 | 2,800 |
| 33 | 922.000 | A&G-Allocate Emp Benefits | 0 | 0 | 100.0000 | 0 | S-32 | 0 |
| 34 | 923.000 | A&G Outside Services | 40,526 | 0 | 100.0000 | 0 | S-33 | 40,526 |
| 35 | 924.000 | Property Insurance | 4,997 | 0 | 100.0000 | 0 | S-34 | 4,997 |
| 36 | 925.000 | Injuries & Damages | 2,075 | 0 | 100.0000 | 0 | S-35 | 2,075 |
| 37 | 926.000 | Employee Benefits | 11,837 | 0 | 100.0000 | 23,847 | S-36 | 35,684 |
| 38 | 928.000 | Regulatory Commission Exp | 5,375 | 0 | 100.0000 | 48,059 | S-37 | 53,434 |
| 39 | 930.000 | Misc. General Expense | 11,430 | 0 | 100.0000 | 17,777 | S-38 | 29,207 |
| 40 | 931.000 | Bldg Rent Expense | 1,468 | 0 | 100.0000 | 0 | S-39 | 1,468 |
| 41 | | Total | $ 923,133 | $ 0 | | $ (596,426) | | $ 326,707 |

Accounting Schedule: 9
Harrison
13:39 01/17/2008

MGU Gas Company
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9-30-07

Income Statement

| Line No | Acct | Description | Total Company | Total Co Adjustment | Alloc Factor | Jurisdictional Adjustment | | Adjusted Jurisdictional |
|---|---|---|---|---|---|---|---|---|
| | | (A) | (B) | (C) | (D) | (E) | | (F) |
| | | Depreciation Expense | | | | | | |
| 42 | 403.000 | Depreciation Expense | $ 72,102 | $ 0 | 100.0000 | $ 18,946 | S-40 | $ 91,048 |
| 43 | | Total | $ 72,102 | $ 0 | | $ 18,946 | | $ 91,048 |
| | | Other Operating Expenses | | | | | | |
| 44 | 404.000 | Amortization Expense | $ 0 | $ 0 | 100.0000 | $ 0 | S-41 | $ 0 |
| 45 | 408.000 | Property Taxes | 38,456 | 0 | 100.0000 | 11,724 | S-42 | 50,180 |
| 46 | 408.000 | Payroll Taxes | 0 | 0 | 100.0000 | 0 | S-43 | 0 |
| 47 | 408.000 | Gross Receipts Taxes | 0 | 0 | 100.0000 | 0 | S-44 | 0 |
| 48 | 408.000 | Missouri Franchise Taxes | 0 | 0 | 100.0000 | 0 | S-45 | 0 |
| 49 | 403.000 | Transportation Depr Clearing | 0 | 0 | 100.0000 | 0 | S-46 | 0 |
| 50 | | Total | $ 38,456 | $ 0 | | $ 11,724 | | $ 50,180 |
| 51 | | Total Operating Expenses | $ 1,033,691 | $ 0 | | $ (565,756) | | $ 467,935 |
| 52 | | Net Income Before Taxes | $ 141,317 | $ 0 | | $ (7,832) | | $ 133,485 |
| | | Current Income Taxes | | | | | | |
| 53 | | Current Income Taxes | $ 0 | $ 0 | 100.0000 | $ 0 | S-47 | $ 0 |
| 54 | | Total | $ 0 | $ 0 | | $ 0 | | $ 0 |
| | | Deferred Income Taxes | | | | | | |
| 55 | | Deferred Income Taxes | $ 24,167 | $ 0 | 100.0000 | $ 20,567 | | $ 44,734 |
| 56 | | Total | $ 24,167 | $ 0 | | $ 20,567 | | $ 44,734 |
| 57 | | Total Income Taxes | $ 24,167 | $ 0 | | $ 20,567 | | $ 44,734 |
| 58 | | Net Operating Income | $ 117,150 | $ 0 | | $ (28,399) | | $ 88,751 |

MGU Gas Company
Case: GR-08-060I
9-30-07

Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Residential** | S-1 | | $ (429,079) |
| 1. | To remove unbilled revenues. (Bolin) | | | $ (14,026) |
| 2. | To remove natural gas costs. (Bolin) | | | $ (444,452) |
| 3. | To adjust for normal weather. (Bolin) | | | $ (1,817) |
| 4. | To adjust for 365 day consumption. (Bolin) | | | $ 7 |
| 5. | To adjust for customer growth. (Bolin) | | | $ 31,209 |
| | **Commercial & Industrial** | S-2 | | $ (186,397) |
| 1. | To remove natural gas costs. (Bolin) | | | $ (196,848) |
| 2. | To adjust for normal weather. (Bolin) | | | $ (274) |
| 3. | To adjust for 365 day consumption. (Bolin) | | | $ (11) |
| 4. | To adjust for customer growth. (Bolin) | | | $ 10,736 |
| | **Large Volume** | S-3 | | $ 66,376 |
| 1. | To annualize large volume revenues. (Bolin) | | | $ 3,092 |

