

Missouri Gas Energy

Company Full Certificated Name

(Do not abbreviate; include any Commission approved AKA/DBA/Fictitious

GAS ANNUAL REPORT

(Part 1 of 2)

TO THE

MISSOURI PUBLIC SERVICE COMMISSION

For the Calendar Year of

January 1 - December 31, 2011

Please choose one of the following filing options:

☒

Public Submission (NOT Highly Confidential)

☐

Non-Public submission (Highly Confidential / Filed Under Seal)

For this filing to be considered Highly Confidential, additional submission of materials is required pursuant to Commission rule 4 CSR 240-3.245, Section 392.210, RSMo., and/or Section 393.140, RSMo.

1. State in full the exact '**certificated**' name of the Utility Company:

(Do not abbreviate, yet include any Commission approved AKA/DBA/Fictitious Name, if applicable.)

Missouri Gas EnergyState in full the **parent** company name of the Utility Company, if applicable (do not abbreviate):Southern Union Company

2. State in full the company's information below:

| | |
|---|---------------------------|
| <u>3420 Broadway</u> | <u>816-360-5901</u> |
| Company Street Address | Telephone Number |
| <u>3420 Broadway</u> | <u>816-360-5801</u> |
| Company Mailing Address | Fax Number |
| <u>Kansas City</u> <u>MO</u> <u>64111</u> | <u>john.davis@sug.com</u> |
| City State Zip | E-mail Address |

3. Was the company certificated in Missouri under any other name(s)? If yes, please provide all names and time periods involved since the original certification:

No.

4. This Utility Company is a:

| | | |
|---|--|--|
| <input checked="" type="checkbox"/> Corporation | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> LP |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> LLC | <input type="checkbox"/> Other - Explain |

(Check box with an X)

If different than certificated name listed above (e.g. parent corporation name) or if 'Other' is identified, explain:

5. Under the laws of what state is the Utility Company organized:

Delaware

6. State in full the name, street address, telephone number, and e-mail address* of the company personnel or third-party preparer completing this Annual Report:

| | |
|---|---------------------------|
| <u>John Davis</u> | <u>816-360-5901</u> |
| Name | Telephone Number |
| <u>3420 Broadway</u> | <u>816-360-5801</u> |
| Street Address | Fax Number |
| <u>3420 Broadway</u> | <u>john.davis@sug.com</u> |
| Mailing Address | E-mail Address |
| <u>Kansas City</u> <u>MO</u> <u>64111</u> | |
| City State Zip | |

Annual Report of **Missouri Gas Energy**

For the calendar year of January 1 - December 31, 2011

7. Provide the following information concerning Total Company **and** Missouri Jurisdictional Revenues:

| | Total Company | MO Jurisdictional |
|---|----------------------|--------------------------|
| Operating Revenues from Tariffed Services | \$593,486,630 | \$593,486,630 |
| Other Revenues | \$4,271,261 | \$4,271,261 |
| TOTAL REVENUES | \$597,757,891 | \$597,757,891 |

MO Jurisdictional should match Statement of Revenue
(Mo.PSC Assessment)

8. Provide the amount of actual write-offs (not accrued or estimated amounts).

| Residential | All Other |
|--------------------|------------------|
| \$ 7,895,776.00 | \$ 658,731.00 |

9. Provide the number of customer account terminations for the year for each category.

| Voluntary | Involuntary |
|------------------|--------------------|
| 39774 | 49499 |

10. Provide the amount of Low-Income Home Energy Assistance Program (LIHEAP) received:

\$ 5,760,954.00

11. List the number of customer accounts as of the end of the calendar year for each category below.

| Residential | All Other |
|--------------------|------------------|
| 441,434 | 65,871 |

12. List the average uncollectible amount.
(This is a formula based on data above.)

| Residential | All Other |
|--------------------|------------------|
| \$ 17.89 | \$ 10.00 |

13. List the total annual billed amount.

\$ 586,312,946.00

14. List the average annual billed amount.

\$ 1,155.74

15. List the amount of charitable dollars received that is applied to energy assistance other than LIHEAP (i.e. customer voluntary dollars, dollar-help or dollar more, church donations, Heat-Up St. Louis, etc.).

\$ 2,309,577.00

NOTE: Items No. 8 - 15 are not used for rate review; these amounts and formulas are based on previous information collected for historical reporting consistency by Consumer Services.

Annual Report of **Missouri Gas Energy**

For the calendar year of January 1 - December 31, **2011**

GAS UTILITY PLANT IN SERVICE

| Account Description (a) | Acct. No. (b) | Balance at Beginning of Year (c) | Additions During the Year (d) | Retirements During the Year (e) | Balance at End of Year (c+d-e) (f) |
|-------------------------------------|---------------------|--|-------------------------------------|---------------------------------------|---|
| <u>Intangible Plant</u> | | | | | |
| Organization | 301 | \$ 15,600.00 | | | \$ 15,600.00 |
| Franchise and Consents | 302 | \$ 13,823.00 | | | \$ 13,823.00 |
| Miscellaneous Intangible Plant | 303 | \$ 31,983,576.00 | \$ 541,614.00 | | \$ 32,525,190.00 |
| <u>Production Plant</u> | | | | | |
| Land and Land Rights | 304 | | | | \$ - |
| Structures and Improvements | 305 | | | | \$ - |
| Other Power Equipment | 307 | | | | \$ - |
| Liquefied Petroleum Gas Equipment | 311 | | | | \$ - |
| Other Equipment | 320 | | | | \$ - |
| <u>Natural Gas</u> | | | | | |
| <u>Storage and Processing Plant</u> | | | | | |
| <u>A. Underground Storage Plant</u> | | | | | |
| Land | 350.1 | | | | \$ - |
| Rights-of-Way | 350.2 | | | | \$ - |
| Structures and Improvements | 351 | | | | \$ - |
| Wells | 352 | | | | \$ - |
| Storage Leaseholds and Rights | 352.1 | | | | \$ - |
| Reservoirs | 352.2 | | | | \$ - |
| Nonrecoverable Natural Gas | 352.3 | | | | \$ - |
| Lines | 353 | | | | \$ - |
| Compressor Station Equipment | 354 | | | | \$ - |
| Measuring and Regulating Equipment | 355 | | | | \$ - |
| Purification Equipment | 356 | | | | \$ - |
| Other Equipment | 357 | | | | \$ - |
| <u>B. Other Storage Equipment</u> | | | | | |
| Land and Land Rights | 360 | | | | \$ - |
| Structures and Improvements | 361 | | | | \$ - |
| Gas Holders | 362 | | | | \$ - |
| Purification Equipment | 363 | | | | \$ - |
| Liquefaction Equipment | 363.1 | | | | \$ - |
| Vaporizing Equipment | 363.2 | | | | \$ - |
| Compressor Equipment | 363.3 | | | | \$ - |
| Measuring and Regulating Equipment | 363.4 | | | | \$ - |
| Other Equipment | 363.5 | | | | \$ - |
| <u>Transmission Plant</u> | | | | | |
| Land and Land Rights | 365.1 | | | | \$ - |
| Rights-of-Way | 365.2 | | | | \$ - |
| Structures and Improvements | 366 | | | | \$ - |
| Mains | 367 | | | | \$ - |
| Compressor Station Equipment | 368 | | | | \$ - |
| Measuring and Regulating Station | | | | | |
| Equipment | 369 | | | | \$ - |
| Communication Equipment | 370 | | | | \$ - |
| Other Equipment | 371 | | | | \$ - |

Account list continued on Page 5

Indicates formula cells

For use when filing under seal.

1
2

Annual Report of Missouri Gas Energy

For the calendar year of January 1 - December 31, 2011

DEPRECIATION RESERVE - GAS UTILITY PLANT


| | Acct. No. (b) | Annual Depreciation Rate % (g)*** | Annual Depreciation Expense (f*g) (h) | Reserve Balance at Beginning of Year (i) | Retirement of Property | | | | Reserve Balance at END of Year (h+i-j-k+l+m) (n) |
|----|---------------|-----------------------------------|---------------------------------------|--|--------------------------------|----------------------|---------------------|---------------------|--|
| | | | | | Book Cost of Plant Retired (j) | Cost of Removal (k)* | Salvage Credit (l)* | Other charges (m)** | |
| 3 | 301 | NA | \$ 1,437,566.00 | \$ 25,794,894.00 | \$ - | | | \$ (214.00) | \$ - |
| 4 | 302 | | | | \$ - | | | | \$ - |
| 5 | 303 | | | | \$ - | | | | \$ 27,232,246.00 |
| 6 | 304 | | | | \$ - | | | | |
| 7 | 305 | | | | \$ - | | | | |
| 8 | 307 | | | | \$ - | | | | |
| 9 | 311 | | | | \$ - | | | | |
| 10 | 320 | | | | \$ - | | | | |
| 11 | 350.1 | | | | \$ - | | | | |
| 12 | 350.2 | | | | \$ - | | | | |
| 13 | 351 | \$ - | | | | | | | |
| 14 | 352 | \$ - | | | | | | | |
| 15 | 352.1 | \$ - | | | | | | | |
| 16 | 352.2 | \$ - | | | | | | | |
| 17 | 352.3 | \$ - | | | | | | | |
| 18 | 353 | \$ - | | | | | | | |
| 19 | 354 | \$ - | | | | | | | |
| 20 | 355 | \$ - | | | | | | | |
| 21 | 356 | \$ - | | | | | | | |
| 22 | 357 | \$ - | | | | | | | |
| 23 | 360 | \$ - | | | | | | | |
| 24 | 361 | \$ - | | | | | | | |
| 25 | 362 | \$ - | | | | | | | |
| 26 | 363 | \$ - | | | | | | | |
| 27 | 363.1 | \$ - | | | | | | | |
| 28 | 363.2 | \$ - | | | | | | | |
| 29 | 363.3 | \$ - | | | | | | | |
| 30 | 363.4 | \$ - | | | | | | | |
| 31 | 363.5 | \$ - | | | | | | | |
| 32 | 365.1 | \$ - | | | | | | | |
| 33 | 365.2 | \$ - | | | | | | | |
| 34 | 366 | \$ - | | | | | | | |
| 35 | 367 | \$ - | | | | | | | |
| 36 | 368 | \$ - | | | | | | | |
| 37 | 369 | \$ - | | | | | | | |
| 38 | 370 | \$ - | | | | | | | |
| 39 | 371 | \$ - | | | | | | | |

NOTE: Amounts included in Column "j" should be the same as in Column "e" on the preceding page. Also, Annual Depreciation Expense is equal to Column "f" from preceding page multiplied by Column "g" found on this page.

* All entries included in Columns "k" and "l" should be supported by records that identify the property retired and the cost of removal or salvage is as much detail as reasonably possible.

** Report the details for these entries. Use additional sheets if necessary.

*** Annual Depreciation Expense must be calculated by account.

 Indicates formula cells

 For use when filing under seal.

GAS UTILITY PLANT IN SERVICE

| Account Description (a) | Acct. No. (b) | Balance at Beginning of Year (c) | Additions During the Year (d) | Retirements During the Year (e) | Balance at End of Year (c+d-e) (f) |
|--|---------------------|--|-------------------------------------|---------------------------------------|---|
| <u><i>Distribution Plant</i></u> | | | | | |
| Land and Land Rights | 374 | \$ 2,367,034.00 | \$ 264,830.00 | | \$ 2,631,864.00 |
| Structures and Improvements | 375 | \$ 9,507,858.00 | \$ 1,948,062.00 | \$ 7,326.00 | \$ 11,448,594.00 |
| Mains | 376 | \$ 403,160,165.00 | \$ 20,801,956.00 | \$ 1,577,564.00 | \$ 422,384,557.00 |
| Compressor Station Equipment | 377 | | | | \$ - |
| Measuring and Regulating Station Equipment - General | 378 | \$ 12,745,286.00 | \$ 293,592.00 | \$ 66,381.00 | \$ 12,972,497.00 |
| Measuring and Regulating Station Equipment - General | 379 | \$ 3,640,824.00 | \$ 1,141,761.00 | \$ 14,055.00 | \$ 4,768,530.00 |
| Services | 380 | \$ 338,382,196.00 | \$ 9,595,777.00 | \$ 1,793,376.00 | \$ 346,184,597.00 |
| Meters | 381 | \$ 33,673,496.00 | \$ 1,862,804.00 | \$ 913,494.00 | \$ 34,622,806.00 |
| Meter Installation | 382 | \$ 80,993,826.00 | \$ 2,447,926.00 | \$ 439,072.00 | \$ 83,002,680.00 |
| House Regulators | 383 | \$ 13,693,586.00 | \$ 497,040.00 | \$ 76,449.00 | \$ 14,114,177.00 |
| House Regulatory Installations | 384 | | | | \$ - |
| Industrial Measuring and Regulating Station Equipment | 385 | \$ 389,169.00 | \$ 43,236.00 | | \$ 432,405.00 |
| Other Property on Customers' Premises | 386 | | | | \$ - |
| Other Equipment | 387 | | | | \$ - |
| <u><i>Allocated General Plant (Common Plant)</i></u> | | | | | |
| Land and Land Rights | 389 | \$ 1,058,065.00 | | | \$ 1,058,065.00 |
| Structures and Improvements | 390 | \$ 2,769,786.00 | \$ 68,701.00 | | \$ 2,838,487.00 |
| Office Furniture and Equipment | 391 | \$ 9,339,003.00 | \$ 298,391.00 | \$ 66,059.00 | \$ 9,571,335.00 |
| Transportation Equipment | 392 | \$ 11,474,455.00 | \$ 1,508,068.00 | \$ 370,515.00 | \$ 12,612,008.00 |
| Stores Equipment | 393 | \$ 627,864.00 | \$ 34,499.00 | | \$ 662,363.00 |
| Tools, Shop and Garage Equipment | 394 | \$ 6,121,758.00 | \$ 412,214.00 | \$ 239,780.00 | \$ 6,294,192.00 |
| Laboratory Equipment | 395 | | | | \$ - |
| Power-operated Equipment | 396 | \$ 1,143,241.00 | \$ 378,159.00 | \$ 61,904.00 | \$ 1,459,496.00 |
| Communication Equipment | 397 | \$ 40,772,620.00 | \$ 2,446,484.00 | \$ 3,031,086.00 | \$ 40,188,018.00 |
| Miscellaneous Equipment | 398 | \$ 784,768.00 | \$ 17,017.00 | \$ 9,293.00 | \$ 792,492.00 |
| Other Tangible Property * | 399 | | | | \$ - |
| <u><i>Other Accounts not included above</i></u> | | | | | |
| | | | | | \$ - |
| | | | | | \$ - |
| | | | | | \$ - |
| | | | | | \$ - |
| | | | | | \$ - |
| | | | | | \$ - |
| Total Gas Utility Plant In Service | | \$ 1,004,657,999.00 | \$ 44,602,131.00 | \$ 8,666,354.00 | \$ 1,040,593,776.00 |

* Please attach a detailed explanation for these items.

NOTE: All entries should be supported by records that identify the property being added or retired, its location, and its original cost in as much detail as reasonably possible. If adjustments/transfers are included in Columns "d" and/or "e", use additional sheets.

DEPRECIATION RESERVE - GAS UTILITY PLANT

| | Acct. No. (b) | Annual Depreciation Rate % (g)*** | Annual Depreciation Expense (f*g) (h) | Reserve Balance at Beginning of Year (i) | Retirement of Property | | | Other charges (m)** | Reserve Balance at END of Year (h+i-j-k+l+m) (n) |
|----|---------------------|--|--|--|-----------------------------------|-------------------------|------------------------|------------------------|---|
| | | | | | Book Cost of Plant Retired (j) | Cost of Removal (k)* | Salvage Credit (l)* | | |
| 3 | 374 | *2.09% | \$ 49,293.00 | \$ 590,833.00 | \$ - | | | | \$ 640,126.00 |
| 4 | 375 | 1.49% | \$ 148,645.00 | \$ 518,689.00 | \$ 7,326.00 | \$ 20,849.00 | | | \$ 639,159.00 |
| 5 | 376 | 2.16% | \$ 8,889,032.00 | \$ 139,651,878.00 | \$ 1,577,564.00 | \$ (2,526,014.00) | | \$ 8,392.00 | \$ 149,497,752.00 |
| 6 | 377 | | | | \$ - | | | | \$ - |
| 7 | 378 | 2.86% | \$ 368,330.00 | \$ 4,585,669.00 | \$ 66,381.00 | \$ (17,535.00) | | \$ (1,040.00) | \$ 4,904,113.00 |
| 8 | 379 | 2.13% | \$ 85,668.00 | \$ 1,078,078.00 | \$ 14,055.00 | \$ 1,875.00 | | \$ 1,040.00 | \$ 1,148,856.00 |
| 9 | 380 | 3.13% | \$ 10,687,198.00 | \$ 167,041,586.00 | \$ 1,793,376.00 | \$ 549,587.00 | | \$ (8,392.00) | \$ 175,377,429.00 |
| 10 | 381 | 2.89% | \$ 986,021.00 | \$ 3,868,761.00 | \$ 913,494.00 | | | | \$ 3,941,288.00 |
| 11 | 382 | 2.86% | \$ 2,341,026.00 | \$ 23,318,076.00 | \$ 439,072.00 | \$ 11,586.00 | | \$ (544.00) | \$ 25,207,900.00 |
| 12 | 383 | 2.44% | \$ 338,162.00 | \$ 3,400,225.00 | \$ 76,449.00 | \$ 805.00 | | \$ 544.00 | \$ 3,661,677.00 |
| 13 | 384 | | | | \$ - | | | | \$ - |
| 14 | 385 | 3.33% | \$ 13,938.00 | \$ 157,676.00 | \$ - | | | | \$ 171,614.00 |
| 15 | 386 | | | | \$ - | | | | \$ - |
| 16 | 387 | | | | \$ - | | | | \$ - |
| 17 | 389 | 0.00% | | | \$ - | | | | \$ - |
| 18 | 390 | *2.00% | \$ 193,356.00 | \$ 1,426,230.00 | \$ - | | | | \$ 1,619,586.00 |
| 19 | 391 | 8.06% | \$ 748,158.00 | \$ 2,663,409.00 | \$ 66,059.00 | | \$ 713.00 | | \$ 3,346,221.00 |
| 20 | 392 | *7.83%-13.33% | \$ 1,175,192.00 | \$ 3,497,515.00 | \$ 370,515.00 | | \$ 249,819.00 | | \$ 4,552,011.00 |
| 21 | 393 | 2.70% | \$ 17,110.00 | \$ 113,204.00 | \$ - | | | | \$ 130,314.00 |
| 22 | 394 | 5.30% | \$ 328,320.00 | \$ 1,366,962.00 | \$ 239,780.00 | | \$ 35,241.00 | | \$ 1,490,743.00 |
| 23 | 395 | | | | \$ - | | | | \$ - |
| 24 | 396 | 6.25% | \$ 78,988.00 | \$ (385,038.00) | \$ 61,904.00 | | \$ 29,253.00 | | \$ (338,701.00) |
| 25 | 397 | *6.25%-5.0% | \$ 2,084,529.00 | \$ 13,995,432.00 | \$ 3,031,086.00 | | | | \$ 13,048,875.00 |
| 26 | 398 | 3.85% | \$ 30,435.00 | \$ 361,856.00 | \$ 9,293.00 | | | | \$ 382,998.00 |
| 27 | 399 | | | | \$ - | | | | \$ - |
| 28 | | | | | \$ - | | | | \$ - |
| 29 | | | | | \$ - | | | | \$ - |
| 30 | | | | | \$ - | | | | \$ - |
| 31 | | | | | \$ - | | | | \$ - |
| 32 | | | | | \$ - | | | | \$ - |
| 33 | | | | | \$ - | | | | \$ - |
| 34 | Total | | \$ 30,000,967.00 | \$ 393,045,935.00 | \$ 8,666,354.00 | \$ (1,958,847.00) | \$ 315,026.00 | \$ (214.00) | \$ 416,654,207.00 |

NOTE: Amounts included in Column "j" should be the same as in Column "e" on the preceding page. Also, Annual Depreciation Expense is equal to Column "ff" from preceding page multiplied by Column "g" found on this page.

All entries included in Columns "k" and "l" should be supported by records that identify the property retired and the cost of removal or salvage is as much detail as reasonably possible.

* Report the details for these entries. Use additional sheets if necessary.

Annual Depreciation Expense must be calculated separately. This total should be calculated based upon actual in-service and retirement date(s) of new equipment and retirements during the period.

Indicates formula cells

For use when filing under seal.

REVENUE BY SCHEDULES

(MISSOURI JURISDICTIONAL)

Missouri Gas Energy

| Line No. | Rate Class and Line Items | Operating Revenues | | MCF of Natural Gas Sold | | Average* No. of Natural Gas Customers | |
|----------|-----------------------------------|--------------------|------------------|-------------------------|---------------|---------------------------------------|---------------|
| | | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| 3 | Residential Service | \$408,086,851.00 | \$432,145,852.00 | 35,282,556 | 36,471,951 | 440,361 | 443,605 |
| 4 | Small General Gas Service | \$97,634,085.00 | \$121,784,410.00 | 8,476,538 | 10,244,433 | 57,591 | 61,275 |
| 5 | Large General Gas Service | \$62,833,684.00 | \$46,038,353.00 | 6,358,015 | 4,690,370 | 3,228 | 2,157 |
| 6 | UG Unmetered Gaslight Service | | | | | | |
| 7 | Large Volume Service | \$7,892,256.00 | \$11,237,264.00 | 280,473 | 351,913 | 492 | 497 |
| 8 | Transportation Provisions | \$9,866,070.00 | \$10,810,845.00 | 22,710,947 | 26,015,456 | | |
| 9 | Other Sales to Public Authorities | | | | | | |
| 10 | Interdepartmental Sales | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | Total to Ultimate Consumers | \$586,312,946.00 | \$622,016,724.00 | 73,108,529 | 77,774,123 | 501,672 | 507,534 |

| Average Number of Natural Gas Customers Per Month | | | | | | |
|---|---------|----------|---------|---------|---------|---------|
| Rate Class and Line Items | January | February | March | April | May | June |
| | | | | | | |
| 14 Residential Service | 446,323 | 449,000 | 450,494 | 450,598 | 447,619 | 441,416 |
| 15 Small General Gas Service | 62,719 | 64,109 | 63,977 | 62,757 | 61,260 | 59,515 |
| 16 Large General Gas Service | 3,184 | 3,181 | 3,219 | 3,279 | 3,286 | 3,279 |
| 17 UG Unmetered Gaslight Service | | | | | | |
| 18 Large Volume Service | 496 | 496 | 495 | 494 | 494 | 493 |
| 19 Transportation Provisions | | | | | | |
| 20 Other Sales to Public Authorities | | | | | | |
| 21 Interdepartmental Sales | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 Total to Ultimate Consumers | 512,722 | 516,786 | 518,185 | 517,128 | 512,659 | 504,703 |

* The average number of customers for the month should equal the number of customers at the beginning of the month added to the number of customers at the end of the month divided by 2.

Indicates formula cells

REVENUE BY SCHEDULES

(MISSOURI JURISDICTIONAL)

Missouri Gas Energy

| Rate Class and Line Items | | Average Number of Natural Gas Customers Per Month | | | | | |
|---------------------------|-----------------------------------|---|---------|-----------|---------|----------|----------|
| | | July | August | September | October | November | December |
| 25 | Residential Service | 435,680 | 432,363 | 430,274 | 429,711 | 432,573 | 438,283 |
| 26 | Small General Gas Service | 58,069 | 57,000 | 56,370 | 41,799 | 43,109 | 60,415 |
| 27 | Large General Gas Service | 3,268 | 3,244 | 3,218 | 3,205 | 3,198 | 3,172 |
| 28 | UG Unmetered Gaslight Service | | | | | | |
| 29 | Large Volume Service | 490 | 490 | 490 | 490 | 490 | 490 |
| 30 | Transportation Provisions | | | | | | |
| 31 | Other Sales to Public Authorities | | | | | | |
| 32 | Interdepartmental Sales | | | | | | |
| 33 | | | | | | | |
| 34 | | | | | | | |
| 35 | Total to Ultimate Consumers | 497,507 | 493,097 | 490,352 | 475,205 | 479,370 | 502,360 |

* The average number of customers for the month should equal the number of customers at the beginning of the month added to the number of customers at the end of the month divided by 2.

| | | Connection Fees | | Reconnect Fees | | | Transfer Fees | | Meter Reading by Special Appointment Fees | | Residential Temporary Meter Set Fees | Line Extensions Fees | | Returned Check Fees | Tampering Fees |
|------------------------------|-------------------|-----------------|----------------------|----------------|----------------------|--------------------|---------------------------------|----------------|---|-----------------------------|--------------------------------------|------------------------------|----------------------------|---------------------|----------------|
| | | Business Hours | After Business Hours | Business Hours | After Business Hours | Trip to Disconnect | Seasonal / Disconnection Charge | Business Hours | After Business Hours | Other than Normal Read Date | Outside Normal Business Hours | Excess Pri / Sec Line \$/ft. | Excess Service Line \$/ft. | | |
| MISCELLANEOUS CHARGES | | | | | | | | | | | | | | | |
| 36 | All Service Areas | \$ 32.00 | | \$ 65.00 | | \$ 24.00 | | \$ 32.00 | | \$ 5.00 | \$ 10.00 | | | \$ 15.00 | \$ 65 (1) |
| 37 | Tariff Sheet No. | R-87 | | R-87 | | R-87 | | R-87 | | R-88 | R-88 | | | R-52 | R-87 |
| 38 | Effective Date | 02/28/10 | | 02/28/10 | | 02/28/10 | | 02/28/10 | | 08/06/01 | 08/06/01 | | | 05/28/08 | 02/28/10 |

Indicates formula cells

REVENUE BY SCHEDULES

(MISSOURI JURISDICTIONAL)

Missouri Gas Energy

| | Tariff | | Delinquent After (days) | Late Payment Charge | Type of Interest | Deferred Payment | Tariff | |
|---------------------------------|-----------------|-----------|----------------------------|---------------------------|---------------------|---------------------|-----------|-----------|
| | Sheet No. | Effective | | | | | Sheet No. | Effective |
| LATE PAYMENT CHARGES | | | | | | | | |
| 39 Residential, General Service | 26, 29, 31.1 | 10/2/04 | 22 | 0.50% | simple | | | |
| 40 Large Volume | 44 | 10/2/04 | 22 | 0.50% | simple | | | |
| 41 UG Unmetered Gaslight | | | | | | | | |

Explanation

(1) Page 7d-2: Charge to reconnect following tampering.

Annual Report of Missouri Gas Energy

for the calendar year of January 1 - December 31, 2011

VERIFICATION

The foregoing report must be verified by the oath of the President, Treasurer, General Manager or Receiver of the company. The oath required may be taken before any person authorized to administer an oath (Notary Public) by the laws of the State in which the same is taken.

OATH

State Of Missouri }
County Of Jackson } ss:

John Davis makes oath and says that
Name of Affiant (Company Official/Representative)

s/he is Vice President - Controller and Information Technology
Official Title of the Affiant (Company Official/Representative)

of Missouri Gas Energy
Exact Legal Title or Name of the Respondent (Certificated Company Name)

and is located at 3420 Broadway, Kansas City, Missouri 64111 813-360-5901,
Address and Telephone Number of the Affiant (Company Official/Representative)

that s/he has examined the foregoing report; that to the best of his or her knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent.

from January 1, 2011, to and including December 31, 2011
Month/Day Year Month/Day Year

Signature of Affiant (Company Official/Representative)

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named,

this _____ day of _____, _____.

My Commission expires _____, _____.

Signature of Notary Public

Annual Report of Missouri Gas Energy

for the calendar year of January 1 - December 31, 2011

VERIFICATION

The foregoing report must be verified by the oath of the President, Treasurer, General Manager or Receiver of the company. The oath required may be taken before any person authorized to administer an oath (Notary Public) by the laws of the State in which the same is taken.

OATH

State Of Missouri }
County Of Jackson } ss:

John Davis makes oath and says that
Name of Affiant (Company Official/Representative)

s/he is Vice President - Controller and Information Technology
Official Title of the Affiant (Company Official/Representative)

of Missouri Gas Energy
Exact Legal Title or Name of the Respondent (Certificated Company Name)

and is located at 3420 Broadway, Kansas City, Missouri 64111 813-380-5901
Address and Telephone Number of the Affiant (Company Official/Representative)

that s/he has examined the foregoing report; that to the best of his or her knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent.

from January 1, 2011, to and including December 31, 2011
Month/Day Year Month/Day Year

[Signature]
(Signature of Affiant (Company Official/Representative))

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named,

this 27th day of JULY, 2012

My Commission expires Feb. 22, 2015

[Signature]
Signature of Notary Public

Missouri Revised Statutes § 392.210 or §393.140

KIM W. HENZI
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 22, 2015
Commission Number: 11424654

ANNUAL REPORT OF NATURAL GAS COMPANIES

(Class A and Class B)

OF

Missouri Gas Energy

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

3420 Broadway

Kansas City, MO 64111

(Address of principal business office at end of year)

TO THE
PUBLIC SERVICE COMMISSION
OF THE
STATE OF MISSOURI
FOR THE
Year Ended December 31, 2011

Name, title, address and telephone number (including area code), of the person to be contacted concerning this report:

John Davis, Vice President and Controller

(816) 360-5901

3420 Broadway

Kansas City, MO 64111

INSTRUCTIONS FOR FILING THE FERC FORMS 2, 2-A AND 3-Q

GENERAL INFORMATION

I Purpose

FERC Forms 2, 2-A, and 3-Q are designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years must submit FERC Form 2 and 3-Q.

Each natural gas company not meeting the filing threshold for FERC Form 2, but having total gas sales or volume transactions exceeding 200,000 dekatherms in each of the previous three calendar years must submit FERC Form 2-A and 3-Q.

Newly established entities must use projected data to determine whether they must file the FERC Form 3-Q and FERC Form 2 or 2-A.

III. What and Where to Submit

(a) Submit Forms 2, 2-A and 3-Q electronically through the submission software at <http://www.ferc.gov/docs-filing/eforms/form-2/elec-subm-soft.asp>.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Form 2 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mailing two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 2, Page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared. Unless eFiling the Annual Report to Stockholders, mail these reports to the Secretary of the Commission at:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the Annual CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with the current standards of reporting which will:

(i) Contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 158.10-158.12 for specific qualifications.)

GENERAL INFORMATION

Reference

Schedules Pages

Comparative Balance Sheet 110-113

Statement of Income 114-117

Statement of Retained Earnings 118-119

Statement of Cash Flows 120-121

Notes to Financial Statements 122-123

Filers should state in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist

(e) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders" and "CPA Certification Statement," have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission website at <http://www.ferc.gov/help/how-to.asp>

(f) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 2 and 2-A free of charge from: <http://www.ferc.gov/docs-filing/eforms/form-2/form-2.pdf> and <http://www.ferc.gov/docs-filing/eforms/form-2a/form-2a.pdf>, respectively. Copies may also be obtained from the Public Reference and Files Maintenance Branch, Federal Energy Regulatory Commission, 888 First Street, NE. Room 2A, Washington, DC 20426 or by calling (202).502-8371

IV. When to Submit:

FERC Forms 2, 2-A, and 3-Q must be filed by the dates:

(a) FERC Form 2 and 2-A --- by April 18th of the following year (18 C.F.R. §§ 260.1 and 260.2)

(b) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2 must file the FERC Form 3-Q within 60 days after the reporting quarter (18 C.F.R. § 260.300), and

(c) FERC Form 3-Q --- Natural gas companies that file a FERC Form 2-A must file the FERC Form 3-Q within 70 days after the reporting quarter (18 C.F.R. § 260.300).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 2 collection of information is estimated to average 1,623 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the Form 2A collection of information is estimated to average 250 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 165 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use the current year amounts for income accounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Footnote and further explain accounts or pages as necessary.
- IX. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in MMBtu and Dth.

DEFINITIONS

- I. Btu per cubic foot -- The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32F, and under standard gravitational force (980.665 cm. per sec.) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called the gross heating value or total heating value).
- II. Commission Authorization -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm -- A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV. Respondent -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW

(Natural Gas Act; 15 U.S.C. 717-717w)

"Sec 10(a). Every natural gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, costs of facilities, cost of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas...."

"Sec. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary and appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within which they shall be filed...."

GENERAL PENALTIES

"Sec. 21(b). Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs."

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

| IDENTIFICATION | | |
|---|---|---|
| 01 Exact Legal Name of Respondent Missouri Gas Energy | Year/Period of Report Dec. 31, 2011 | |
| 03 Previous Name and Date of Change (<i>If name changed during year</i>) N/A | | |
| 04 Address of Principal Office at End of Year (<i>Street, City, State, Zip Code</i>) 3420 Broadway Kansas City, MO 64111 | | |
| 05 Name of Contact Person John Davis | 06 Title of Contact Person Vice President and Controller | |
| 07 Address of Contact Person (<i>Street, City, State, Zip Code</i>) 3420 Broadway Kansas City, MO 64111 | | |
| 08 Telephone of Contact Person, Including Area Code (816) 360-5901 | This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | 10 Date of Report (<i>Mo, Da, Yr</i>) April 12, 2012 |
| ANNUAL CORPORATE OFFICER CERTIFICATION | | |
| <p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p> | | |
| 11 Name John Davis | 12 Title Vice President and Controller | |
| 13 Signature John Davis | 14 Date Signed April 12, 2012 | |
| <p>Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p> | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <u> X </u> An Original <u> </u> A Resubmission | | Date of Report December 31, | Year of Report 2011 |
|--|--|---|---------------------------|---------------------------------------|-------------------------------|
| LIST OF SCHEDULES (Natural Gas Company) | | | | | |
| Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA." | | | | | |
| Line No. | Title of Schedule (a) | | Reference Page No. (b) | Date Revised (c) | Remarks (d) |
| | GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS | | | | |
| 1 | General Information | | 101 | | |
| 2 | Control Over Respondent | | 102 | | N/A |
| 3 | Corporations Controlled by Respondent | | 103 | | N/A |
| 4 | Security Holders and Voting Powers | | 107 | | N/A |
| 5 | Important Changes During the Year | | 108 | | |
| 6 | Comparative Balance Sheet | | 110-113 | | |
| 7 | Statement of Income for the Year | | 114-116 | | |
| 8 | Statement of Accumulated Comprehensive Income and Hedging Activities | | 117 | | |
| 9 | Statement of Retained Earnings for the Year | | 118-119 | | |
| 10 | Statements of Cash Flows | | 120-121 | | |
| 11 | Notes to Financial Statements | | 122 | | |
| | BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits) | | | | |
| 12 | Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion | | 200-201 | | |
| 13 | Gas Plant in Service | | 204-209 | | |
| 14 | Gas Property and Capacity Leased from Others | | 212 | | N/A |
| 15 | Gas Property and Capacity Leased to Others | | 213 | | N/A |
| 16 | Gas Plant Held for Future Use | | 214 | | N/A |
| 17 | Construction Work in Progress -- Gas | | 216 | | |
| 18 | Non-Traditional Rate Treatment Afforded new Projects | | 217 | | N/A |
| 19 | General Description of Construction Overhead Procedure | | 218.1-218.a | | |
| 20 | Accumulated Provision for Depreciation of Gas Utility Plant | | 219 | | |
| 21 | Gas Stored | | 220 | | |
| 22 | Investments | | 222-223 | | N/A |
| 23 | Investments in Subsidiary Companies | | 224-225 | | N/A |
| 24 | Prepayments | | 230a | | |
| 25 | Extraordinary Property Losses | | 230b | | N/A |
| 26 | Unrecovered Plant and Regulatory Study Costs | | 230c | | N/A |
| 27 | Other Regulatory Assets | | 232 | | |
| 28 | Miscellaneous Deferred Debits | | 233 | | |
| 29 | Accumulated Deferred Income Taxes | | 234-235 | | N/A |
| | BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) | | | | |
| 30 | Capital Stock | | 250-251 | | N/A |
| 31 | Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock | | 252 | | N/A |
| 32 | Other Paid-in Capital | | 253 | | N/A |
| 33 | Discount on Capital Stock | | 254 | | N/A |
| 34 | Capital Stock Expense | | 254 | | N/A |
| 35 | Securities issued or Assumed and Securities Refunded or Retired During the Year | | 255 | | N/A |
| 36 | Long-Term Debt | | 256-257 | | N/A |
| 37 | Unamortized Debt Expense, Premium, and Discount on Long-Term Debt | | 258-259 | | N/A |
| | | | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year of Report 2011 |
|--|---|---|---------------------|---------------------------------------|-------------------------------|
| LIST OF SCHEDULES (Natural Gas Company) (Continued) | | | | | |
| Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA." | | | | | |
| Line No. | Title of Schedule (a) | Reference Page No. (b) | Date Revised (c) | Remarks (d) | |
| 38 | Unamortized Loss and Gain on Recquired Debt | 260 | | N/A | |
| 39 | Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes | 261 | | | |
| 40 | Taxes Accrued, Prepaid and Charged During the Year | 262-263 | | | |
| 41 | Miscellaneous Current and Accrued Liabilities | 268 | | | |
| 42 | Other Deferred Credits | 269 | | | |
| 43 | Accumulated Deferred Income Taxes-Other Property | 274-275 | | | |
| 44 | Accumulated Deferred Income Taxes-Other | 276-277 | | | |
| 45 | Other Regulatory Liabilities | 278 | | | |
| | INCOME ACCOUNT SUPPORTING SCHEDULES | | | | |
| 46 | Monthly Quantity & Revenue Data by Rate Schedule | 299 | | | |
| 47 | Gas Operating Revenues | 300-301 | | | |
| 48 | Revenue from Transportation of Gas of Others Through Gathering Facilities | 302-303 | | N/A | |
| 49 | Revenue from Transportation of Gas of Others Through Transmission Facilities | 304-305 | | N/A | |
| 50 | Revenue from Storage Gas of Others | 306-307 | | N/A | |
| 51 | Other Gas Revenues | 308 | | | |
| 52 | Discounted Rate Services and Negotiated Rate Services | 313 | | | |
| 53 | Gas Operation and Maintenance Expenses | 317-325 | | | |
| 54 | Exchange and Imbalance Transactions | 328 | | N/A | |
| 55 | Gas Used in Utility Operations | 331 | | N/A | |
| 56 | Transmission and Compression of Gas by Others | 332 | | N/A | |
| 57 | Other Gas Supply Expenses | 334 | | N/A | |
| 58 | Miscellaneous General Expenses-Gas | 335 | | | |
| 59 | Depreciation, Depletion, and Amortization of Gas Plant | 336-338 | | | |
| 60 | Particulars Concerning Certain Income Deduction and Interest Charge Accounts | 340 | | | |
| | COMMON SECTION | | | | |
| 61 | Regulatory Commission Expenses | 350-351 | | | |
| 62 | Employee Pensions and Benefits (Account 926) | 352 | | | |
| 63 | Distribution of Salaries and Wages | 354-355 | | | |
| 64 | Charges for Outside Professional and Other Consultative Services | 357 | | | |
| 65 | Transactions with Associated (Affiliated) Companies | 358 | | | |
| | GAS PLANT STATISTICAL DATA | | | | |
| 66 | Compressor Stations | 508-509 | | N/A | |
| 67 | Gas Storage Projects | 512-513 | | N/A | |
| 68 | Transmission Lines | 514 | | N/A | |
| 69 | Transmission System Peak Deliveries | 518 | | N/A | |
| 70 | Auxiliary Peaking Facilities | 519 | | N/A | |
| 71 | Gas Account-Natural Gas | 520 | | | |
| 72 | Shipper Supplied Gas for the Current Quarter | 521 | | N/A | |
| 73 | System Map | 522 | | | |
| 74 | Footnote Reference | 551 | | N/A | |
| 75 | Footnote Text | 552 | | N/A | |
| 76 | Stockholders' Reports (check appropriate box) ____ Four copies will be submitted. ____ No annual report to stock holders is prepared. | - | | | |

| | | | |
|--|---|---------------------------------------|-------------------------------|
| Name of Respondent Missouir Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|--|---|---------------------------------------|-------------------------------|

| | | | |
|---|--|--|--|
| GENERAL INFORMATION | | | |
| <p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p>John Davis, Vice President and Controller 3420 Broadway Kansas City, MO 64111</p> | | | |
| <p>2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p>State of Delaware on December 13, 1932</p> | | | |
| <p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>The property of respondent was not held by a receiver or trustee during the year.</p> | | | |
| <p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>State of Missouri: Natural Gas</p> | | | |
| <p>5. Have you engaged as the principal accountant to audit your financial statements as an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged:_____.</p> <p>(2) <input checked="" type="checkbox"/> No</p> | | | |