MGU Gas Company
Case: GR-08-060I
9-30-07

Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| 2. | To include Landmark volumes in the annualized revenues. (Bolin) | | | $ 63,284 |
| | **Transportation** | S-4 | | $ (25,316) |
| 1. | To remove natural gas costs. (Bolin) | | | $ (25,316) |
| | **Misc. Service Revenues** | S-6 | | $ 828 |
| 1. | To normalize miscellaneous revenues. (Bolin) | | | $ 828 |
| | **O&M-Gas Supply-City Gate** | S-7 | | $ (715,959) |
| 1. | To remove city gate gas purchases. (Bolin) | | | $ (715,959) |
| | **O&M-Purchased Gas Cost Adj** | S-8 | | $ (5,157) |
| 1. | To remove purchases gas cost expenses. (Bolin) | | | $ (5,157) |
| | **O&M-Spvsn & Eng-Labor** | S-11 | | $ 34 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 34 |

MGU Gas Company
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Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | O&M-Mains & Services Exp-Labor | S-12 | | $ 1,877 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 1,877 |
| | O&M-Meas&Reg Stn Exp-Gnrl-Labor | S-13 | | $ 266 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 266 |
| | O&M-Meters & House Reg Exp-Labor | S-14 | | $ 688 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 688 |
| | O&M-Cust-Installation Exp-Labor | S-15 | | $ 1,336 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 1,336 |
| | O&M-Operating Exp-Tools | S-16 | | $ 20 |
| 1. | To remove the prior_period adjustment posted to the operating expense-tools. (Harrison) | | | $ 20 |

MGU Gas Company
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Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | O&M-Mtce of Equp. Main-Labor | S-20 | | $ 2,038 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 2,038 |
| | O&M-Mtce of Equip-Labor | S-22 | | $ 202 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 202 |
| | O&M-Meters & House Reg-Labor | S-23 | | $ 105 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 105 |
| | O&M-Mtce of Equip-Labor | S-24 | | $ 41 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 41 |
| | Customer Accts-Meter Reading Expens | S-25 | | $ 1,274 |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 1,274 |

MGU Gas Company
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Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Customer Accts-Cust Records & Colle** | S-26 | | $ 8,157 |
| 1. | To adjust MGU's billing & collection expense to account for the elimination of improperly capitalized charges to plant. (Harrison) | | | $ 3,607 |
| 2. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 3,628 |
| 3. | To include customer deposit interest expense. (Boateng) | | | $ 2,005 |
| 4. | To exclude 15% of total corporate overhead from MGU's billing & collection account. (Harrison) | | | $ (1,083) |
| | **Customer Accts-Uncollectable Accts** | S-27 | | $ (13,397) |
| 1. | To adjust test year bad debt expense to a normalized level. (Bolin) | | | $ (13,397) |
| | **Customer Accts-Advertising Exp** | S-29 | | $ (100) |
| 1. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 18 |
| 2. | To disallow Gallantin Rotary Club Dues. (Boateng) | | | $ (118) |

MGU Gas Company
Case: GR-08-060I
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Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **A&G-Admin & Gnrl Salaries-Labor** | S-30 | | $ 32,466 |
| 1. | To adjust MGU's administrative & general salaries expense to allow for the 50% reduction that was made to the corporate allocated plant. (Harrison) | | | $ 21,917 |
| 2. | To annualize MGU employees payroll and benefits. (Boateng) | | | $ 17,127 |
| 3. | To exclude 15% of corporate overhead from Holdings allocations to MGU. (Harrison) | | | $ (6,578) |
| | **Employee Benefits** | S-36 | | $ 23,847 |
| 1. | To adjust MGU's benefits to align with the Staff's annualized payroll. (Boateng) | | | $ 23,847 |
| | **Regulatory Commission Exp** | S-37 | | $ 48,059 |
| 1. | To eliminate the amortization of the start-up costs from the test year. (Harrison) | | | $ (5,375) |
| 2. | To include the actual MoPSC assessment expense for FY 2008. (Boateng) | | | $ 3,069 |
| 3. | To normalize rate case expense over a three year period. (Boateng) | | | $ 50,365 |

MGU Gas Company
Case: GR-08-060I
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Adjustments to Income Statement

| Adj No | Description | | Total Co Adjustment | Mo Juris Adjustment |
|---|---|---|---|---|
| | **Misc. General Expense** | S-38 | | $ 17,777 |
| 1. | To adjust MGU's misc. expense to allow for the the 50% reduction that was made to the corporate allocated plant. (Harrison) | | | $ 19,704 |
| 2. | To exclude 15% of corporate overhead from MGU's allocations to MGU. (Harrison) | | | $ (1,927) |
| | **Property Taxes** | S-42 | | $ 11,724 |
| 1. | To adjust property taxes. (Boateng) | | | $ 13,556 |
| 2. | To remove the PSC Assessment from property tax expense. (Boateng) | | | $ (1,832) |