| | | | |
|---|---|---------------------------------------|-------------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
| IMPORTANT CHANGES DURING THE YEAR | | | |
| <p>Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.</p> <p>Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.</p> <p>12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p> | | | |
| <p>1 Franchise Rights -- None</p> <p>2 Acquisition, Merger, or Consolidation with Other Companies -- None</p> <p>3 Purchase or Sale of an Operating Unit or System -- None</p> <p>4 Important Leaseholds --</p> <p style="padding-left: 40px;">The lease for the St. Joseph service center expired on 12/31/11 and was not renewed. The term of the lease was extended commencing June 1, 2010 through November 30, 2010, at the rental rate of \$7,283.83 per month. The term was then extended for a period of thirteen (13) months commencing December 1, 2010 through December 31, 2011 (Lease Termination Date), at the rental rate of \$7,283.83 per month.</p> <p style="padding-left: 40px;">See "Notes to Financial Statements" beginning on page 122 under caption "Leases" for further information.</p> <p>5 Important Extension of Transmission or Distribution system -- None</p> <p>6 Obligations -- None</p> <p>7 Changes in Articles of Incorporation or Amendment to Charter -- None</p> <p>8 General Wage Scale Changes --</p> <p style="padding-left: 40px;"><i>Missouri:</i> 4.0% effective May 1, 2011 - four bargaining units; 3.0% (average) effective July 10, 2011 - non-bargaining.</p> <p>9 Legal Proceedings -- None</p> <p style="padding-left: 40px;">See "Notes to Financial Statements" beginning on page 122 under caption "Regulation and Rates" for further information.</p> <p>10 Important Transactions Not Disclosed Elsewhere -- None</p> <p>11 Important Rate Changes --</p> <p style="padding-left: 40px;">See "Notes to Financial Statements" beginning on page 122 under caption "Regulation and Rates" for further information.</p> <p>12 Changes in officers, directors, major security holders and voting powers --</p> <p style="padding-left: 40px;">Please refer to Southern Union Company's Proxy Statement at www.sug.com/proxy_2010 for additional details.</p> <p>13 Cash Management Program --</p> <p style="padding-left: 40px;">MGE operates as a division of Southern Union company. As such, Southern Union Company manages the treasury functions including cash balances for MGE.</p> | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|---|--|---|---|--|
| COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) | | | | |
| Line No. | Title of Account (a) | Reference Page Number (b) | Balance at End of Current Year (in dollars) (c) | Balance at End of Previous Year (in dollars) (d) |
| 1 | UTILITY PLANT | | | |
| 2 | Utility Plant (101-106,114) | 200-201 | 1,094,826,938 | 1,058,891,161 |
| 3 | Construction Work in Progress (107) | 200-201 | 5,630,857 | 5,422,103 |
| 4 | TOTAL Utility Plant (Total of Lines 2 and 3) | | 1,100,457,795 | 1,064,313,264 |
| 5 | (Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115) | 200-201 | (427,713,134) | (402,717,391) |
| 6 | Net Utility Plant (Total of line 4 less 5) | 200-201 | 672,744,661 | 661,595,873 |
| 7 | Nuclear Fuel (120.1 thru 120.4, and 120.6) | | | |
| 8 | (Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5) | | | |
| 9 | Nuclear Fuel (Total of line 7 less 8) | | - | - |
| 10 | Net Utility Plant (Total of Lines 6 and 9) | 200-201 | 672,744,661 | 661,595,873 |
| 11 | Utility Plant Adjustments (116) | 122 | | |
| 12 | Gas Stored - Base Gas (117.1) | 220 | | |
| 13 | System Balancing Gas (117.2) | 220 | | |
| 14 | Gas Stored in Reservoirs and Pipelines - Noncurrent (117.3) | 220 | | |
| 15 | Gas Owned to System Gas (117.4) | 220 | | |
| 16 | OTHER PROPERTY AND INVESTMENTS | | | |
| 17 | Nonutility Property (121) | | 1,708,718 | 1,708,718 |
| 18 | (Less) Accum. Provision for Depreciation and Amortization (122) | | (749,663) | (734,939) |
| 19 | Investments in Associated Companies (123) | 222-223 | | |
| 20 | Investments in Subsidiary Companies (123.1) | 224-225 | | |
| 21 | (For Cost of Account 123.1 See Footnote Page 224, line 40) | | | |
| 22 | Noncurrent Portion of Allowances | | | |
| 23 | Other Investments (124) | 222-223 | | |
| 24 | Sinking Funds (125) | | | |
| 25 | Depreciation Fund (126) | | | |
| 26 | Amortization Fund - Federal (127) | | | |
| 27 | Other Special Funds (128) | | 3,092,553 | 3,091,520 |
| 28 | Long-Term Portion of Derivative Assets (175) | | | |
| 29 | Long-Term Portion of Derivative Assets - Hedges (176) | | | |
| 30 | TOTAL Other Property and Investments (Total of lines 17-20, 22-29) | | 4,051,608 | 4,065,299 |
| 31 | CURRENT AND ACCRUED ASSETS | | | |
| 32 | Cash (131) | | (6,584,889) | (1,973,001) |
| 33 | Special Deposits (132-134) | | | |
| 34 | Working Funds (135) | | 3,350 | 3,350 |
| 35 | Temporary Cash Investments (136) | 222-223 | 0 | 0 |
| 36 | Notes Receivable (141) | | | |
| 37 | Customer Accounts Receivable (142) | | 79,521,911 | 111,533,677 |
| 38 | Other Accounts Receivable (143) | | 6,194,095 | 6,060,638 |
| 39 | (Less) Accum. Provision for Uncollectible Accounts - Credit (144) | | (905,312) | (2,005,312) |
| 40 | Notes Receivable from Associated Companies (145) | | | |
| 41 | Accounts Receivable from Associated Companies (146) | | 355,030 | - |
| 42 | Fuel Stock (151) | | | |
| 43 | Fuel Stock Expenses Undistributed (152) | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|---|---|---|---|--|
| COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued) | | | | |
| Line No. | Title of Account (a) | Reference Page Number (b) | Balance at End of Current Year (in dollars) (c) | Balance at End of Previous Year (in dollars) (d) |
| 44 | Residuals (Elec) and Extracted Products (Gas) (153) | | | |
| 45 | Plant Materials and Operating Supplies (154) | | 2,834,854 | 2,133,459 |
| 46 | Merchandise (155) | | | |
| 47 | Other Materials and Supplies (156) | | | |
| 48 | Nuclear Materials Held for Sale (157) | | | |
| 49 | Allowances (158.1 and 158.2) | | - | - |
| 50 | (Less) Noncurrent Portion of Allowances | | - | - |
| 51 | Stores Expense Undistributed (163) | | 762,840 | 527,219 |
| 52 | Gas Stored Underground - Current (164.1) | 220 | 60,256,665 | 53,454,979 |
| 53 | Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3) | 220 | | |
| 54 | Prepayments (165) | 230 | 1,075,400 | 1,048,984 |
| 55 | Advances for Gas (166 thru 167) | | | |
| 56 | Interest and Dividends Receivable (171) | | | |
| 57 | Rents Receivable (172) | | | |
| 58 | Accrued Utility Revenues (173) | | | |
| 59 | Miscellaneous Current and Accrued Assets (174) | | | |
| 60 | Derivative Instrument Assets (175) | | | |
| 61 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | | | |
| 62 | Derivative Instrument Assets - Hedges (176) | | | |
| 63 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | | | |
| 64 | TOTAL Current and Accrued Assets (Total of lines 27 thru 56) | | 143,513,944 | 170,783,993 |
| 65 | DEFERRED DEBITS | | | |
| 66 | Unamortized Debt Expense (181) | | | |
| 67 | Extraordinary Property Losses (182.1) | 230 | | |
| 68 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230 | | |
| 69 | Other Regulatory Assets (182.3) | 232 | 20,679,655 | 25,873,523 |
| 70 | Preliminary Survey and Investigation Charges (Electric) (183) | | | |
| 71 | Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2) | | 21,744 | 160,571 |
| 72 | Clearing Accounts (184) | | 288,878 | 328,441 |
| 73 | Temporary Facilities (185) | | | |
| 74 | Miscellaneous Deferred Debits (186) | 233 | 1,840,723 | 4,786,212 |
| 75 | Deferred Losses from Disposition of Utility Plant (187) | | | |
| 76 | Research, Development, and Demonstration Expend. (188) | | | |
| 77 | Unamortized Loss on Reaquired Debt (189) | | | |
| 78 | Accumulated Deferred Income Taxes (190) | 234-235 | | |
| 79 | Unrecovered Purchase Gas Costs (191) | | 49,241,668 | 81,149,756 |
| 80 | TOTAL Deferred Debits (Total of lines 59 thru 72) | | 72,072,668 | 112,298,503 |
| 81 | TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80) | | 892,382,881 | 948,743,668 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|---|--|---|---|--|
| COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) | | | | |
| Line No. | Title of Account (a) | Reference Page Number (b) | Balance at End of Current Year (in dollars) (c) | Balance at End of Previous Year (in dollars) (d) |
| 1 | PROPRIETARY CAPITAL | | | |
| 2 | Common Stock Issued (201) | 250-251 | | |
| 3 | Preferred Stock Issued (204) | 250-251 | | |
| 4 | Capital Stock Subscribed (202, 205) | 252 | - | - |
| 5 | Stock Liability for Conversion (203, 206) | 252 | - | - |
| 6 | Premium on Capital Stock (207) | 252 | | |
| 7 | Other Paid-In Capital (208-211) | 253 | - | - |
| 8 | Installments Received on Capital Stock (212) | 252 | - | - |
| 9 | (Less) Discount on Capital Stock (213) | 254 | - | - |
| 10 | (Less) Capital Stock Expense (214) | 254 | - | - |
| 11 | Retained Earnings (215, 215.1, 216) | 118-119 | 530,177,020 | 500,249,373 |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118-119 | | |
| 13 | (Less) Reaquired Capital Stock (217) | 250-251 | | |
| 14 | Accumulated Other Comprehensive Income (219) | 117 | (36,525,598) | (19,585,294) |
| 15 | TOTAL Proprietary Capital (Total of lines 2 thru 14) | | 493,651,422 | 480,664,079 |
| 16 | LONG TERM DEBT | | | |
| 17 | Bonds (221) | 256-257 | | |
| 18 | (Less) Reacquired Bonds (222) | 256-257 | | |
| 19 | Advances from Associated Companies (223) | 256-257 | | |
| 20 | Other Long-Term Debt (224) | 256-257 | | |
| 21 | Unamortized Premium on Long-Term Debt (225) | 258-259 | | |
| 22 | (Less) Unamortized Discount on Long-Term Debt-Dr. (226) | 258-259 | | |
| 23 | (Less) Current Portion of Long-Term Debt | | | |
| 24 | TOTAL Long-Term Debt (Total of lines 17 thru 24) | | - | - |
| 25 | OTHER NONCURRENT LIABILITIES | | | |
| 26 | Obligations Under Capital Leases - Noncurrent (227) | | | |
| 27 | Accumulated Provision for Property Insurance (228.1) | | | |
| 28 | Accumulated Provision for Injuries and Damages (228.2) | | 4,038,585 | 2,588,540 |
| 29 | Accumulated Provision for Pensions and Benefits (228.3) | | - | - |
| 30 | Accumulated Miscellaneous Operating Provisions (228.4) | | | |
| 31 | Accumulated Provision for Rate Refunds (229) | | - | - |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|--|---|---|---|--|
| COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued) | | | | |
| Line No. | Title of Account (a) | Reference Page Number (b) | Balance at End of Current Year (in dollars) (c) | Balance at End of Previous Year (in dollars) (d) |
| 32 | Long-Term Portion of Derivative Instrument Liabilities | | | |
| 33 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | | | |
| 34 | Asset Retirement Obligations (230) | | | |
| 35 | TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34) | | 4,038,585 | 2,588,540 |
| 36 | CURRENT AND ACCRUED LIABILITIES | | | |
| 37 | Current Portion of Long-Term Debt | | - | - |
| 38 | Notes Payable (231) | | | |
| 39 | Accounts Payable (232) | | 33,171,474 | 39,472,671 |
| 40 | Notes Payable to Associated Companies (233) | | | |
| 41 | Accounts Payable to Associated Companies (234) | | 66,882,739 | 142,907,439 |
| 42 | Customer Deposits (235) | | 7,573,600 | 6,711,992 |
| 43 | Taxes Accrued (236) | 262-263 | 13,608,280 | 14,496,872 |
| 44 | Interest Accrued (237) | | 5,055 | 5,180 |
| 45 | Dividends Declared (238) | | | |
| 46 | Matured Long-Term Debt (239) | | | |
| 47 | Matured Interest (240) | | | |
| 48 | Tax Collections Payable (241) | | 860,578 | 1,248,697 |
| 49 | Miscellaneous Current and Accrued Liabilities (242) | 268 | 39,775,035 | 40,087,993 |
| 50 | Obligations Under Capital Leases-Current (243) | | | |
| 51 | Derivative Instrument Liabilities (244) | | | |
| 52 | (Less) Long-Term Portion of Derivative Instrument Liabilities | | | |
| 53 | Derivative Instrument Liabilities - Hedges (245) | | | |
| 54 | (Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges | | | |
| 55 | TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54) | | 161,876,761 | 244,930,844 |
| 56 | DEFERRED CREDITS | | | |
| 57 | Customer Advances for Construction (252) | | 7,148,482 | 8,233,120 |
| 58 | Accumulated Deferred Investment Tax Credits (255) | | | |
| 59 | Deferred Gains from Disposition of Utility Plant (256) | | | |
| 60 | Other Deferred Credits (253) | 269 | 78,629,286 | 59,663,178 |
| 61 | Other Regulatory Liabilities (254) | 278 | 2,802,669 | 1,022,881 |
| 62 | Unamortized Gain on Reaquired Debt (257) | 260 | | |
| 63 | Accumulated Deferred Income Taxes - Accelerated Amortization (281) | | | |
| 64 | Accumulated Deferred Income Taxes - Other Property (282) | | 124,597,320 | (13,292,605) |
| 65 | Accumulated Deferred Income Taxes - Other (283) | 276-277 | 19,638,356 | 164,933,631 |
| 66 | TOTAL Deferred Credits (Total of lines 57 thru 65) | | 232,816,113 | 220,560,205 |
| 67 | TOTAL Liabilities and Other Credits (Total of lines 15, 24,35,55, and 66) | | 892,382,881 | 948,743,668 |

| | | | |
|--|---|---------------------------------------|-------------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|--|---|---------------------------------------|-------------------------------|

STATEMENT OF INCOME

Quarterly

- Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
 - Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
 - Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
 - If additional columns are needed place them in a footnote.
- Annual or Quarterly, if applicable
- Do not report fourth quarter data in columns (e) and (f)
 - Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
 - Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
 - Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
 - Use page 122 for important notes regarding the statement of income for any account thereof.
 - Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
 - Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
 - If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
 - Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
 - Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
 - If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule. allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

| Line No. | Title of Account (a) | Reference Page Number (b) | Total Current Year to Date Balance for Quarter/Year (c) | Total Prior Year to Date Balance for Quarter/Year (d) | Current Three Months Ended Quarterly Only No Fourth Quarter (e) | Prior Three Months Ended Quarterly Only No Fourth Quarter (f) |
|----------|--|----------------------------------|--|--|--|--|
| 1 | UTILITY OPERATING INCOME | | | | | |
| 2 | Gas Operating Revenues (400) | 300-301 | 597,757,891 | 629,668,825 | | |
| 3 | Operating Expenses | | | | | |
| 4 | Operation Expenses (401) | 317-325 | 456,415,158 | 478,897,850 | | |
| 5 | Maintenance Expenses (402) | 317-325 | 18,021,194 | 16,586,025 | | |
| 6 | Depreciation Expense (403) | 336-338 | 27,578,257 | 26,126,073 | | |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1) | | | | | |
| 8 | Amortization & Depletion of Utility Plant (404-405) | 336-338 | 1,616,249 | 2,132,701 | | |
| 9 | Amortization of Utility Plant Acu. Adjustment (406) | 336-338 | - | - | | |
| 10 | Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1) | | - | - | | |
| 11 | Amortization of Conversion Expenses (407.2) | | - | - | | |
| 12 | Regulatory Debits (407.3) | | - | - | | |
| 13 | (Less) Regulatory Credits (407.4) | | - | - | | |
| 14 | Taxes Other Than Income Taxes (408.1) | 262-263 | 45,825,638 | 48,392,087 | | |
| 15 | Income Taxes -- Federal (409.1) | 262-263 | 13,488,165 | 6,978,588 | | |
| 16 | Income Taxes -- Other (409.1) | 262-263 | 2,289,158 | 1,184,351 | | |
| 17 | Provision of Deferred Income Taxes (410.1) | | 3,148,184 | 14,906,651 | | |
| 18 | (Less) Provision for Deferred Income Taxes -- Credit (411.1) | | - | - | | |
| 19 | Investment Tax Credit Adjustment -- Net (411.4) | | - | - | | |
| 20 | (Less) Gains from Disposition of Utility Plant (411.6) | | - | - | | |
| 21 | Losses from Disposition of Utility Plant (411.7) | | - | - | | |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | | - | - | | |
| 23 | Losses from Disposition of Allowances (411.9) | | - | - | | |
| 24 | Accretion Expense (411.10) | | - | - | | |
| 25 | TOTAL Utility Operating Expenses (Total of lines 4 thru 24) | | 568,382,003 | 595,204,326 | | |
| 26 | Net Utility Operating Income (Total of lines 2 less 25) | | | | | |
| | (Carry forward to page 116, line 27) | | 29,375,888 | 34,464,499 | | |

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| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year of Report 2011 | |
|--|---|---|--|--|--|--|--|
| STATEMENT OF INCOME (Continued) | | | | | | | |
| Line No. | Title of Account (a) | Reference Page Number (b) | Total Current Year to Date Balance for Quarter/Year (c) | Total Prior Year to Date Balance for Quarter/Year (d) | Current Three Months Ended Quarterly Only No Fourth Quarter (e) | Prior Three Months Ended Quarterly Only No Fourth Quarter (e) | |
| 27 | Net Utility Operating Income (Carried forward from page 114) | | 29,375,888 | 34,464,499 | | | |
| 28 | OTHER INCOME AND DEDUCTIONS | | | | | | |
| 29 | Other Income | | | | | | |
| 30 | Nonutility Operating Income | | | | | | |
| 31 | Revenues From Merchandising, Jobbing, and Contract Work (415) | | (7,427) | (7,912) | | | |
| 32 | (Less) Costs and Expense of Merchandising, Job & Contract Work | | - | - | | | |
| 33 | Revenues From Nonutility Operations (417) | | 318,271 | 507,028 | | | |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | (499,959) | (473,619) | | | |
| 35 | Nonoperating Rental Income (418) | | | | | | |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | | | | | |
| 37 | Interest and Dividend Income (419) | | (362,016) | (568,293) | | | |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | | | | | |
| 39 | Miscellaneous Nonoperating Income (421) | | 1,512,037 | 2,486,824 | | | |
| 40 | Gain on Disposition of Property (421.1) | | 53,323 | 113,048 | | | |
| 41 | TOTAL Other Income (Total of lines 29 thru 38) | | 1,014,229 | 2,057,076 | | - | |
| 42 | Other Income Deductions | | | | | | |
| 43 | Loss on Disposition of Property (421.2) | | - | (72,563) | | - | |
| 44 | Miscellaneous Amortization (425) | 340 | (333,720) | (333,720) | | | |
| 45 | Donations (426.1) | | (194,660) | (169,601) | | | |
| 46 | Life Insurance (426.2) | | | | | | |
| 47 | Penalties (426.3) | | | | | | |
| 48 | Expenditures for Certain Civic, Political and Related Activities (426.4) | | (75,216) | (38,797) | | | |
| 49 | Other Deductions (426.5) | | | | | | |
| 50 | TOTAL Other Income Deductions (Total of lines 43 thru 49) | | (603,596) | (614,681) | | - | |
| 51 | Taxes Applic. to Other Income and Deductions | | | | | | |
| 52 | Taxes Other Than Income Taxes (408.2) | 262-263 | | | | | |
| 53 | Income Taxes -- Federal (409.2) | 262-263 | | | | | |
| 54 | Income Taxes -- Other (409.2) | 262-263 | | | | | |
| 55 | Provision for Deferred Income Taxes (410.2) | 234-235 | | | | | |
| 56 | (Less) Provision for Deferred Income Taxes -- Credit (411.2) | 234-235 | | | | | |
| 57 | Investment Tax Credit Adjustments -- Net (411.5) | | | | | | |
| 58 | (Less) Investment Tax Credits (420) | | | | | | |
| 59 | TOTAL Taxes on Other Income and Deductions (Total of lines 52 - 58) | | - | - | | - | |
| 60 | Net Other Income and Deductions (Total of lines 41, 50, 59) | | 410,633 | 1,442,395 | | - | |
| 61 | INTEREST CHARGES | | | | | | |
| 62 | Interest on Long-Term Debt (427) | | | | | | |
| 63 | Amortization of Debt Disc. and Expense (428) | 258-259 | | | | | |
| 64 | Amortization of Loss on Reacquired Debt (428.1) | 258-259 | | | | | |
| 65 | (Less) Amortization of Premium on Debt-Credit (429) | 258-259 | | | | | |
| 66 | (Less) Amortization of Gain on Reacquired Debit-Credit (429.1) | | | | | | |
| 67 | Interest on Debt to Associated Companies (430) | 340 | | | | | |
| 68 | Other Interest Expense (431) | 340 | (126,307) | (615,370) | | | |
| 69 | (Less) Allowance for Borrowed Funds Used During Construction-Credit (432) | | (14,819) | (16,705) | | | |
| 70 | Net Interest Charges (Total of lines 62 thru 69) | | (141,126) | (632,075) | | | |
| 71 | Income Before Extraordinary Items (Total of lines 27, 60, and 70) | | 29,927,647 | 36,538,969 | | - | |
| 72 | EXTRAORDINARY ITEMS | | | | | | |
| 73 | Extraordinary Income (434) | | - | - | | - | |
| 74 | (Less) Extraordinary Deductions (435) | | - | - | | - | |
| 75 | Net Extraordinary Items (Total of line 73 less line 74) | | - | - | | - | |
| 76 | Income Taxes -- Federal and Other (409.3) | 262-263 | - | - | | - | |
| 77 | Extraordinary Items After Taxes (Total of line 75 less line 76) | | - | - | | - | |
| 78 | Net Income (Total of lines 71 and 77) | | 29,927,647 | 36,538,969 | | - | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year of Report 2011 | |
|--|---|---|--|--|-----------------------------------|-------------------------------|--|
| Statement of Accumulated Comprehensive Income and Hedging Activities (continued) | | | | | | | |
| | | | | | | | |
| Line No. | Other Cash Flow Hedges Interest Rate Swaps (f) | Other Cash Flow Hedges (Specify) (g) | Totals for each category of items recorded in Account 219 (h) | Net Income (Carried Forward from Page 116, Line 72) (i) | Total Comprehensive Income (j) | | |
| 1 | | - | (20,719,879) | | | | |
| 2 | | - | - | | | | |
| 3 | | - | 1,134,585 | | | | |
| 4 | - | - | 1,134,585 | | | | |
| 5 | - | - | (19,585,294) | | | | |
| 6 | | - | (19,585,294) | | | | |
| 7 | | - | - | | | | |
| 8 | - | - | (16,940,304) | | | | |
| 9 | - | - | (16,940,304) | | | | |
| 10 | | | (36,525,598) | | | | |
| | | | | | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
|--|---|---|---|--|
| STATEMENT OF RETAINED EARNINGS | | | | |
| 1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year. 2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b). 3. State the purpose and amount for each reservation or appropriation of retained earnings. 4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order. 5. Show dividends for each class and series of capital stock. | | | | |
| Line No. | Item (a) | Contra Primary Account Affected (b) | Current Quarter/ Year to Date Balance (c) | Previous Quarter/ Year to Date Balance (d) |
| | UNAPPROPRIATED RETAINED EARNINGS | | | |
| 1 | Balance -- Beginning of Period | - | 500,249,373 | 463,710,404 |
| 2 | Changes (Identify by prescribed retained earnings accounts) | | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | | |
| 4 | Balance transferred from Income | - | 29,927,647 | 36,538,969 |
| 5 | | - | - | - |
| 6 | | - | - | - |
| 7 | Appropriations of Retained Earnings (Account 436) | - | - | - |
| 8 | | - | - | - |
| 9 | Dividends Declared -- Preferred Stock (Account 437) | | | |
| 10 | | | | |
| 11 | Dividends Declared -- Common Stock (Account 438) | | | |
| 12 | | - | - | - |
| 13 | Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings | - | - | - |
| 14 | Balance - End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12 and 13) | - | 530,177,020 | 500,249,373 |
| 15 | APPROPRIATED RETAINED EARNINGS (Account 215) | | | |
| 16 | TOTAL Appropriated Retained Earnings (Account 215) (footnote details) | | - | - |
| 17 | APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1) | | | |
| 18 | TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1) | | - | - |
| 19 | TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines 16 and 18) | | - | - |
| 20 | TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 19) | | 530,177,020 | 500,249,373 |
| 21 | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1) | | | |
| | Report only on an Annual Basis, no Quarterly | | | |
| 22 | Balance - Beginning of Year (Debit or Credit) | - | 530,177,020 | 500,249,373 |
| 23 | Equity in Earnings for Year (Credit) (Account 418.1) | - | - | - |
| 24 | (Less) Dividends Received (Debit) | - | - | - |
| 25 | Other Changes (Explain) | - | | |
| 26 | Balance - End of Year | - | 530,177,020 | 500,249,373 |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
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| STATEMENT OF CASH FLOWS | | | |
|--|---|----------------------------|-----------------------------|
| <p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p> | | | |
| Line No. | DESCRIPTION (See Instructions for Explanation of Codes) (a) | Current Year Amount (b) | Previous Year Amount (c) |
| 1 | Net Cash Flow from Operating Activities | | |
| 2 | Net Income (Line 72 (c) on page 116) | 29,927,647 | 36,538,969 |
| 3 | Noncash Charges (Credits) to Income: | | |
| 4 | Depreciation and Depletion | 29,194,507 | 28,258,774 |
| 4.01 | Goodwill Impairment Charge | | - |
| 5 | Amortization of (Specify) Debt Discount | - | - |
| 5.01 | Provision for Bad Debt | (1,100,000) | 1,700,000 |
| 5.02 | Financial derivative trading gains | - | |
| 5.03 | Gain on Sale of Investment Securities | - | - |
| 5.04 | Gain on Sale of Subsidiaries and Other Assets | - | - |
| 5.05 | Provision for Investment Impairment | | |
| 5.06 | Non-cash stock compensation | | - |
| 5.07 | Gain on Extinguishment of Debt | - | |
| 5.08 | Earnings from Unconsolidated Investments, Net of Cash Distributions | | - |
| 6 | Deferred Income Taxes (Net) | (7,405,349) | 14,517,516 |
| 7 | Investment Tax Credit Adjustments (Net) | - | - |
| 8 | Net (Increase) Decrease in Receivables | 63,786,397 | (10,336,983) |
| 9 | Net (Increase) Decrease in Inventory | (7,738,703) | 177,784 |
| 10 | Net (Increase) Decrease in Allowances Inventory | - | - |
| 11 | Net Increase (Decrease) in Payables and Accrued Expenses | (84,270,721) | (9,391,048) |
| 12 | Net (Increase) Decrease in Other Regulatory Assets | 5,193,868 | 3,630,490 |
| 13 | Net Increase (Decrease) in Other Regulatory Liabilities | 1,779,788 | 1,022,881 |
| 14 | (Less) Allowance for Other Funds Used During Construction | (14,819) | (16,705) |
| 15 | (Less) Undistributed Earnings from Subsidiary Companies | - | - |
| 16 | Other: | 151,973 | (321,035) |
| 16.01 | Deferred Interest-Missouri Safety Program | | |
| 16.02 | Change in Customer Deposits | 861,608 | 1,266,012 |
| 16.03 | Change in Deferred Charges | 2,945,489 | (1,785,217) |
| 16.04 | Change in Deferred Credits | 2,025,804 | (11,466,372) |
| 17 | Net Cash Provided by (Used in) Operating Activities | | |
| 18 | (Total of lines 2 thru 16.04) | 35,337,489 | 53,795,066 |
| 19 | | | |
| 20 | Cash Flows from Investment Activities: | | |
| 21 | Construction and Acquisition of Plant (including land): | | |
| 22 | Gross Additions to Utility Plant (less nuclear fuel) | - | - |
| 23 | Gross Additions to Nuclear Fuel | - | - |
| 24 | Gross Additions to Common Utility Plant | (40,313,751) | (38,483,035) |
| 25 | Gross Additions to Nonutility Plant | - | 87,779 |
| 26 | (Less) Allowance for Other Funds Used During Construction | - | - |
| 27 | Other: | | |
| 27.01 | Acquisition of Operations, net of cash received | - | |
| 27.02 | | - | - |
| 28 | Cash Outflows for Plant (Total of lines 22 thru 27.02) | (40,313,751) | (38,395,256) |
| 29 | | | |
| 30 | Acquisition of Other Noncurrent Assets (d) | - | - |
| 31 | Proceeds from Disposal of Noncurrent Assets (d) | - | - |
| 32 | | - | - |
| 33 | Investments in and Advances to Assoc. and Subsidiary Companies | - | - |
| 34 | Contributions and Advances from Assoc. and Subsidiary Companies | - | - |
| 35 | Disposition of Investments in (and Advances to) | | |
| 36 | Associated and Subsidiary Companies | - | - |
| 37 | | - | - |
| 38 | Purchase of Investment Securities (a) | - | - |
| 39 | Proceeds from Sales of Investment Securities (a) | - | - |

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STATEMENT OF CASH FLOWS (Continued)

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| <p>4. Investing Activities: Include at Other (line 27) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per U.S. of A. General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.</p> | <p>5. Codes Used: (a) Net Proceeds or payments. (b) Bonds, Debentures, and other long-term debt. (c) Include commercial paper. (d) Identify separate such items as investments, fixed assets intangibles, etc.</p> <p>6. Enter on page 122 clarifications and explanations.</p> <p>7. At lines 5, 16, 27, 47, 56, 58, and 65, add rows as necessary to report all data. Number the extra rows in sequence, 5.01, 5.02, etc.</p> |
|--|---|

| Line No. | DESCRIPTION (See Instructions for Explanation of Codes) (a) | Current Year Amount (b) | Previous Year Amount (c) |
|----------|---|----------------------------|-----------------------------|
| 40 | Loans Made or Purchased | - | - |
| 41 | Collections on Loans | - | - |
| 42 | | | |
| 43 | Net (Increase) Decrease in Receivables | - | |
| 44 | Net (Increase) Decrease in Inventory | - | - |
| 45 | Net (Increase) Decrease in Allowances Held for Speculation | - | - |
| 46 | Net Increase (Decrease) in Payables and Accrued Expenses | 365,407 | (9,917,018) |
| 47 | Other: Deferred Charges/Credits | - | - |
| 47.01 | Customer Advances | - | - |
| 47.02 | Proceeds from Sale of Assets | - | |
| 47.03 | Changes in Assets and Liabilities Held for Sale | - | - |
| 48 | Net Cash Provided by (Used in) Investing Activities | | |
| 49 | (Total of lines 28 thru 47.03) | (39,948,344) | (48,312,274) |
| 50 | | | |
| 51 | Cash Flows from Financing Activities: | | |
| 52 | Proceeds from Issuance of: | | |
| 53 | Long-Term Debt (b) | | |
| 54 | Preferred Stock | - | |
| 55 | Common Stock | | |
| 56 | Other: Common Stock Options | | |
| 56.01 | Equity Units | | - |
| 57 | Net Increase in Short-term Debt (c) | - | - |
| 58 | Other: Decrease in cash overdrafts | | - |
| 58.01 | | | |
| 58.02 | | | |
| 59 | Cash Provided by Outside Sources (Total of lines 53 thru 58.02) | - | - |
| 60 | | | |
| 61 | Payments for Retirement of; | | |
| 62 | Long-Term Debt (b) | | |
| 63 | Preferred Stock | - | - |
| 64 | Common Stock | - | - |
| 65 | Other: | - | - |
| 65.01 | Purchase of Treasury Stock | | |
| 65.02 | Payment of merger debt assumed | - | |
| 65.03 | Other | | |
| 66 | Net Decrease in Short-Term Debt (c) | | |
| 67 | | - | |
| 68 | Dividends on Preferred Stock | | |
| 69 | Dividends on Common Stock | - | - |
| 70 | Net Cash Provided by (Used in) Financing Activities | | |
| 71 | (Total of lines 59 thru 69) | - | - |
| 72 | | | |
| 73 | Net Increase (Decrease) in Cash and Cash Equivalents | | |
| 74 | (Total of lines 18, 49, and 71) | (4,610,855) | 5,482,792 |
| 75 | | | |
| 76 | Cash and Cash Equivalents at Beginning of Year | 1,121,869 | (4,360,923) |
| 77 | | | |
| 78 | Cash and Cash Equivalents at End of Year | (3,488,986) | 1,121,869 |

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STATEMENT OF CASH FLOWS (Continued)

Reconciliation of Cash

| | |
|-----------------------------|-------------------|
| Account 128 per page 110 | 3,092,553 |
| Account 131 per page 110 | (6,584,889) |
| Account 132-34 per page 110 | - |
| Account 135 per page 110 | 3,350 |
| Account 136 per page 110 | - |
| Cash and cash equivalents | <hr/> (3,488,986) |

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NOTES TO FINANCIAL STATEMENTS

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

NOTES TO FINANCIAL STATEMENTS BEGIN ON PAGE 122-1

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| NOTES TO FINANCIAL STATEMENTS | | | |

Corporate Structure

Southern Union Company (Southern Union and, together with its subsidiaries, the Company) was incorporated under the laws of the State of Delaware in 1932. The Company owns and operates assets in the regulated and unregulated natural gas industry and is primarily engaged in the gathering, processing, transportation, storage and distribution of natural gas in the United States. Through Southern Union's regulated utility divisions - Missouri Gas Energy and New England Gas Company, the Company serves natural gas end-user customers in Missouri and Massachusetts.

Missouri Gas Energy (MGE or the Utility) comprises the largest portion of Southern Union's distribution segment and is primarily engaged in the local distribution of natural gas in Missouri. The Utility serves over 515,000 residential, commercial and industrial customers through local distribution systems consisting of 8,545 miles of mains, 5,477 miles of service lines and 46 miles of transmission lines. The Utility's natural gas rates and operations in Missouri are regulated by the Missouri Public Service Commission (MPSC).

The Utility's operations have historically been sensitive to weather and seasonal in nature, with the primary impact on operating revenues, which include pass through gas purchase costs that are seasonally impacted, occurring in the traditional winter heating season during the first and fourth calendar quarters. On February 10, 2010, the MPSC issued an order approving continued use of a distribution rate structure that eliminates the impact of weather and conservation for Missouri Gas Energy's residential margin revenues and related earnings and approving expanded use of that distribution rate structure for Missouri Gas Energy's small general service customers, effective February 28, 2010. Together, Missouri Gas Energy's residential and small general service customers comprised 99 percent of its total customers and approximately 91 percent of its net operating revenues as of February 28, 2010.

Summary of Significant Accounting Policies

Plant, Property and Equipment. Ongoing additions of property, plant and equipment (PP&E) are stated at cost. The Company capitalizes all construction-related direct labor and material costs, as well as indirect construction costs. The cost of replacements and betterments that extend the useful life of PP&E is also capitalized. The cost of repairs and replacements of minor items of PP&E is charged to expense as incurred. When PP&E is retired, the original cost less salvage is charged to accumulated depreciation and amortization.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Gas Distribution Revenues and Gas Purchase Costs. Gas utility customers are billed on a monthly-cycle basis. The related cost of natural gas and revenue taxes are matched with cycle-billed revenues through utilization of purchased natural gas adjustment provisions in tariffs approved by the Missouri Public Service Commission. Revenues from gas delivered but not yet billed are accrued, along with the related gas purchase costs and revenue-related taxes.

Accounts Receivable and Allowance for Doubtful Accounts. Concentrations of credit risk in trade receivables are limited due to the large customer base with relatively small individual account balances. In addition, Company policy requires a deposit from customers who lack a credit history or whose credit rating is substandard. The Company utilizes the allowance method for recording its allowance for uncollectible accounts, which is primarily based on the application of historical bad debt percentages applied against its aged accounts receivable. Increases in the allowance are recorded as a component of operating expenses. Reductions in the allowance are recorded when receivables are written off or subsequently collected. Past due receivable balances are written-off when the Company's efforts have been unsuccessful in collecting the amount due.

Inventories. Inventories consist of natural gas in underground storage and materials and supplies. The natural gas in underground storage inventory carrying value is stated at weighted average cost and is not adjusted to a lower market value because, pursuant to purchased natural gas adjustment clauses, actual natural gas costs are recovered in customers' rates. Materials and supplies inventory is also stated at weighted average cost. Natural gas in underground storage at December 31, 2011 and December 31, 2010 was \$60.3 million and \$53.5 million, respectively.

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NOTES TO FINANCIAL STATEMENTS

Regulatory Assets and Liabilities. MGE is subject to regulation by certain state and federal authorities. The Utility has accounting policies that are in accordance with the accounting requirements and ratemaking practices of the applicable regulatory authorities. These accounting policies allow the Company to defer expenses and revenues on the balance sheet as regulatory assets and liabilities when it is probable that those expenses and revenues will be allowed in the ratemaking process in a period different from the period in which they would have been reflected in the Consolidated Statement of Operations by an unregulated company. These deferred assets and liabilities then flow through the results of operations in the period in which the same amounts are included in rates and recovered from or refunded to customers. Management's assessment of the probability of recovery or pass through of regulatory assets and liabilities requires judgment and interpretation of laws and regulatory commission orders. If, for any reason, the Utility ceases to meet the criteria for application of regulatory accounting treatment for all or part of its operations, the regulatory assets and liabilities related to those portions ceasing to meet such criteria would be eliminated from the Consolidated Balance Sheet and included in the Consolidated Statement of Operations for the period in which the discontinuance of regulatory accounting treatment occurs.

Asset Retirement Obligations. An ARO is required to be recorded when a legal obligation to retire an asset exists and such obligation can be reasonably estimated. Although a number of assets in the Company's system are subject to agreements or regulations that give rise to an ARO upon the Company's discontinued use of these assets, AROs were not recorded because these assets have an indeterminate removal or abandonment date given the expected continued use of the assets with proper maintenance or replacement.

Income Taxes. Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary difference are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in earnings in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts more likely than not to be realized.

The determination of the Company's provision for income taxes requires significant judgment, use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items. Reserves are established when, despite management's belief that the Company's tax return positions are fully supportable, management believes that certain positions may be successfully challenged. When facts and circumstances change, these reserves are adjusted through the provision for income taxes.

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New Accounting Principles

Accounting Principles Not Yet Adopted.

In December 2011, the FASB issued authoritative guidance that enhances current disclosures about offsetting asset and liabilities. The guidance requires entities to disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. The guidance is effective for annual and interim reporting periods beginning on or after January 1, 2013. The Company does not expect the guidance to materially impact its consolidated financial statements.

In September 2011, the FASB issued authoritative guidance that revises the testing of goodwill impairment. Under the revised guidance, entities testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit (i.e., step 1 of the goodwill impairment test). If the entity determines, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. The guidance is effective as of the beginning of a fiscal year that begins after December 15, 2011 and interim and annual periods thereafter, with early adoption permitted. The Company does not expect the guidance to materially impact its consolidated financial statements.

In June 2011, the FASB issued authoritative guidance that changes how a company may present comprehensive income. The guidance allows entities to elect to present items of net income and other comprehensive income in one continuous statement or in two separate, but consecutive, statements and eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. The entity is also required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement where the components of net income and the components of other comprehensive income are presented. The guidance is effective as of the beginning of a fiscal year that begins after December 15, 2011 and interim and annual periods thereafter, with early adoption permitted. In December 2011, the FASB issued authoritative guidance that defers the presentation requirements for reclassification adjustments to allow the FASB time to redeliberate these requirements. The Company does not expect the guidance to materially impact its consolidated financial statements as the guidance only requires a change in the placement of previously disclosed information.

In May 2011, the FASB issued authoritative guidance on fair value measurements that clarifies some existing concepts, eliminates wording differences between GAAP and International Financial Reporting Standards (*IFRS*), and in some limited cases, changes some principles to achieve convergence between GAAP and IFRS. The guidance provides a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between GAAP and IFRS and also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. The guidance is effective for periods beginning after December 15, 2011. The Company is currently evaluating the impact of this guidance, but does not expect it will materially impact its consolidated financial statements.

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NOTES TO FINANCIAL STATEMENTS

Employee Benefits

Pensions and Other Postretirement Benefits. The Company has funded, non-contributory defined benefit retirement plans (Plans), which cover substantially all MGE employees. Normal retirement age is 65, but certain plan provisions allow for earlier retirement. Pension benefits are calculated under formulas principally based on average earnings and length of service for salaried and non-union employees and average earnings and length of service or negotiated non-wage based formulas for union employees.

Certain qualified pension plan and postretirement benefit plan costs are recovered through rates charged to utility customers. Certain utility commissions require that the recovery of pension costs be based on Employee Retirement Income Security Act of 1974, as amended, or other utility commission specific guidelines. The difference between these regulatory-based amounts and the periodic benefit cost calculated pursuant to GAAP is deferred as a regulatory asset or liability and amortized to expense over periods in which this difference will be recovered in rates.

The Company has postretirement health care and life insurance plans that cover substantially all Distribution segment employees. The health care plans generally provide for cost sharing between the Company and its retirees in the form of retiree contributions, deductibles, coinsurance and a fixed cost cap on the amount the Company pays annually to provide future retiree health care coverage under certain of these plans.

Pension and other postretirement benefit liabilities are accrued on an actuarial basis during the years an employee provides services.

Plan Assets. The Company's overall investment strategy is to maintain an appropriate balance of actively managed investments with the objective of optimizing longer-term returns while maintaining a high standard of portfolio quality and achieving proper diversification. To achieve diversity within its pension plan asset portfolio, the Company has targeted the following asset allocations: equity of 25 percent to 70 percent, fixed income of 15 percent to 35 percent, alternative assets of 10 percent to 35 percent and cash of 0 percent to 10 percent. To achieve diversity within its other postretirement plan asset portfolio, the Company has targeted the following asset allocations: equity of 25 percent to 35 percent, fixed income of 65 percent to 75 percent and cash and cash equivalents of 0 percent to 10 percent. These target allocations are monitored by the Investment Committee of the Board in conjunction with an external investment advisor. On occasion, the asset allocations may fluctuate as compared to these guidelines as a result of Investment Committee actions.

Defined Contribution Plan. The Company sponsors a defined contribution savings plan (Savings Plan) that is available to all employees. For Missouri Gas Energy non-union and corporate employees, the Company contributes 50 percent and 75 percent of the first five percent and second five percent, respectively, of the participant's compensation paid into the Savings Plan. For Missouri Gas Energy union employees, the Company contributes 50 percent of the first five percent and 75 percent of the next 2 percent of the participant's compensation paid into the Savings Plan. Company contributions are 100 percent vested after five years of continuous service for non-union employees of Missouri Gas Energy and after six years of continuous service for union employees.

In addition, the Company makes employer contributions to separate accounts, referred to as Retirement Power Accounts, within the defined contribution plan. The contribution amounts are determined as a percentage of compensation.

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Regulation and Rates

On July 13, 2011, a joint application was filed by Southern Union, Merger Sub and ETE requesting that the MPSC authorize Southern Union to take certain actions to allow ETE to acquire the equity interests of Southern Union. The parties filed an amended application on September 15, 2011. On February 16, 2012, the parties filed with the MPSC a Stipulation among Southern Union, ETE and the MPSC Staff. Pursuant to the Stipulation, the parties recommend that the MPSC issue an order finding that, subject to the conditions therein, the merger of Merger Sub with and into Southern Union is not detrimental to the public interest and authorizing the undertaking of the Merger and related transactions. The Office of Public Counsel has indicated that it does not oppose the Stipulation. Southern Union and ETE have requested that the MPSC consider the Stipulation expeditiously.