MGU Gas Company
Case: GR-08-060I
9-30-07

Income Tax

| Line | (A) | Test Year (B) | 7.84% Return (C) | 7.97% Return (D) | 8.11% Return (E) |
|---|---|---|---|---|---|
| 1 | Net Income Before Taxes (Sch 9) | $ 133,485 | $ 333,845 | $ 341,217 | $ 349,156 |
| | Add to Net Income Before Taxes | | | | |
| 2 | Book Depreciation Expense | $ 91,048 | $ 91,048 | $ 91,048 | $ 91,048 |
| 3 | Contribution in Aid of Construction | 100,000 | 100,000 | 100,000 | 100,000 |
| 4 | Total | $ 191,048 | $ 191,048 | $ 191,048 | $ 191,048 |
| | Subtr from Net Income Before Taxes | | | | |
| 5 | Interest Expense 3.2500 % | $ 106,688 | $ 106,688 | $ 106,688 | $ 106,688 |
| 6 | Straight Line-Depreciation Expense | 91,048 | 91,048 | 91,048 | 91,048 |
| 7 | Accelerated-Depreciation | 212,752 | 212,752 | 212,752 | 212,752 |
| 8 | Total | $ 410,488 | $ 410,488 | $ 410,488 | $ 410,488 |
| 9 | Net Taxable Income | $ (85,955) | $ 114,405 | $ 121,777 | $ 129,716 |
| | Provision for Federal Income Tax | | | | |
| 10 | Net Taxable Income | $ (85,955) | $ 114,405 | $ 121,777 | $ 129,716 |
| 11 | Deduct Missouri Income Tax 100.0 % | $ 0 | $ 6,357 | $ 6,732 | $ 7,137 |
| 12 | Deduct City Income Tax | 0 | 0 | 0 | 0 |
| 13 | Federal Taxable Income | (85,955) | 108,048 | 115,045 | 122,579 |
| 14 | Total Federal Tax | $ 0 | $ 25,389 | $ 28,118 | $ 31,056 |
| | Provision for Missouri Income Tax | | | | |
| 15 | Net Taxable Income | $ (85,955) | $ 114,405 | $ 121,777 | $ 129,716 |
| 16 | Deduct Federal Income Tax 50.0 % | $ 0 | $ 12,695 | $ 14,059 | $ 15,528 |
| 17 | Deduct City Income Tax | 0 | 0 | 0 | 0 |
| 18 | Missouri Taxable Income | (85,955) | 101,711 | 107,718 | 114,188 |
| 19 | Total Missouri Tax | $ 0 | $ 6,357 | $ 6,732 | $ 7,137 |

Accounting Schedule: 11
Harrison
13:39 01/17/2008

MGU Gas Company
Case: GR-08-060I
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Income Tax

| Line | | Test Year | | 7.84% Return | | 7.97% Return | | 8.11% Return |
|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) | | (D) | (E) |
| | Provision for City Income Tax | | | | | | | |
| 20 | Net Taxable Income | $ | (85,955) | $ | 114,405 | $ | 121,777 | $ | 129,716 |
| 21 | Deduct Federal Income Tax | $ | 0 | $ | 25,389 | $ | 28,118 | $ | 31,056 |
| 22 | Deduct Missouri Income Tax | | 0 | | 6,357 | | 6,732 | | 7,137 |
| 23 | City Taxable Income | | (85,955) | | 82,659 | | 86,927 | | 91,523 |
| 24 | Total City Tax | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| | Summary of Provision for Income Tax | | | | | | | | |
| 25 | Federal Income Tax | $ | 0 | $ | 25,389 | $ | 28,118 | $ | 31,056 |
| 26 | Missouri Income Tax | | 0 | | 6,357 | | 6,732 | | 7,137 |
| 27 | City Income Tax | | 0 | | 0 | | 0 | | 0 |
| 28 | Total | $ | 0 | $ | 31,746 | $ | 34,850 | $ | 38,193 |
| | Deferred Income Taxes | | | | | | | | |
| 29 | Deferred Investment Tax Credit | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| 30 | Deferred Repair Allowance | | 0 | | 0 | | 0 | | 0 |
| 31 | Deferred Tax Depreciation | | 44,734 | | 44,734 | | 44,734 | | 44,734 |
| 32 | Amort of Deferred Tax Depreciation | | 0 | | 0 | | 0 | | 0 |
| 33 | Amort of Repair Allowance | | 0 | | 0 | | 0 | | 0 |
| 34 | Amort of Deferred ITC | | 0 | | 0 | | 0 | | 0 |
| 35 | Deferred Unbilled | | 0 | | 0 | | 0 | | 0 |
| 36 | Total | $ | 44,734 | $ | 44,734 | $ | 44,734 | $ | 44,734 |
| 37 | Total Income Tax | $ | 44,734 | $ | 76,480 | $ | 79,584 | $ | 82,927 |