On June 10, 2011, Missouri Gas Energy filed an application with the MPSC requesting authority to defer the financial impact of the tornado that struck Joplin, Missouri on May 22, 2011, on the grounds that the tornado constituted a material, extraordinary and non-recurring event with respect to Missouri Gas Energy's operations. On January 25, 2012, the MPSC issued its Report and Order in which it granted Missouri Gas Energy's request to defer as a regulatory asset for consideration of recovery in a future rate proceeding the incremental costs occasioned by the tornado but denied Missouri Gas Energy's request to defer as a regulatory asset for consideration of recovery in a future rate proceeding the lost fixed cost recovery occasioned by the tornado.

On April 2, 2009, Missouri Gas Energy made a filing with the MPSC seeking to implement an annual base rate increase of approximately \$32.4 million. On February 10, 2010, the MPSC issued its Report and Order in this case, authorizing a revenue increase of \$16.2 million and approving distribution rate structures for Missouri Gas Energy's residential and small general service customers (which comprised approximately 99 percent of its total customers and approximately 91 percent of its net operating revenues at the time the rates went into effect) that eliminate the impact of weather and conservation for residential and small general service margin revenues and related earnings in Missouri. The new rates became effective February 28, 2010. Judicial review of the MPSC's Report and Order is being sought by the Office of the Public Counsel, with respect to rate structure issues, and by Missouri Gas Energy, with respect to cost of capital issues. Those judicial review proceedings are not expected to be complete until 2012, and the results of those judicial review proceedings are not expected to have a material adverse impact on the Company's consolidated financial position, results of operations or cash flows.

Leases

The Company leases certain facilities, equipment and office space under cancelable and non-cancelable operating leases. The minimum annual rentals under operating leases for the next five years ending December 31 are as follows: 2012 - \$1,147K; 2013 - \$1,040K; 2014 - \$746K and 2015 - \$556K. Rental expense was \$1.3 million for the year ended December 31, 2011.

Commitments and Contingencies

Environmental. The Company is responsible for environmental remediation at various contaminated sites that are primarily associated with former Manufactured Gas Plants (MGPs) and sites associated with the operation and disposal activities from MGPs. MGPs produced a fuel known as "town gas". Some byproducts of the historic manufactured gas process may be regulated substances under various federal and state environmental laws. To the extent these byproducts are present in soil or groundwater at concentrations in excess of applicable standards, investigation and remediation may be required. These include properties that are part of the Company's ongoing operations, sites formerly owned or used by the Company and sites owned by third parties. Remediation typically involves the management of contaminated soils and may involve removal of structures and remediation of groundwater. Activities vary with site conditions and locations, the extent and nature of the contamination, remedial requirements, complexity and sharing of responsibility, and some contamination may be unrelated to former MGPs. The ultimate liability and total costs associated with these sites will depend upon many factors. If remediation activities involve statutory joint and several liability provisions, strict liability, or cost recovery or contribution actions, the Company could potentially be held responsible for contamination caused by other parties. In some instances, the Company may share liability associated with contamination with other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all of the cleanup costs. These sites are generally managed in the normal course of business or operations.

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year of Report 2011 |
| NOTES TO FINANCIAL STATEMENTS | | | |

Missouri Safety Program. Pursuant to a 1989 MPSC order, Missouri Gas Energy is engaged in a major gas safety program in its service territories (Missouri Safety Program). This program includes replacement of Company and customer-owned gas service and yard lines, the movement and resetting of meters, the replacement of cast iron mains and the replacement and cathodic protection of bare steel mains. In recognition of the significant capital expenditures associated with this safety program, the MPSC initially permitted the deferral and subsequent recovery through rates of depreciation expense, property taxes and associated carrying costs over a 10-year period. On August 28, 2003, the state of Missouri passed certain statutes that provided Missouri Gas Energy the ability to adjust rates periodically to recover depreciation expense, property taxes and carrying costs associated with the Missouri Safety Program, as well as investments in public improvement projects. The continuation of the Missouri Safety Program will result in significant levels of future capital expenditures. The Company incurred capital expenditures of \$13.8 million, \$13.6 million and \$14.4 million in 2011, 2010 and 2009, respectively, related to this program and estimates incurring approximately \$94.8 million over the next 10 years, after which all service lines, representing about 33 percent of the annual safety program investment, will have been replaced.

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| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION | | | | |
| Line No. | Item (a) | Total (b) | | |
| 1 | UTILITY PLANT | | | |
| 2 | In Service | | | |
| 3 | Plant in Service (Classified) | 1,036,814,005 | | |
| 4 | Property Under Capital Leases | | | |
| 5 | Plant Purchased or Sold | - | | |
| 6 | Completed Construction not Classified | 3,779,771 | | |
| 7 | Experimental Plant Unclassified | - | | |
| 8 | TOTAL Utility Plant (Total of lines 3 thru 7) | 1,040,593,776 | | |
| 9 | Leased to Others | - | | |
| 10 | Held for Future Use | - | | |
| 11 | Construction Work in Progress | 5,630,857 | | |
| 12 | Acquisition Adjustments | 54,233,162 | | |
| 13 | TOTAL Utility Plant (Total of lines 8 thru 12) | 1,100,457,795 | | |
| 14 | Accumulated Provision for Depreciation, Amortization, & Depletion | (427,713,134) | | |
| 15 | Net Utility Plant (Total of lines 13 and 14) | 672,744,661 | | |
| 16 | DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION | | | |
| 17 | In Service: | | | |
| 18 | Depreciation | (389,231,543) | | |
| 19 | Amortization and Depletion of Producing Natural Gas Land and Land Rights | - | | |
| 20 | Amortization of Underground Storage Land and Land Rights | - | | |
| 21 | Amortization of Other Utility Plant | (28,678,469) | | |
| 22 | TOTAL In Service (Total of lines 18 thru 21) | (417,910,012) | | |
| 23 | Leased to Others | | | |
| 24 | Depreciation | - | | |
| 25 | Amortization and Depletion | - | | |
| 26 | TOTAL Leased to Others (Total of lines 24 and 25) | - | | |
| 27 | Held for Future Use | | | |
| 28 | Depreciation | - | | |
| 29 | Amortization | - | | |
| 30 | TOTAL Held for Future Use (Total of lines 28 and 29) | - | | |
| 31 | Abandonment of Leases (Natural Gas) | - | | |
| 32 | Amortization of Plant Acquisition Adjustment | (9,803,122) | | |
| 33 | TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32) | (427,713,134) | | |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 | |
| SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION (Continued) | | | | |
| Electric (c) | Gas (d) | Other (Specify) (e) | Common (f) | Line |
| | | | | 1 |
| | | | | 2 |
| - | 1,036,814,005 | - | - | 3 |
| - | - | - | - | 4 |
| - | - | - | - | 5 |
| - | 3,779,771 | - | - | 6 |
| - | - | - | - | 7 |
| - | 1,040,593,776 | - | - | 8 |
| - | - | - | - | 9 |
| - | - | - | - | 10 |
| - | 5,630,857 | - | - | 11 |
| - | 54,233,162 | - | - | 12 |
| - | 1,100,457,795 | - | - | 13 |
| - | (427,713,134) | - | - | 14 |
| - | 672,744,661 | - | - | 15 |
| | | | | 16 |
| | | | | 17 |
| - | (389,231,543) | - | - | 18 |
| | | | | 19 |
| | | | | 20 |
| - | (28,678,469) | - | - | 21 |
| - | (417,910,012) | - | - | 22 |
| | | | | 23 |
| - | - | - | - | 24 |
| - | - | - | - | 25 |
| - | - | - | - | 26 |
| | | | | 27 |
| - | - | - | - | 28 |
| - | - | - | - | 29 |
| - | - | - | - | 30 |
| | | | | 31 |
| - | (9,803,122) | - | - | 32 |
| - | (427,713,134) | - | - | 33 |

| | | | |
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GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.

2. In addition to Account 101, *Gas Plant in Service(Classified)*, this page and the next include Account 102, *Gas Plant Purchased or Sold*, Account 103, *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified -- Gas*.

3. Include in column (c) or (d), as appropriate corrections of additions and retirements for the current or preceding year.

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.

5. Classify Account 106 according to prescribed accounts, on an

estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

| Line No. | Account (a) | Balance at Beginning of Year (b) | Additions (c) |
|----------|---|-------------------------------------|------------------|
| 1 | INTANGIBLE PLANT | | |
| 2 | 301 Organization | 15,600 | - |
| 3 | 302 Franchises and Consents | 13,823 | - |
| 4 | 303 Miscellaneous Intangible Plant | 31,983,576 | 541,614 |
| 5 | TOTAL Intangible Plant (Enter Total of lines 2 thru 4) | 32,012,999 | 541,614 |
| 6 | PRODUCTION PLANT | | |
| 7 | Natural Gas Production and Gathering Plant | | |
| 8 | 304 Land and Land Rights | | - |
| 9 | 305 Structures and Improvements | | - |
| 10 | 306 Boiler Plant Equipment | | - |
| 11 | 307 Other Power Equipment | | - |
| 12 | 311 Liquefied Petroleum Gas Equipment | | |
| 13 | 313 Generating Equipment- Other Processes | | - |
| 14 | 320 Other Equipment | | - |
| 15 | 325.1 Producing Lands | - | - |
| 16 | 325.2 Producing Leaseholds | - | - |
| 17 | 325.3 Gas Rights | - | - |
| 18 | 325.4 Rights-of-Way | - | - |
| 19 | 325.5 Other Land and Land Rights | - | - |
| 20 | 326 Gas Well Structures | - | - |
| 21 | 327 Field Compressor Station Structures | - | - |
| 22 | 328 Field Measuring and Regulating Station Equipment | - | - |
| 23 | 329 Other Structures | - | - |
| 24 | 330 Producing Gas Wells -- Well Construction | - | - |
| 25 | 331 Producing Gas Wells -- Well Equipment | - | - |
| 26 | 332 Field Lines | - | - |
| 27 | 333 Field Compressor Station Equipment | - | - |
| 28 | 334 Field Measuring and Regulating Station Equipment | - | - |
| 29 | 335 Drilling and Cleaning Equipment | - | - |
| 30 | 336 Purification Equipment | - | - |
| 31 | 337 Other Equipment | - | - |
| 32 | 338 Unsuccessful Exploration and Development Costs | - | - |
| 33 | TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25) | - | - |
| 34 | PRODUCTS EXTRACTION PLANT | | |
| 35 | 340 Land and Land Rights | - | - |
| 36 | 341 Structures and Improvements | - | - |
| 37 | 342 Extraction and Refining Equipment | - | - |
| 38 | 343 Pipe Lines | - | - |
| 39 | 344 Extracted Products Storage Equipment | - | - |
| 40 | 345 Compressor Equipment | - | - |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
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| GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106) (Continued) | | | | |
|--|------------------------|--|----------------------------------|-------------|
| <p>including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.</p> <p>6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc.,</p> | | <p>and show in column (f) only the offset to the debits or credits to primary account classifications.</p> <p>7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.</p> <p>8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.</p> | | |
| Retirements (d) | Adjustments (2) (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
| | | | | 1 |
| - | - | - | 15,600 | 2 |
| - | - | - | 13,823 | 3 |
| | - | | 32,525,190 | 4 |
| - | - | - | 32,554,613 | 5 |
| | | | | 6 |
| | | | | 7 |
| - | - | - | - | 8 |
| | - | - | - | 9 |
| - | - | - | - | 10 |
| - | - | - | - | 11 |
| | - | - | - | 12 |
| - | - | - | - | 13 |
| - | - | - | - | 14 |
| - | - | - | - | 15 |
| - | - | - | - | 16 |
| - | - | - | - | 17 |
| - | - | - | - | 18 |
| - | - | - | - | 19 |
| - | - | - | - | 20 |
| - | - | - | - | 21 |
| - | - | - | - | 22 |
| - | - | - | - | 23 |
| - | - | - | - | 24 |
| - | - | - | - | 25 |
| - | - | - | - | 26 |
| - | - | - | - | 27 |
| - | - | - | - | 28 |
| - | - | - | - | 29 |
| - | - | - | - | 30 |
| - | - | - | - | 31 |
| - | - | - | - | 32 |
| - | - | - | - | 33 |
| | | | | 34 |
| - | - | - | - | 35 |
| - | - | - | - | 36 |
| - | - | - | - | 37 |
| - | - | - | - | 38 |
| - | - | - | - | 39 |
| - | - | - | - | 40 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---|---------------------------------------|----------------------------|
| GAS PLANT IN SERVICE (Accounts 101,102,103, and 106) (Continued) | | | | |
| Line No. | Account (a) | Balance at Beginning of Year (b) | Additions (c) | |
| 34 | 346 Gas Measuring and Regulating Equipment | - | - | |
| 35 | 347 Other Equipment | - | - | |
| 36 | TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35) | - | - | |
| 37 | TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36) | - | - | |
| 38 | Manufactured Gas Production Plant (<i>Submit Supplementary Statement</i>) | - | - | |
| 39 | TOTAL Production Plant (Enter Total of lines 37 and 38) | - | - | |
| 40 | NATURAL GAS STORAGE AND PROCESSING PLANT | | | |
| 41 | Underground Storage Plant | | | |
| 42 | 350.1 Land | - | - | |
| 43 | 350.2 Rights-of-Way | - | - | |
| 44 | 351 Structures and Improvements | - | - | |
| 45 | 352 Wells | - | - | |
| 46 | 352.1 Storage Leaseholds and Rights | - | - | |
| 47 | 352.2 Reservoirs | - | - | |
| 48 | 352.3 Non-recoverable Natural Gas | - | - | |
| 49 | 353 Lines | - | - | |
| 50 | 354 Compressor Station Equipment | - | - | |
| 51 | 355 Measuring and Regulating Equipment | - | - | |
| 52 | 356 Purification Equipment | - | - | |
| 53 | 357 Other Equipment | - | - | |
| 54 | TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53) | - | - | |
| 55 | Other Storage Plant | | | |
| 56 | 360 Land and Land Rights | | - | |
| 57 | 361 Structures and Improvements | | - | |
| 58 | 362 Gas Holders | | - | |
| 59 | 363 Purification Equipment | | - | |
| 60 | 363.1 Liquefaction Equipment | - | - | |
| 61 | 363.2 Vaporizing Equipment | - | - | |
| 62 | 363.3 Compressor Equipment | - | - | |
| 63 | 363.4 Measuring and Regulating Equipment | - | - | |
| 64 | 363.5 Other Equipment | | - | |
| 65 | TOTAL Other Storage Plant (Enter Total of lines 56 thru 64) | - | - | |
| 66 | Base Load Liquefied Natural Gas Terminating and Processing Plant | | | |
| 67 | 364.1 Land and Land Rights | - | - | |
| 68 | 364.2 Structures and Improvements | - | - | |
| 69 | 364.3 LNG Processing Terminal Equipment | - | - | |
| 70 | 364.4 LNG Transportation Equipment | - | - | |
| 71 | 364.5 Measuring and Regulating Equipment | - | - | |
| 72 | 364.6 Compressor Station Equipment | - | - | |
| 73 | 364.7 Communications Equipment | - | - | |
| 74 | 364.8 Other Equipment | - | - | |
| 75 | TOTAL Base Load Liquefied Nat'l Gas, Terminating and Processing Plant (lines 67-74) | - | - | |
| 76 | TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 54, 65 and 75) | - | - | |
| 77 | TRANSMISSION PLANT | | | |
| 78 | 365.1 Land and Land Rights | | - | |
| 79 | 365.2 Rights-of-Way | | - | |
| 80 | 366 Structures and Improvements | | - | |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 | |
| GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued) | | | | |
| Retirements (d) | Adjustments (2) (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
| - | - | - | - | 34 |
| - | - | - | - | 35 |
| - | - | - | - | 36 |
| | - | - | - | 37 |
| - | - | - | - | 38 |
| - | - | - | - | 39 |
| | | | | 40 |
| | | | | 41 |
| - | - | - | - | 42 |
| - | - | - | - | 43 |
| - | - | - | - | 44 |
| - | - | - | - | 45 |
| - | - | - | - | 46 |
| - | - | - | - | 47 |
| - | - | - | - | 48 |
| - | - | - | - | 49 |
| - | - | - | - | 50 |
| - | - | - | - | 51 |
| - | - | - | - | 52 |
| - | - | - | - | 53 |
| - | - | - | - | 54 |
| | | | | 55 |
| - | - | - | - | 56 |
| - | - | - | - | 57 |
| - | - | - | - | 58 |
| | - | - | - | 59 |
| - | - | - | - | 60 |
| - | - | - | - | 61 |
| - | - | - | - | 62 |
| - | - | - | - | 63 |
| - | - | - | - | 64 |
| - | - | - | - | 65 |
| | | | | 66 |
| - | - | - | - | 67 |
| - | - | - | - | 68 |
| - | - | - | - | 69 |
| - | - | - | - | 70 |
| - | - | - | - | 71 |
| - | - | - | - | 72 |
| - | - | - | - | 73 |
| - | - | - | - | 74 |
| - | - | - | - | 75 |
| - | - | - | - | 76 |
| | | | | 77 |
| | - | - | - | 78 |
| | - | - | - | 79 |
| | - | - | - | 80 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|--|---|---------------------------------------|----------------------------|
| GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106) (Continued) | | | | |
| Line No. | Account (a) | Balance at Beginning of Year (b) | Additions (c) | |
| 81 | 367 Mains | - | - | |
| 82 | 368 Compressor Station Equipment | - | - | |
| 83 | 369 Measuring and Regulating Station Equipment | - | - | |
| 84 | 370 Communication Equipment | - | - | |
| 85 | 371 Other Equipment | - | - | |
| 86 | TOTAL Transmission Plant (Enter Total of lines 78 thru 85) | - | - | |
| 87 | DISTRIBUTION PLANT | | | |
| 88 | 374 Land and Land Rights | 2,367,034 | 264,829 | |
| 89 | 375 Structures and Improvements | 9,507,859 | 1,948,061 | |
| 90 | 376 Mains | 403,160,165 | 20,783,262 | |
| 91 | 377 Compressor Station Equipment | | - | |
| 92 | 378 Measuring and Regulating Station Equipment-General | 12,745,285 | 297,729 | |
| 93 | 379 Measuring and Regulating Station Equipment-City Gate | 3,640,823 | 1,137,624 | |
| 94 | 380 Services | 338,382,196 | 9,614,472 | |
| 95 | 381 Meters | 33,673,497 | 1,862,804 | |
| 96 | 382 Meter Installations | 80,993,826 | 2,488,429 | |
| 97 | 383 House Regulators | 13,693,586 | 456,538 | |
| 98 | 384 House Regulator Installations | | | |
| 99 | 385 Industrial Measuring and Regulating Station Equipment | 389,168 | 43,236 | |
| 100 | 386 Other Property on Customers' Premises | | - | |
| 101 | 387 Other Equipment | | - | |
| 102 | TOTAL Distribution Plant (Enter Total of lines 88 thru 101) | 898,553,439 | 38,896,984 | |
| 103 | GENERAL PLANT | | | |
| 104 | 389 Land and Land Rights | 1,058,065 | - | |
| 105 | 390 Structures and Improvements | 2,769,786 | 68,702 | |
| 106 | 391 Office Furniture and Equipment | 9,339,003 | 298,391 | |
| 107 | 392 Transportation Equipment | 11,474,455 | 1,508,068 | |
| 108 | 393 Stores Equipment | 627,865 | 34,499 | |
| 109 | 394 Tools, Shop, and Garage Equipment | 6,121,758 | 412,214 | |
| 110 | 395 Laboratory Equipment | | - | |
| 111 | 396 Power Operated Equipment | 1,143,241 | 378,159 | |
| 112 | 397 Communication Equipment | 40,772,620 | 2,446,484 | |
| 113 | 398 Miscellaneous Equipment | 784,768 | 17,017 | |
| 114 | Subtotal (Enter Total of lines 104 thru 113) | 74,091,561 | 5,163,534 | |
| 115 | 399 Other Tangible Property | | - | |
| 116 | TOTAL General Plant (Enter Total of lines 114 and 115) | 74,091,561 | 5,163,534 | |
| 117 | TOTAL (Accounts 101 and 106) | 1,004,657,999 | 44,602,132 | |
| 118 | Gas Plant Purchased (See Instruction 8) | - | - | |
| 119 | (Less) Gas Plant Sold (See Instruction 8) | - | | |
| 120 | Experimental Gas Plant Unclassified | - | - | |
| 121 | TOTAL Gas Plant in Service (Enter Total of lines 117 thru 120) | 1,004,657,999 | 44,602,132 | |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 | |
| GAS PLANT IN SERVICE (ACCOUNTS 101,102,103, and 106) (Continued) | | | | |
| Retirements (d) | Adjustments (2) (e) | Transfers (f) | Balance at End of Year (g) | Line No. |
| - | - | - | - | 81 |
| - | - | - | - | 82 |
| - | - | - | - | 83 |
| - | - | - | - | 84 |
| - | - | - | - | 85 |
| - | - | - | - | 86 |
| | | | | 87 |
| - | - | - | 2,631,863 | 88 |
| (7,326) | - | - | 11,448,594 | 89 |
| (1,577,563) | - | 18,694 | 422,384,558 | 90 |
| - | - | - | - | 91 |
| (66,381) | - | (4,137) | 12,972,496 | 92 |
| (14,055) | - | 4,137 | 4,768,529 | 93 |
| (1,793,376) | - | (18,694) | 346,184,598 | 94 |
| (913,494) | - | - | 34,622,807 | 95 |
| (439,072) | - | (40,503) | 83,002,680 | 96 |
| (76,449) | - | 40,503 | 14,114,178 | 97 |
| - | - | - | - | 98 |
| - | - | - | 432,404 | 99 |
| - | - | - | - | 100 |
| - | - | - | - | 101 |
| (4,887,716) | - | - | 932,562,707 | 102 |
| | | | | 103 |
| - | - | - | 1,058,065 | 104 |
| - | - | - | 2,838,488 | 105 |
| (66,059) | - | - | 9,571,335 | 106 |
| (370,515) | - | - | 12,612,008 | 107 |
| - | - | - | 662,364 | 108 |
| (239,780) | - | - | 6,294,192 | 109 |
| - | - | - | - | 110 |
| (61,905) | - | - | 1,459,495 | 111 |
| (3,031,087) | - | - | 40,188,017 | 112 |
| (9,293) | - | - | 792,492 | 113 |
| (3,778,639) | - | - | 75,476,456 | 114 |
| - | - | - | - | 115 |
| (3,778,639) | - | - | 75,476,456 | 116 |
| (8,666,355) | - | - | 1,040,593,776 | 117 |
| | - | - | - | 118 |
| | | | | 119 |
| - | - | - | - | 120 |
| (8,666,355) | - | - | 1,040,593,776 | 121 |

| | | | | |
|--|---|---|--|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| CONSTRUCTION WORK IN PROGRESS-GAS (ACCOUNT 107) | | | | |
| 1. Report below descriptions and balances at end of year of projects in process of construction (Account 107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$1,000,000) may be grouped. | | | | |
| Line No. | Description of Project (a) | Construction Work in Progress-Gas (Account 107) (b) | Estimated Additional Cost of Project (c) | |
| 1 | MISSOURI GAS ENERGY | | | |
| 2 | Major addition to: | | | |
| 3 | Little Blue River Relocation Project | 1,287,227 | | |
| 4 | REX Interconnect Project | 1,030,973 | - | |
| 5 | Minor additions to: | | | |
| 6 | Dist sys -Contribution in Aid of Construction | (61,391) | - | |
| 7 | Distribution System | 3,092,435 | - | |
| 8 | General Plant | 122,960 | - | |
| 9 | Intangible Plant: | 158,653 | - | |
| 10 | sub-total | 5,630,857 | - | |
| 11 | | | | |
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| 44 | | | | |
| 45 | | | | |
| 46 | TOTAL | 5,630,857 | - | |

| | | | |
|--|--|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="checked" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE | | | |
| <p>1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.</p> <p>2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.</p> <p>3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.</p> | | | |

Construction Overhead

1. Administrative and General and Engineering and Supervision:

- (A) Components of overhead cost are considered to be administrative salaries and expenses, employee fringe benefits and certain other general costs devoted to general planning and administration of construction program.
- (B) The proportion of such overhead costs charged to construction is based upon an analysis made annually.
- (C) The applicable monthly construction overhead is recorded in a clearing account and then capitalized to construction as a percent of direct costs to construction exclusive of overhead previously allocated.
- (D) Overhead costs are spread equitably to all construction except certain specific work orders which may be exempted based upon circumstances of construction.
- (E) Certain specific jobs may be exempted as company personnel may be directly assigned for the project. In those cases, all salaries and expenses are charged direct.
- (F) Overhead charges are indirectly assigned except for those projects described in (E).

2. Allowance for Funds Used During Construction:

- (A) AFUDC is charged to all classes of property for those specific jobs requiring more than 30 days to complete except those for purchases of equipment which are available for service upon request.
- (B) AFUDC is compounded monthly.
- (C) AFUDC is computed during the period of physical construction and terminates at inservice.
- (D) Allowance for Funds Rate is calculated in accordance with Order No. 561.

| | | | | | | | | | |
|---|---|--|-----------------------------|--|-------------|---------------------|----------|--------------------|----------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 | | | | | | |
| GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (continued) | | | | | | | | | |
| <u>COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES</u> | | | | | | | | | |
| <p>1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.</p> <p>2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.</p> <p>3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.</p> | | | | | | | | | |
| 1. Components of Formula (Derived from actual book balances and actual cost rates): | | | | | | | | | |
| Title (a) | Amount (b) | Capitalization Ratio (Percent) (c) | Cost Rate Percentage (d) | | | | | | |
| (1) Average Short-Term Debt | S | | | | | | | | |
| (2) Short-Term Interest | | | s | | | | | | |
| (3) Long-Term Debt | D | | d | | | | | | |
| (4) Preferred Stock | P | | p | | | | | | |
| (5) Common Equity | C | | c | | | | | | |
| (6) Total Capitalization | | 100% | | | | | | | |
| (7) Average Construction Work in Progress Balance | W See Note: | | | | | | | | |
| 2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D + P + C))(1-(S/W))]$ | | | | | | | | | |
| 3. Rate for Other Funds $[1-(S/W)][p(P/(D + P + C)) + c(C/D + P + C)]$ | | | | | | | | | |
| <p>4. Weighted Average Rate Actually Used for the Year:</p> <p>a. Rate for Borrowed Funds -</p> <p>b. Rate for Other Funds -</p> | | | | | | | | | |
| <p>Note: The average AFUDC rate for Missouri Gas Energy:</p> <table> <tr> <td></td> <td>Annual Rate</td> </tr> <tr> <td>Jan 2011 - Jul 2011</td> <td>2.8240 %</td> </tr> <tr> <td>Aug 2011 -Dec 2011</td> <td>2.6707 %</td> </tr> </table> | | | | | Annual Rate | Jan 2011 - Jul 2011 | 2.8240 % | Aug 2011 -Dec 2011 | 2.6707 % |
| | Annual Rate | | | | | | | | |
| Jan 2011 - Jul 2011 | 2.8240 % | | | | | | | | |
| Aug 2011 -Dec 2011 | 2.6707 % | | | | | | | | |

| | | | | | |
|---|--|---|---|---------------------------------------|-----------------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 |
| ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108) | | | | | |
| 1. Explain in a footnote any important adjustments during year. 2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property. 3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a | | | significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications. 4. Show separately interest credits under a sinking fund or similar method of depreciation accounting. 5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g. 7.01, 7.02, etc. | | |
| Line No. | Item (a) | Total (c+d+e) (b) | Gas Plant in Service (c) | Gas Plant Held for Future Use (d) | Gas Plant Leased to Others (e) |
| Section A. BALANCE AND CHANGES DURING YEAR | | | | | |
| 1 | Balance Beginning of Year | 365,852,050 | 365,852,050 | - | - |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | 27,578,257 | 27,578,257 | - | - |
| 4 | (413) Expense of Gas Plant Leased to Others | - | - | | - |
| 5 | Transportation Expenses - Clearing | 1,254,181 | 1,254,181 | | |
| 6 | Other Clearing Accounts | (447,935) | (447,935) | - | - |
| 7 | Other (Specify): <i>New England Division beg.bal.</i> | - | - | - | - |
| 7.01 | Reclass of conversion balances | - | - | - | - |
| 8 | TOTAL Deprec. Prov. for Year | 28,384,503 | 28,384,503 | - | - |
| 9 | Net Charges for Plant Retired: | | | | |
| 10 | Book Cost of Plant Retired 1080.002 | (8,666,355) | (8,666,355) | - | - |
| 11 | Cost of Removal 1080.003 & 1087.003 | (1,082,901) | (1,082,901) | - | - |
| 12 | Salvage (Credit) 1080.004 | 315,026 | 315,026 | - | - |
| 13 | TOTAL Net Chrgs for Plant Ret. (Total of lines 10 thru 12) | (9,434,230) | (9,434,230) | - | - |
| 14 | Other Debit or Credit Items (Describe): Sale of assets to FPUC | - | - | - | - |
| 14.01a | Contributions | 3,173,414 | 3,173,414 | - | - |
| 14.01b | Cost of Removal | 1,255,806 | 1,255,806 | - | - |
| 14.02 | Transfers from 1110 | - | - | - | - |
| 14.03 | Transfer of accumulated Reserve | - | - | - | - |
| 14.04 | Prior period adjustments | - | - | - | - |
| 14.05 | Out of period adjustment | - | - | - | - |
| 15 | Balance End of Year | 389,231,543 | 389,231,543 | - | - |
| Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS | | | | | |
| 16 | Production-Manufactured Gas | - | - | - | - |
| 17 | Production and Gathering- Natural Gas | - | - | - | - |
| 18 | Products Extraction- Natural Gas | - | - | - | - |
| 19 | Underground Gas Storage | - | - | - | - |
| 20 | Other Storage Plant | - | - | - | - |
| 21 | Base Load LNG Terminaling and Processing Plant | - | - | - | - |
| 22 | Transmission | - | - | - | - |
| 23 | Distribution | 366,445,721 | 366,445,721 | - | - |
| 24 | General | 22,785,822 | 22,785,822 | - | - |
| 25 | TOTAL (Total of lines 16 thru 24) | 389,231,543 | 389,231,543 | - | - |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year Ending 2011 | | | |
|---|------------------------------|---|------------------------|--|------------------------|--------------------------------|----------------------------|----------------------------|--------------|
| GAS STORED (ACCOUNTS 117.1, 117.2, 117.3, 117.4, 164.1, 164.2 AND 164.3) | | | | | | | | | |
| 1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustment, the Dth and dollar amount of adjustment, and account charged or credited. | | | | 2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts. 3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e. fixed assets method or inventory method). | | | | | |
| Line No. | Description (a) | (Account 117.1) (b) | (Account 117.2) (c) | Noncurrent (Account 117.3) (d) | (Account 117.4) (e) | Current (Account 164.1) (f) | LNG (Account 164.2) (g) | LNG (Account 164.3) (h) | Total (i) |
| 1 | Balance at Beginning of Year | - | - | - | - | 53,454,979 | | | 53,454,979 |
| 2 | Gas Delivered to Storage | - | - | - | - | 74,813,320 | | | 74,813,320 |
| 3 | Gas Withdrawn from Storage | - | - | - | - | (68,011,634) | | - | (68,011,634) |
| 4 | Other Debits or Credits | - | - | - | - | | - | | - |
| 5 | Balance at End of Year | - | - | - | - | 60,256,665 | - | | 60,256,665 |
| 6 | Mcf | - | - | - | - | 13,902,880 | | - | 13,902,880 |
| 7 | Amount Per Mcf | - | - | - | - | \$ 4.33 | #DIV/0! | \$ - | \$ 4.33 |

Mcf reported at 14.73 psi

| | | | | |
|---|---------------------------|---|--|------------------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| INVESTMENTS (ACCOUNT 123, 124, AND 136) | | | | |
| <p>1. Report below investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investments</i>, and 136, <i>Temporary Cash Investments</i>.</p> <p>2. Provide a subheading for each account and list thereunder the information called for:</p> <p>(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, <i>Other Investments</i>, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, <i>Temporary Cash Investments</i>, also may be grouped by classes.</p> <p>(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account.</p> | | | | |
| Line No. | Description of Investment | * | Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) | Purchases or Additions During Year |
| | (a) | (b) | (c) | (d) |
| 1 | | | | |
| 2 | Account 123- NONE | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | Account 124- NONE | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | Account 136-NONE | | | |
| 11 | | | | - |
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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
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INVESTMENTS (ACCOUNT 123, 124, AND 136) (Continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

| Sales or Other Dispositions During Year (e) | Principal Amount or No. of Shares at End of Year (f) | Book cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (g) | Revenues for Year (h) | Gain or Loss from Investment Disposed of (i) | Line No. |
|--|---|---|------------------------------|---|----------|
| - | | - | | - | 1 |
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|--|-----------------------------|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulator Study Costs (Acct 182.2) | | | | |
| PREPAYMENTS (ACCOUNT 165) | | | | |
| 1. Report below the particulars (details) on each prepayment. | | | | |
| Line No. | Nature of Prepayment (a) | | | |
| 1 | Prepaid Insurance | | | 962,277 |
| 2 | Prepaid Rents | | | - |
| 3 | Prepaid Taxes | | | |
| 4 | Prepaid Interest | | | - |
| 5 | Miscellaneous Prepayments | | | 113,123 |
| 6 | TOTAL | | | 1,075,400 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <u> X </u> An Original <u> </u> A Resubmission | | Date of Report December 31, | | Year Ending 2011 | |
|--|---|---|--|---|-----------------------------------|----------------------------|--|
| Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulator Study Costs (Acct 182.2) | | | | | | | |
| | | | | | | | |
| EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1) | | | | | | | |
| Line No. | Description of Extraordinary Loss [Include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] Add rows as necessary to report all data. <div>(a)</div> | Balance at Beginning of Year <div>(b)</div> | Total Amount of Loss <div>(c)</div> | Losses Recognized During Year <div>(d)</div> | WRITTEN OFF DURING YEAR | | Balance at End of Year <div>(g)</div> |
| | | | | | Account Charged <div>(e)</div> | Amount <div>(f)</div> | |
| 7 | NONE | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | TOTAL | | | | | | - |
| | | | | | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year Ending 2011 | |
|--|--|---|--------------------------------|---------------------------------------|-------------------------|----------------------------|-------------------------------|
| Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulator Study Costs (Acct 182.2) | | | | | | | |
| UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2) | | | | | | | |
| Line No. | Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a) | Balance at Beginning of Year (b) | Total Amount of Charges (c) | Costs Recognized During Year (d) | WRITTEN OFF DURING YEAR | | Balance at End of Year (g) |
| | | | | | Account Charged (e) | Amount (f) | |
| 16 | NONE | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
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| 25 | | | | | | | |
| 26 | TOTAL | | | | | | - |

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|--|--|---|-----------|-------------------------|---------------------------------------|---------------------------------|----------------------------|--|
| Name of Respondent Missouri Gas Energy | | This Report Is: <u> X </u> An Original <u> </u> A Resubmission | | | Date of Report December 31, | | Year Ending 2011 | |
| OTHER REGULATORY ASSETS (ACCOUNT 182.3) | | | | | | | | |
| 1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts). 2. For regulatory assets being amortized, show period of amortization in column (a). 3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes. 4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses. 5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision). | | | | | | | | |
| Line No. | Description and Purpose of Other Regulatory Assets | Balance at Beginning of Year | Debits | WRITTEN OFF DURING YEAR | WRITTEN OFF DURING YEAR | WRITTEN OFF DURING YEAR | Balance at End of Year | |
| | (a) | (b) | (c) | Account Charged (d) | Amount Recovered (e) | Amount Deemed Unrecoverable (f) | (g) | |
| 1 | Missouri Safety Program Gas | | | | | | | |
| 2 | Service Line Replacement Costs: | | | | | | | |
| 3 | | | | | | | | |
| 4 | SLRP Order #5 | | | | | | | |
| 5 | Approved by MPSC for plant investments | 535,626 | - | 403 | 208,349 | | 0 | |
| 6 | effective June 1998. Amortized over 10 years | | | 408 | 37,150 | | | |
| 7 | beginning August 2001. | | | 419 | 290,127 | | | |
| 8 | | | | | | | | |
| 9 | SLRP Order #6 | | | | | | | |
| 10 | Approved by MPSC for plant investments | 611,115 | - | 403 | 69,533 | | 448,151 | |
| 11 | effective July 2001. Amortized over 10 years | | | 408 | 20,508 | | | |
| 12 | beginning October 2004. | | | 419 | 72,923 | | | |
| 13 | | | | | | | | |
| 14 | FAS 106 | 5,151,498 | | 926 | 2,664,792 | | 2,486,706 | |
| 15 | Amortization of transition obligation | | | | | | | |
| 16 | (fully amortized December 2012) | | | | | | | |
| 17 | | | | | | | | |
| 18 | Property Tax Deferral | 3,518,654 | 1,515,216 | 408 | | | 5,033,870 | |
| 19 | | | | | | | | |
| 20 | | | | | | | | |
| 21 | Cost of Removal | 212,561 | | 403 | 170,052 | | 42,509 | |
| 22 | | | | | | | | |
| 23 | Gr 2004 - 0209 Pension Deferral | 2,977,889 | - | 926 | 2,977,889 | | 0 | |
| 24 | | | | | | | | |
| 25 | Rate Case Expense | 635,596 | 0 | 928 | 293,352 | | 342,244 | |
| 26 | | | | | | | | |
| 27 | Infinium Software | 249,985 | | 425 | 199,992 | | 49,993 | |
| 28 | | | | | | | | |
| 29 | Cold Weather Rule | - | | 904 | - | | 0 | |
| 30 | | | | | | | | |
| 31 | Energy Efficiency | 1,524,155 | 2,445,878 | 232, 431 | 0 | | 3,970,033 | |
| 32 | | | | | | | | |
| 33 | Union Negotiations | 445,746 | 0 | 425 | 133,728 | | 312,018 | |
| 34 | | | | | | | | |
| 35 | Prepaid Pension | 10,010,698 | 2,167,229 | 926, 182 | 4,183,796 | | 7,994,131 | |
| 36 | | | | | | | | |
| 37 | FAS 106 Deferral | - | 0 | 926 | 0 | | 0 | |
| 38 | | | | | | | | |
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| 44 | | | | | | | | |
| 45 | | | | | | | | |
| 46 | TOTAL | 25,873,523 | 6,128,323 | | 11,322,191 | | 20,679,655 | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year Ending 2011 | |
|--|---|---|-------------------|---------------------------------------|---------------|-----------------------------------|--|
| MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186) | | | | | | | |
| 1. Report below the details called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a). 3. Minor items (less than \$250,000) may be grouped by classes. | | | | | | | |
| Line No. | Description of Miscellaneous Deferred Debits (a) | Balance at Beginning of Year (b) | Debits (c) | CREDITS | | Balance at End of Year (f) | |
| | | | | Account Charged (d) | Amount (e) | | |
| 1 | | | | | | | |
| 2 | MPSC Assessment - 12 mos | 812,400 | 1,764,794 | 928 | 1,820,853 | 756,341 | |
| 3 | | - | | | | - | |
| 4 | Broadway Lease - Leasehold | 63,590 | | 131 | 16,958 | 46,632 | |
| 5 | amortized through 09-2014 | | | | | | |
| 6 | | | | | | | |
| 7 | Broadway Lease | 702,184 | - | 242 | 142,817 | 559,367 | |
| 8 | amortized through 11-2015 | | | | | | |
| 9 | | | | | | | |
| 10 | Post Retirements Benefits | 3,164,876 | 198,131 | | 2,914,314 | 448,693 | |
| 11 | | | | | | | |
| 12 | Other | 43,162 | 470,505 | 182, 234 | 483,977 | 29,690 | |
| 13 | | | | 425, 923 | | | |
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| 39 | | | | | | | |
| 40 | | | | | | | |
| 41 | Miscellaneous Work in Progress | | | | | | |
| 42 | TOTAL | 4,786,212 | 2,433,430 | | 5,378,919 | 1,840,723 | |

| | | | |
|--|--|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES | | | |
| <p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.</p> | | | |
| Line No. | DETAILS (a) | Amount (b) | |
| 1 | Net Income for the Year (Page 116) | 29,927,647 | |
| 2 | Reconciling Items for the Year | | |
| 3 | | | |
| 4 | | | |
| 5 | Taxable Income Not Reported on Books | | |
| 6 | See Note Below | | |
| 7 | | | |
| 8 | | | |
| 9 | Deduction Recorded on Books Not Deducted for Return | | |
| 10 | See Note Below | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | Income Recorded on Books Not Included in Return | | |
| 15 | See Note Below | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | Deductions on Return Not Charged Against Book Income | | |
| 20 | See Note Below See page 261-1 | 2,493,682 | |
| 21 | | | |
| 22 | Note: | | |
| 23 | The company now utilizes Schedule M-3 rather than Schedule M-1 in its Federal Income Tax Return. Therefore, the classification | | |
| 24 | among the four captions above is no longer applicable. All permanent & temporary book/tax differences in the tax accruals | | |
| 25 | are included on Line 20 above and the details are shown on the attached page 261-1. | | |
| 26 | | | |
| 27 | Federal Tax Net Income | 32,421,329 | |
| 28 | Show Computation of Tax: | | |
| 29 | | | |
| 30 | See page 261-2 | | |
| 31 | | | |

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|--|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES | | | | |
| <p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.</p> | | | | |
| Line No. | DETAILS (a) | Amount (4) (b) | | |
| 1 | | | | |
| 2 | Permanent Differences | | | |
| 3 | | | | |
| 4 | Non Deductible Penalties | 0 | | |
| 5 | Club Dues | 0 | | |
| 6 | Lobbying Expense | 80,091 | | |
| 7 | Meals & Entertainment | 23,366 | | |
| 8 | Medicare Part D | 0 | | |
| 9 | Federal Income Tax (current) | 13,488,165 | | |
| 10 | Federal Income Tax (deferred) | 2,691,407 | | |
| 11 | Federal Income Tax (st & loc def) | 456,777 | | |
| 12 | | | | |
| 13 | Sub-Total Permanent Differences on this page | 16,739,806 | | |
| 14 | | | | |
| 15 | | | | |
| 16 | Temporary Differences | | | |
| 17 | | | | |
| 18 | Bad Debt Reserve | (1,100,000) | | |
| 19 | Injuries & Damages | 1,620,970 | | |
| 20 | Group Medical Reserve | 162,000 | | |
| 21 | Book Amortization | 1,616,249 | | |
| 22 | Clearing Accounts | 39,563 | | |
| 23 | Property Taxes Accrued/Paid | 1,491,181 | | |
| 24 | Prepaid Postage | (26,417) | | |
| 25 | Employee Pension Benefits | 1,656,156 | | |
| 26 | Tax Amortization (1994-95 Audit) | 0 | | |
| 27 | Tax Amortization (GW & Other) | 0 | | |
| 28 | Tax Amortization (GW - Vacation accrual) | 0 | | |
| 29 | Tax Amortization (GW - Bad debt Reserve) | 0 | | |
| 30 | Amortization - Regulatory Costs | (2,312,150) | | |
| 31 | Vacation Accrual | 44,439 | | |
| 32 | Deferred Pension Liability | 360,411 | | |
| 33 | Tax Gain/Loss Sale of Assets | (2,005,010) | | |
| 34 | Taxable CIAC | 1,924,220 | | |
| 35 | Book Depreciation | 27,578,258 | | |
| 36 | Tax Deprecation | (75,000,000) | | |
| 37 | Deferred FAS 106 Costs | 87,633 | | |
| 38 | Amortizable Rate Case Cost | 293,352 | | |
| 39 | Cold Weather Rule | 0 | | |
| 40 | SLRP (2nd Order) | 0 | | |
| 41 | SLRP (3rd Order) | 0 | | |
| 42 | SLRP (4th Order) | 0 | | |
| 43 | SLRP (5th Order) | 535,626 | | |
| 44 | SLRP (6th Order) | 162,964 | | |
| 45 | Cost of Removal | 170,052 | | |
| 46 | Incentive Accrual Compensation | 212,941 | | |
| 47 | Rate Case Deferral | 0 | | |
| 48 | Deferred Cost of Gas | 28,470,547 | | |
| 49 | Deferral of Infinium Software | 199,992 | | |
| 50 | Environmental Expense | (429,101) | | |
| 51 | | | | |
| 52 | Sub-total Temporary Differences | (14,246,124) | | |
| 53 | | | | |
| 54 | Summary of Book/Tax Differences | | | |
| 55 | Permanent Differences | 16,739,806 | | |
| 56 | | | | |
| 57 | | | | |
| 58 | Temporary Differences | (14,246,124) | | |
| 59 | | | | |
| 60 | | | | |
| 61 | | | | |
| 62 | | | | |
| 63 | | | | |
| 64 | | | | |
| 65 | | | | |
| 66 | | | | |
| 67 | Total Book/Tax Differences | 2,493,682 | | |

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|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

| Line No. | DETAILS (a) | Amount (4) (b) |
|----------|------------------------------------|-------------------|
| 1 | Regular Tax Calculation: | |
| 2 | Total income | 32,421,329 |
| 3 | Deduction before environmental tax | - |
| 4 | Add: Environmental tax | - |
| 5 | Total deduction | - |
| 6 | Taxable income before NOL | 32,421,329 |
| 7 | NOL carryforward | |
| 8 | Taxable income | 32,421,329 |
| 9 | | |
| 10 | Tax Calculation: | |
| 11 | Regular tax @ 35% | 11,347,465 |
| 12 | Less: AMT credit | |
| 13 | Add: Alternative minimum tax | - |
| 14 | Add: Environmental tax | - |
| 15 | Total tax | 11,347,465 |
| 16 | | |
| 17 | Federal Tax: | |
| 18 | Current Year | 11,347,465 |
| 19 | Return to Accrual - 2009 | 2,140,699 |
| 20 | Total Federal Tax (Per Page 262) | 13,488,164 |
| 21 | | |
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| Name of Respondent Missouri Gas Energy | | This Report Is: <u> X </u> An Original <u> </u> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|---|---|---|---------------------------------------|----------------------------|
| TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR, DISTRIBUTION OF TAXES CHARGES | | | | |
| <p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p> | | | | |
| Line No. | Kind of Tax (See Instruction 5) (a) | BALANCE AT BEGINNING OF YEAR | | |
| | | Taxes Accrued (b) | Prepaid Taxes (c) | |
| 1 | Income Taxes | | | |
| 2 | Federal (1) | - | | |
| 3 | State (1) | - | | |
| 4 | City (1) | - | | |
| 5 | Taxes Other than Income | | | |
| 6 | Payroll (7) | | | |
| 7 | Ad Valorem (3) | 3,519,073 | | |
| 8 | Gross Receipts Tax | - | | |
| 9 | Franchise Payment - Local | - | | |
| 10 | Franchise Tax - State (2) | - | | |
| 11 | | - | | |
| 12 | City Franchise (5) | 10,913,458 | | |
| 13 | Compensating Use (4) | 64,342 | | |
| 14 | Excess & Surplus Insurance | - | | |
| 15 | Annual Reports | - | | |
| 16 | Other (6) | - | | |
| 17 | | | | |
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| TOTAL | | 14,496,873 | - | |

Footnotes:

- Taxes charged to #236 differ from #408.1 & #409.1 as follows:
- (1) Income taxes are charged directly to the intercompany accounts (not the #236 account). Therefore, the charges in account #409.1 will equal the charges run directly through the intercompany accounts.
 - (2) State franchise taxes are charged directly to the intercompany accounts (not the #236 account). Therefore, the charges in account #408.1 will equal the charges run directly through the intercompany accounts.
 - (3) Ad Valorem Taxes - A portion of the tax accrual charged to #236 in the amount of \$270,060 was charged to #184.1 and was not expensed to account #408.1. The \$270,060 is comprised of Fleet clearing (\$150,000) and 3420 Broadway clearing (\$120,060). Ad Valorem Taxes - SLRP amortization of \$57,658 is expensed to #408.1 from #182.3 and does not run through account #236. Account 236 includes \$5,033,869 not charged to account 408.1, but was offset in account 18230025.
 - (4) Use Taxes - Cost/expense of \$4,172 is charged to account #236 and capitalized/expensed to the appropriate asset/expense account and does not run through account #408.1.
 - (5) City Franchise - A portion of the accrual in #236 and expense in #408.1 includes net unbilled adjustment of (\$1,176,956)
 - (6) Other taxes - Charged directly to #408.1 and not accrued through account #236.
 - (7) Payroll taxes - Charges include \$876,853 of payroll loadings charged to CWIP or offset through account #408.1.

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|---|---|---|---|--|
| TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR, DISTRIBUTION OF TAXES CHARGES | | | | |
| <p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p> | | | | |
| DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.) | | | | |
| Line No. | Electric (Account 408.1, 409.1) (i) | Gas (Account 408.1, 409.1) (j) | Other Utility Department (Account 408.1, 409.1) (k) | Other Income and Deductions (Account 408.2, 409.2) (l) |
| 1 | Income Taxes | | | |
| 2 | Federal (1) | 13,488,165 | | |
| 3 | State (1) | 2,295,443 | | |
| 4 | City (1) | (6,285) | | |
| 5 | Taxes Other than Income | | | |
| 6 | Payroll (7) | 2,481,043 | | |
| 7 | Ad Valorem (3) | 7,267,264 | | |
| 8 | Gross Receipts Tax | | | |
| 9 | Franchise Payment - Local | | | |
| 10 | Franchise Tax - State (2) | 322,912 | | |
| 11 | | | | |
| 12 | City Franchise (5) | 35,607,501 | | |
| 13 | Compensating Use | | | |
| 14 | Excess & Surplus Insurance | | | |
| 15 | Annual Reports | | | |
| 16 | Other (6) | 50 | | |
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| | TOTAL - | 61,456,093 | 0 | 0 |

Footnotes:

Taxes charged to #236 differ from #408.1 & #409.1 as follows:

- (1) Income taxes are charged directly to the intercompany accounts (not the #236 account). Therefore, the charges in account #409.1 will equal the charges run directly through the intercompany accounts.
- (2) State franchise taxes are charged directly to the intercompany accounts (not the #236 account). Therefore, the charges in account #408.1 will equal the charges run directly through the intercompany accounts.
- (3) Ad Valorem Taxes - A portion of the tax accrual charged to #236 in the amount of \$270,060 was charged to #184.1 and was not expensed to account #408.1. The \$270,060 is comprised of Fleet clearing (\$150,000) and 3420 Broadway clearing (\$120,060). Ad Valorem Taxes - SLRP amortization of \$57,658 is expensed to #408.1 from #182.3 and does not run through account #236. Account 236 includes \$5,033,869 not charged to account 408.1, but was offset in account 18230025.
- (5) City Franchise - A portion of the accrual in #236 and expense in #408.1 includes net unbilled adjustment of (\$1,176,956)
- (6) Other taxes - Charged directly to #408.1 and not accrued through account #236.
- (7) Payroll taxes - Charges include \$876,853 of payroll loadings charged to CWIP and offset through account #408.1.

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|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

| TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued) | | | | | |
|--|--|--|--|--|--|
| <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> <p>11. Report in column (q) the applicable effective state income tax rate.</p> | | | | | |

| Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjustments (f) | BALANCE AT END OF YEAR | | Line No. |
|-------------------------------------|----------------------------------|--------------------|---------------------------------------|--|-------------|
| | | | Taxes Accrued (Account 236) (g) | Prepaid Taxes Included in Acct. 165) (h) | |
| | | | | | 1 |
| 13,488,165 | (13,488,165) | | | | 2 |
| 2,295,443 | (2,295,443) | | | | 3 |
| (6,285) | 6,285 | | | | 4 |
| | | | | | 5 |
| 2,481,043 | (2,481,043) | | - | | 6 |
| 8,994,882 | (8,262,016) | 781,930 | 5,033,869 | | 7 |
| | | | - | | 8 |
| | | | - | | 9 |
| 322,912 | (322,912) | | - | | 10 |
| | | | - | | 11 |
| 35,607,501 | (38,006,718) | | 8,514,241 | | 12 |
| 146,375 | (150,547) | | 60,170 | | 13 |
| | | | | | 14 |
| | | | | | 15 |
| 50 | (50) | | - | | 16 |
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| 63,330,086 | (65,000,609) | 781,930 | 13,608,280 | - | |

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|--|---|---|----------------------------|------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 | |
| TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued) | | | | |
| <p>5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).</p> <p>6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.</p> <p>7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.</p> <p>8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.</p> <p>9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.</p> <p>10. Items under \$250,000 may be grouped.</p> <p>11. Report in column (q) the applicable effective state income tax rate.</p> | | | | |
| DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.) | | | | |
| Extraordinary Items (Account 409.3) (m) | Other Utility Opn. Income (Account 408.1, 409.1) (n) | Adjustment to Ret. Earnings (Account 439) (o) | Other (p) | Line |
| | | | | 1 |
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|--|---------------------------------|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242) | | | | |
| 1. Describe and report the amount of other current and accrued liabilities at the end of year. | | 2. Minor items (less than \$250,000) may be grouped under appropriate title. | | |
| Line No. | Item (a) | Balance at End of Year (b) | | |
| 1 | | | | |
| 2 | Accrued Payroll | 929,891 | | |
| 3 | Accrued Vacation | 459,192 | | |
| 4 | Medical Reserve - Active | 805,000 | | |
| 5 | Broadway building lease | 559,367 | | |
| 6 | Medical and Life Benefits | 679,408 | | |
| 7 | FAS 133 | 34,617,340 | | |
| 8 | Incentive Accrual | 1,584,729 | | |
| 9 | Miscellaneous (under \$250,000) | 140,108 | | |
| 10 | | | | |
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| 42 | | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | TOTAL | 39,775,035 | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 | |
|---|--|---|-----------------------|---------------------------------------|----------------------------|-------------------------------|
| OTHER DEFERRED CREDITS (ACCOUNT 253) | | | | | | |
| 1. Report below the details called for concerning other deferred credits. 2. For any deferred credits being amortized, show the period of amortization. 3. Minor items (less than \$250,000) may be grouped by classes. | | | | | | |
| Line No. | Description of Other Deferred Credits (a) | Balance at Beginning of Year (b) | DEBITS | | Credits (e) | Balance at End of Year (f) |
| | | | Contra Account (c) | Amount (d) | | |
| 1 | | | | | | |
| 2 | Retirement Plan | 50,612,641 | 131 | 12,469,894 | 30,077,588 | 68,220,335 |
| 3 | FAS 106 | - | 131, 234 | 50,976 | 50,976 | - |
| 4 | Miscellaneous | - | | | - | - |
| 5 | FAS 133 | 2,817,320 | 191 | 3,241,120 | 6,229,295 | 5,805,495 |
| 6 | Gas Refund Payable | 973,429 | 131, 191, 431 | 973,429 | - | - |
| 7 | Third party damages and theft - MGE | 1,598,153 | 143, 191, 887 | 176,470 | 437,074 | 1,858,757 |
| 8 | Third party damages and theft - CLS | 1,100,049 | 421 | 170,499 | - | 929,550 |
| 9 | Environmental reserve - long term | 1,258,083 | 880 | 588,220 | 181,119 | 850,982 |
| 10 | Oil | 457,013 | 925 | - | - | 457,013 |
| 11 | Relocation | 846,490 | 131, 143, 887 | 506,984 | 167,648 | 507,154 |
| 12 | | | | | | |
| 13 | | | | | | - |
| 14 | | | | | | - |
| 15 | | | | | | - |
| 16 | | | | | | - |
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| 45 | | | | | | |
| 46 | | | | | | |
| 47 | | 59,663,178 | | 18,177,592 | 37,143,700 | 78,629,286 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|--|---|---|--|
| ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282) | | | | |
| 1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization. 2. At Other (Specify), include deferrals relating to other income and deductions. | | | | |
| Line No. | Account Subdivisions (a) | Balance at Beginning of Year (b) | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Account 282 | | | |
| 2 | Electric | | | |
| 3 | Gas | 13,292,605 | (21,889,412) | - |
| 4 | | | | |
| 5 | Total (Enter Total of lines 2 thru 4) | 13,292,605 | (21,889,412) | - |
| 6 | Other (Specify) | | | |
| 7 | TOTAL Account 282 (Enter Total of lines 5 thru 6.) | 13,292,605 | (21,889,412) | |
| 8 | Classification of TOTAL | | | |
| 9 | Federal Income Tax | 11,364,223 | (18,713,442) | - |
| 10 | State Income Tax | 1,928,382 | (3,175,970) | - |
| 11 | Local Income Tax | - | - | - |

| | | | | | | | |
|--|---|---|---------------|---------------------------------------|----------------------------|----------------------------------|-------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 | | |
| ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282) (Continued) | | | | | | | |
| 3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates. | | | | | | | |
| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Acct No. (g) | Amount (h) | Acct No. (i) | Amount (j) | | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| - | - | | - | 283 | (116,000,514) | (124,597,321) | 3 |
| | | | | | | | 4 |
| - | - | | - | | (116,000,514) | (124,597,321) | 5 |
| | | | | | | | 6 |
| - | - | | - | | (116,000,514) | (124,597,321) | 7 |
| | | | | | | | 8 |
| - | - | | | | 360,717 | (6,988,502) | 9 |
| - | - | | - | | 28,418 | (1,219,170) | 10 |
| - | - | | - | | - | - | 11 |

Footnote:

Prior to 2011, the deferred taxes in Account #282 were only related to Other Comprehensive Income (OCI). In 2011, the deferred taxes related to property were transferred to Account #282 from Account #283 (included in column J). Also in 2011, the deferred taxes related to OCI were transferred to Account #283 from Account #282 (also included in column J).

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

| Line No. | Account Subdivisions (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR | |
|----------|---|-------------------------------------|---|--|
| | | | Amounts Debited to Account 410.1 (c) | Amounts Credited to Account 411.1 (d) |
| 1 | Account 283 | | | |
| 2 | Electric | | | |
| 3 | Gas | (164,933,631) | 18,741,228 | - |
| 4 | Other (Define) | | | |
| 5 | Total (Total of lines 2 thru 4) | (164,933,631) | 18,741,228 | - |
| 6 | Other (Specify) | | | |
| 7 | TOTAL Account 283 (Total of lines 5 thru 6.?) | (164,933,631) | 18,741,228 | - |
| 8 | Classification of TOTAL | | | |
| 9 | Federal Income Tax | (141,003,609) | 16,022,037 | |
| 10 | State Income Tax | (22,158,793) | 2,719,191 | |
| 11 | Local Income Tax | (1,771,229) | - | |

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

ACCUMULATED DEFERRED INCOME TAXES-OTHER (ACCOUNT 283) (Continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | Balance at End of Year (k) | Line No. |
|--|---|--------------------|---------------|--------------------|---------------|----------------------------------|-------------|
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Debits | | Credits | | | |
| | | Account No. (g) | Amount (h) | Account No. (i) | Amount (j) | | |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | 219 | 10,553,533 | 282 | 116,000,514 | (19,638,356) | 3 |
| | | | | | | | 4 |
| | | | 10,553,533 | 116,000,514 | | (19,638,356) | 5 |
| | | | | | | | 6 |
| | | | 10,553,533 | - | 116,000,514 | (19,638,356) | 7 |
| | | | | | | | 8 |
| | | | 9,022,514 | | 99,170,074 | (16,788,984) | 9 |
| | | | 1,531,019 | | 15,059,211 | (2,849,372) | 10 |
| | | | | - | 1,771,229 | - | 11 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year Ending 2011 | |
|--|--|---|---|--|---|----------------------------|---------------------------------------|
| OTHER REGULATORY LIABILITIES (ACCOUNT 254) | | | | | | | |
| <p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p> | | | | | | | |
| Line No. | Description and Purpose of Other Regulatory Liabilities (a) | Balance at Beginning of Year Current Year (b) | Written off during Period Account Credited (c) | Written off During Period Amount Refunded (d) | Written off During Period Amount Deemed Non-Refundable (e) | Credits (f) | Balance at End of Current Year (g) |
| 1 | | | | | | | - |
| 1 | | | | | | | - |
| 2 | FAS 106 - Post Retirement Benefits other than Pension | 1,022,881 | | | | 1,419,377 | 2,442,258 |
| 3 | | | | | | | - |
| 4 | FAS 87 | - | | | | 360,411 | 360,411 |
| 5 | | | | | | | - |
| 6 | | | | | | | - |
| 7 | | | | | | | - |
| 8 | | | | | | | - |
| 9 | | | | | | | - |
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| 37 | | | | | | | - |
| 38 | | | | | | | - |
| 39 | | | | | | | - |
| 40 | | | | | | | - |
| 41 | | | | | | | - |
| 42 | | | | | | | - |
| 43 | | | | | | | - |
| 44 | | | | | | | - |
| 45 | TOTAL | 1,022,881 | | - | | 1,779,788 | 2,802,669 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 | |
|---|---|---|---|--|--|--|
| Monthly Quantity & Revenue Data by Rate Schedule | | | | | | |
| 1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts. 2. Total Quantities and Revenues in whole numbers 3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule. 4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495. 5. Enter footnotes as appropriate. | | | | | | |
| Line No. | Item (a) | Month 1 Quantity (@ 14.73 psi) (b) | Month 1 Revenue Costs and Take or Pay (c) | Month 1 Revenue (GRI & ACA) (d) | Month 1 Revenue (Other) (e) | Month 1 Revenue (Total) (f) |
| 1 | Total Sales (480-488) | 3,006,315 | - | (1,523,402) | 34,198,938 | 32,675,536 |
| 2 | Transportation of Gas for Others (489.2 and 489.3) | | | | | |
| 3 | 489.3 Transportation of Gas through Transmission | | | | 457,929 | 457,929 |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
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| 16 | | | | | | |
| 17 | | | | | | |
| 18 | Total Transportation (Other than Gathering) | | | | 457,929 | 457,929 |
| 19 | Storage (489.4) | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
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| 28 | | | | | | |
| 29 | | | | | | |
| 30 | Total Storage | | | | | |
| 31 | Gathering (489.1) | | | | | |
| 32 | Gathering Firm | | | | | |
| 33 | Gathering - Interruptible | | | | | |
| 34 | Total Gathering (489.1) | | | | | |
| 35 | Additional Revenues | | | | | |
| 36 | Products Sales and Extraction (490-492) | | | | | |
| 37 | Rents (493-494) | | | | | |
| 38 | Other Gas Revenues (495) | | | | 570,855 | 570,855 |
| 39 | (Less) Provision for Rate Refunds | | | | | |
| 40 | Total Additional Revenues | | | | 570,855 | 570,855 |
| 41 | Total Operating Revenues (Total of Lines 1, 18, 30, and 40) | 3,006,315 | - | (1,523,402) | 35,227,722 | 33,704,320 |
| | | | | | | |

| Name of Respondent Missouri Gas Energy | | | | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | | Year Ending 2011 | |
|---|----------------------------|--|--|--------------------------------------|---|----------------------------|--|--|--------------------------------------|--------------------------------------|
| Monthly Quantity & Revenue Data by Rate Schedule | | | | | | | | | | |
| 1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts. 2. Total Quantities and Revenues in whole numbers 3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule. 4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495. 5. Enter footnotes as appropriate. | | | | | | | | | | |
| Line No. | Month 2 Quantity (g) | Month 2 Revenue Costs and Take or Pay (h) | Month 2 Revenue (GRI & ACA) (i) | Month 2 Revenue (Other) (j) | Month 2 Revenue (Total) (k) | Month 3 Quantity (l) | Month 3 Revenue Costs and Take or Pay (m) | Month 3 Revenue (GRI & ACA) (n) | Month 3 Revenue (Other) (o) | Month 3 Revenue (Total) (g) |
| 1 | 5,831,230 | (28) | (1,438,930) | 44,952,254 | 43,513,296 | 9,910,004 | (97) | (171,466) | 65,798,590 | 65,627,027 |
| 2 | | | | | | | | | | |
| 3 | | | | 780,793 | 780,793 | | | | 1,417,839 | 1,417,839 |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
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| 15 | | | | | | | | | | |
| 16 | | | | | | | | | | |
| 17 | | | | | | | | | | |
| 18 | - | - | - | 780,793 | 780,793 | - | - | - | 1,417,839 | 1,417,839 |
| 19 | | | | | | | | | | |
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| 36 | | | | | | | | | | |
| 37 | | | | | | | | | | |
| 38 | | | | 602,914 | 602,914 | | | | 820,707 | 820,707 |
| 39 | | | | | | | | | | |
| 40 | - | - | - | 602,914 | 602,914 | - | - | - | 820,707 | 820,707 |
| 41 | 5,831,230 | (28) | (1,438,930) | 46,335,961 | 44,897,003 | 9,910,004 | (97) | (171,466) | 68,037,136 | 67,865,573 |

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

GAS OPERATING REVENUES

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

| Line No. | Title of Account (a) | REVENUES for Transition Costs and Take-or-Pay | | REVENUES for GRI and ACA | |
|----------|--|--|---------------------------------------|--------------------------------------|---------------------------------------|
| | | Amount for Current Year (b) | Amount for Previous Year (c) | Amount for Current Year (d) | Amount for Previous Year (e) |
| 1 | 480 Residential Sales | 143 | 26 | 31,933,915 | 9,567,452 |
| 2 | 481 Commercial and Industrial Sales | - | 4 | 13,875,578 | 3,931,305 |
| 3 | 482 Other Sales to Public Authorities | | | | |
| 4 | 483 Sales for Resale | | | | |
| 5 | 484 Interdepartmental Sales | | | | |
| 6 | 485 Intracompany Transfers | - | - | - | - |
| 7 | 487 Forfeited Discounts | - | - | - | - |
| 8 | 488 Miscellaneous Service Revenues | - | - | - | - |
| 9 | 489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities | - | - | - | - |
| 10 | 489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities | - | - | - | - |
| 11 | 489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities | - | - | - | - |
| 12 | 489.4 Revenues from Storing Gas of Others | - | - | | - |
| 13 | 490 Sales of Prod. Ext. from Natural Gas | - | - | - | - |
| 14 | 491 Revenues form Natural Gas Proc. By Others | | | | |
| 15 | 492 Incidental Gasoline and Oil Sales | - | - | - | - |
| 16 | 493 Rent from Gas Property | - | - | - | - |
| 17 | 494 Interdepartmental Rents | - | - | - | - |
| 18 | 495 Other Gas Revenues | - | - | - | - |
| 19 | Subtotal: | 143 | 30 | 45,809,493 | 13,498,757 |
| 20 | 496 (Less) Provision for Rate Refunds | - | - | - | - |
| 21 | TOTAL: | 143 | 30 | 45,809,493 | 13,498,757 |

| Name of Respondent Missouri Gas Energy | | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 |
|--|--------------------------------|---------------------------------|---|---------------------------------|---------------------------------------|---------------------------------|
| GAS OPERATING REVENUES (Continued) | | | | | | |
| 4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote. | | | | | | |
| 5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases. | | | | | | |
| 6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue. | | | | | | |
| Line No. | OTHER REVENUES | | TOTAL OPERATING REVENUES | | MCF OF NATURAL GAS | |
| | Amount for Current Year (f) | Amount for Previous Year (g) | Amount for Current Year (h) | Amount for Previous Year (i) | Amounts for Current Year (j) | Amount for Previous Year (k) |
| 1 | 376,152,793 | 422,578,521 | 408,086,851 | 432,145,999 | 33,525,104 | 36,259,307 |
| 2 | 154,484,415 | 175,128,744 | 168,359,993 | 179,060,053 | 13,852,063 | 15,204,166 |
| 3 | | | - | - | | |
| 4 | | | - | - | | |
| 5 | | | | - | | |
| 6 | - | - | - | - | | |
| 7 | 417,881 | 222,105 | 417,881 | 222,105 | | |
| 8 | 6,755,835 | 6,212,081 | 6,755,835 | 6,212,081 | | |
| 9 | | | | - | | |
| 10 | | | | - | | |
| 11 | 9,866,070 | 10,810,845 | 9,866,070 | 10,810,845 | 22,588,308 | 25,874,972 |
| 12 | - | - | - | - | - | - |
| 13 | - | - | - | - | | |
| 14 | - | - | - | - | | |
| 15 | - | - | - | - | | |
| 16 | | | - | - | | |
| 17 | - | - | - | - | | |
| 18 | 4,271,261 | 1,217,742 | 4,271,261 | 1,217,742 | | |
| 19 | 551,948,255 | 616,170,038 | 597,757,891 | 629,668,825 | | |
| 20 | - | - | - | - | | |
| 21 | 551,948,255 | 616,170,038 | 597,757,891 | 629,668,825 | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="checked" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|---|--|--|---------------------------------------|----------------------------|
| OTHER GAS REVENUES (ACCOUNT 495) | | | | |
| Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items. | | | | |
| Line No. | Description of Transaction (a) | Revenues (in dollars) (b) | | |
| 1 | Commissions on Sale or Distribution of Gas of Others | | | |
| 2 | Compensation for Minor or Incidental Services Provided for Others | | | |
| 3 | Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale | | | |
| 4 | Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments | | | |
| 5 | Miscellaneous Royalties | | | |
| 6 | Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495 | | | |
| 7 | Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures | | | |
| 8 | Gains on Settlements of Imbalance Receivables and Payables | | | |
| 9 | Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements | | | |
| 10 | Revenues from Shipper Supplied Gas | | | |
| 11 | Other revenues (Specify): | | | |
| 12 | Missouri Franchise Tax | (65,206) | | |
| 13 | ISRS and other | (4,206,055) | | |
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| 31 | | | | |
| 32 | TOTAL | (4,271,261) | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 |
|--|----------------|---|--|--|--|
| Discounted Rate Services and Negotiated Rate Services | | | | | |
| 1. In column b, report the revenues from discounted rate services. 2. In column c, report the volumes of discounted rate services. 3. In column d, report the revenues from negotiated rate services. 4. In column e, report the volumes of negotiated rate services. | | | | | |
| Line No. | Account (a) | Discounted Rate Services Revenue (b) | Discounted Rate Services Volumes (c) | Negotiated Rate Services Revenue (d) | Negotiated Rate Services Volumes (e) |
| 1 | **-----** | | | \$ 51,684 | 646,044 |
| 2 | **-----** | | | \$ 53,122 | 286,530 |
| 3 | **-----** | | | \$ 50,261 | 258,919 |
| 4 | **-----** | | | \$ 11,347 | 133,492 |
| 5 | **-----** | | | \$ 12,581 | 125,808 |
| 6 | **-----** | | | \$ 38,839 | 468,958 |
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| 31 | | | | | |
| 32 | TOTAL | - | - | 217,834 | 1,919,751 |
| **-----** denotes highly confidential information <div style="text-align: right; font-weight: bold; font-size: 1.2em;">PUBLIC</div> | | | | | |

| | | | | |
|--|---|---------------------------------------|--|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | | Year Ending 2011 |
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GAS OPERATION AND MAINTENANCE EXPENSES

| Line No. | Account (a) | Amount for Current Year (b) | | Amount for Previous Year (c) |
|----------|---|--------------------------------|-----|---------------------------------|
| 1 | 1. PRODUCTION EXPENSES | | | |
| 2 | A. Manufactured Gas Production | | | |
| 3 | Manufactured Gas Production (<i>Submit Supplemental Statement</i>) | | (3) | |
| 4 | B. Natural Gas Production | | | |
| 5 | B1. Natural Gas Production and Gathering | | | |
| 6 | Operation | | | |
| 7 | 750 Operation Supervision and Engineering | | | |
| 8 | 751 Production Maps and Records | | | |
| 9 | 752 Gas Well Expenses | | | |
| 10 | 753 Field Lines Expenses | | | |
| 11 | 754 Field Compressor Station Expenses | | | |
| 12 | 755 Field Compressor Station Fuel and Power | | | |
| 13 | 756 Field Measuring and Regulating Station Expenses | | | |
| 14 | 757 Purification Expenses | | | |
| 15 | 758 Gas Well Royalties | | | |
| 16 | 759 Other Expenses | | | |
| 17 | 760 Rents | | | |
| 18 | TOTAL Operation (Total of lines 7 thru 17) | - | | - |
| 19 | Maintenance | | | |
| 20 | 761 Maintenance Supervision and Engineering | | | |
| 21 | 762 Maintenance of Structures and Improvements | | | |
| 22 | 763 Maintenance of Producing Gas Wells | | | |
| 23 | 764 Maintenance of Field Lines | | | |
| 24 | 765 Maintenance of Field Compressor Station Equipment | | | |
| 25 | 766 Maintenance of Field Measuring and Regulating Station Equipment | | | |
| 26 | 767 Maintenance of Purification Equipment | | | |
| 27 | 768 Maintenance of Drilling and Cleaning Equipment | | | |
| 28 | 769 Maintenance of Other Equipment | | | |
| 29 | TOTAL Maintenance (Total of lines 20 thru 28) | - | | - |
| 30 | TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29) | - | | - |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|---|--|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 31 | B2. Products Extraction | | | |
| 32 | Operation | | | |
| 33 | 770 Operation Supervision and Engineering | | | |
| 34 | 771 Operation Labor | | | |
| 35 | 772 Gas Shrinkage | | | |
| 36 | 773 Fuel | | | |
| 37 | 774 Power | | | |
| 38 | 775 Materials | | | |
| 39 | 776 Operation Supplies and Expenses | | | |
| 40 | 777 Gas Processed by Others | | | |
| 41 | 778 Royalties on Products Extracted | | | |
| 42 | 779 Marketing Expenses | | | |
| 43 | 780 Products Purchased for Resale | | | |
| 44 | 781 Variation in Products Inventory | | | |
| 45 | (Less) 782 Extracted Products Used by the Utility - Credit | | | |
| 46 | 783 Rents | | | |
| 47 | TOTAL Operation (Total of lines 33 thru 46) | - | - | |
| 48 | Maintenance | | | |
| 49 | 784 Maintenance Supervision and Engineering | | | |
| 50 | 785 Maintenance of Structures and Improvements | | | |
| 51 | 786 Maintenance of Extraction and Refining Equipment | | | |
| 52 | 787 Maintenance of Pipe Lines | | | |
| 53 | 788 Maintenance of Extracted Products Storage Equipment | | | |
| 54 | 789 Maintenance of Compressor Equipment | | | |
| 55 | 790 Maintenance of Gas Measuring and Regulating Equipment | | | |
| 56 | 791 Maintenance of Other Equipment | | | |
| 57 | TOTAL Maintenance (Total of lines 49 thru 56) | - | - | |
| 58 | TOTAL Products Extraction (Total of lines 47 and 57) | - | - | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 59 | C. Exploration and Development | | | |
| 60 | Operation | | | |
| 61 | 795 Delay Rentals | | | |
| 62 | 796 Nonproductive Well Drilling | | | |
| 63 | 797 Abandoned Leases | | | |
| 64 | 798 Other Exploration | | | |
| 65 | TOTAL Exploration and Development (Total of lines 61 thru 64) | - | - | |
| 66 | D. Other Gas Supply Expenses | | | |
| 67 | Operation | | | |
| 68 | 800 Natural Gas Well Head Purchases | | | |
| 69 | 800.1 Natural Gas Well Head Purchases, Intracompany Transfers | | | |
| 70 | 801 Natural Gas Field Line Purchases | | | |
| 71 | 802 Natural Gas Gasoline Plant Outlet Purchases | | | |
| 72 | 803 Natural Gas Transmission Line Purchases | | | |
| 73 | 804 Natural Gas City Gate Purchases | | | |
| 74 | 804.1 Liquefied Natural Gas Purchases | | | |
| 75 | 805 Other Gas Purchases | 360,484,608 | 387,716,481 | |
| 76 | (Less) 805.1 Purchased Gas Cost Adjustments | | | |
| 77 | TOTAL Purchased Gas (Total of lines 68 thru 76) | 360,484,608 | 387,716,481 | |
| 78 | 806 Exchange Gas | | | |
| 79 | Purchased Gas Expenses | | | |
| 80 | 807.1 Well Expense - Purchased Gas | | | |
| 81 | 807.2 Operation of Purchased Gas Measuring Stations | | | |
| 82 | 807.3 Maintenance of Purchased Gas Measuring Stations | | | |
| 83 | 807.4 Purchased Gas Calculations Expenses | | | |
| 84 | 807.5 Other Purchased Gas Expenses | | | |
| 85 | TOTAL Purchased Gas Expenses (Total of lines 80 thru 84) | - | - | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|--|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 86 | 808 Gas Withdrawn from Storage - Debit | | | |
| 87 | (Less) 808.2 Gas Delivered to Storage - Credit | | | |
| 88 | 809 Withdrawals of Liquefied Natural Gas for Processing - Debit | | | |
| 89 | (Less) 809.2 Deliveries of Natural Gas for Processing - Credit | | | |
| 90 | Gas Used in Utility Operations - Credit | | | |
| 91 | 810 Gas Used for Compressor Station Fuel - Credit | | | |
| 92 | 811 Gas Used for Products Extraction - Credit | | | |
| 93 | 812 Gas Used for Other Utility Operations - Credit | | | |
| 94 | TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93) | - | - | |
| 95 | 813 Other Gas Supply Expenses | | | |
| 96 | TOTAL Other Gas Supply Exp. (Total of lines 77, 78, 85, 86 thru 89, 94,95) | 360,484,608 | 387,716,481 | |
| 97 | TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96) | 360,484,608 | 387,716,481 | |
| 98 | 2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES | | | |
| 99 | A. Underground Storage Expense | | | |
| 100 | Operation | | | |
| 101 | 814 Operation Supervision and Engineering | | | |
| 102 | 815 Maps and Records | | | |
| 103 | 816 Wells Expenses | | | |
| 104 | 817 Lines Expenses | | | |
| 105 | 818 Compressor Station Expenses | | | |
| 106 | 819 Compressor Station Fuel and Power | | | |
| 107 | 820 Measuring and Regulating Station Expenses | | | |
| 108 | 821 Purification Expenses | | | |
| 109 | 822 Exploration and Development | | | |
| 110 | 823 Gas Losses | | | |
| 111 | 824 Other Expenses | | | |
| 112 | 825 Storage Well Royalties | | | |
| 113 | 826 Rents | | | |
| 114 | TOTAL Operation (Total of lines 101 thru 113) | - | - | |

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|---|---|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 115 | Maintenance | | | |
| 116 | 830 Maintenance Supervision and Engineering | | | |
| 117 | 831 Maintenance of Structures and Improvements | | | |
| 118 | 832 Maintenance of Reservoirs and Wells | | | |
| 119 | 833 Maintenance of Lines | | | |
| 120 | 834 Maintenance of Compressor Station Equipment | | | |
| 121 | 835 Maintenance of Measuring and Regulating Station Equipment | | | |
| 122 | 836 Maintenance of Purification Equipment | | | |
| 123 | 837 Maintenance of Other Equipment | | | |
| 124 | TOTAL Maintenance (Total of lines 116 thru 123) | - | - | |
| 125 | TOTAL Underground Storage Expenses (Total of lines 114 and 124) | - | - | |
| 126 | B. Other Storage Expenses | | | |
| 127 | Operation | | | |
| 128 | 840 Operation Supervision and Engineering | | | |
| 129 | 841 Operation Labor and Expenses | | | |
| 130 | 842 Rents | | | |
| 131 | 842.1 Fuel | | | |
| 132 | 842.2 Power | | | |
| 133 | 842.3 Gas Losses | | | |
| 134 | TOTAL Operation (Total of lines 128 thru 133) | - | - | |
| 135 | Maintenance | | | |
| 136 | 843.1 Maintenance Supervision and Engineering | | | |
| 137 | 843.2 Maintenance of Structures and Improvements | | | |
| 138 | 843.3 Maintenance of Gas Holders | | | |
| 139 | 843.4 Maintenance of Purification Equipment | | | |
| 140 | 843.5 Maintenance of Liquefaction Equipment | | | |
| 141 | 843.6 Maintenance of Vaporizing Equipment | | | |
| 142 | 843.7 Maintenance of Compressor Equipment | | | |
| 143 | 843.8 Maintenance of Measuring and Regulating Equipment | | | |
| 144 | 843.9 Maintenance of Other Equipment | | | |
| 145 | TOTAL Maintenance (Total of lines 136 thru 144) | - | - | |
| 146 | TOTAL Other Storage Expenses (Total of lines 134 and 145) | - | - | |

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|---|---|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 147 | C. Liquefied Natural Gas Terminaling and Processing Expenses | | | |
| 148 | Operation | | | |
| 149 | 844.1 Operation Supervision and Engineering | | | |
| 150 | 844.2 LNG Processing Terminal Labor and Expenses | | | |
| 151 | 844.3 Liquefaction Processing Labor and Expenses | | | |
| 152 | 844.4 Liquefaction Transportation Labor and Expenses | | | |
| 153 | 844.5 Measuring and Regulating Labor and Expenses | | | |
| 154 | 844.6 Compressor Station Labor and Expenses | | | |
| 155 | 844.7 Communication System Expenses | | | |
| 156 | 844.8 System Control and Load Dispatching | | | |
| 157 | 845.1 Fuel | | | |
| 158 | 845.2 Power | | | |
| 159 | 845.3 Rents | | | |
| 160 | 845.4 Demurrage Charges | | | |
| 161 | (Less) 845.5 Wharfage Receipts - Credit | | | |
| 162 | 845.6 Processing Liquefied or Vaporized Gas by Others | | | |
| 163 | 846.1 Gas Losses | | | |
| 164 | 846.2 Other Expenses | | | |
| 165 | TOTAL Operation (Total of lines 149 thru 164) | - | - | |
| 166 | Maintenance | | | |
| 167 | 847.1 Maintenance Supervision and Engineering | | | |
| 168 | 847.2 Maintenance of Structures and Improvements | | | |
| 169 | 847.3 Maintenance of LNG Processing Terminal Equipment | | | |
| 170 | 847.4 Maintenance of LNG Transportation Equipment | | | |
| 171 | 847.5 Maintenance of Measuring and Regulating Equipment | | | |
| 172 | 847.6 Maintenance of Compressor Station Equipment | | | |
| 173 | 847.7 Maintenance of Communication Equipment | | | |
| 174 | 847.8 Maintenance of Other Equipment | | | |
| 175 | TOTAL Maintenance (Total of lines 167 thru 174) | - | - | |
| 176 | TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175) | - | - | |
| 177 | TOTAL Natural Gas Storage (Total of lines 125, 146, and 176) | - | - | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 178 | 3. TRANSMISSION EXPENSES | | | |
| 179 | Operation | | | |
| 180 | 850 Operation Supervision and Engineering | | | |
| 181 | 851 System Control and Load Dispatching | | | |
| 182 | 852 Communication System Expenses | | | |
| 183 | 853 Compressor Station Labor and Expenses | | | |
| 184 | 854 Gas for Compressor Station Fuel | | | |
| 185 | 855 Other Fuel and Power for Compressor Stations | | | |
| 186 | 856 Mains Expenses | | | |
| 187 | 857 Measuring and Regulating Station Expenses | | | |
| 188 | 858 Transmission and Compression of Gas by Others | | | |
| 189 | 859 Other Expenses | | | |
| 190 | 860 Rents | | | |
| 191 | TOTAL Operation (Total of lines 180 thru 190) | - | - | |
| 192 | Maintenance | | | |
| 193 | 861 Maintenance Supervision and Engineering | | | |
| 194 | 862 Maintenance of Structures and Improvements | | | |
| 195 | 863 Maintenance of Mains | | | |
| 196 | 864 Maintenance of Compressor Station Equipment | | | |
| 197 | 865 Maintenance of Measuring and Regulating Station Equipment | | | |
| 198 | 866 Maintenance of Communication Equipment | | | |
| 199 | 867 Maintenance of Other Equipment | | | |
| 200 | TOTAL Maintenance (Total of lines 193 thru 199) | - | | |
| 201 | TOTAL Transmission Expenses (Total of lines 191 and 200) | - | - | |
| 202 | 4. DISTRIBUTION EXPENSES | | | |
| 203 | Operation | | | |
| 204 | 870 Operation Supervision and Engineering | 617,763 | 667,100 | |
| 205 | 871 Distribution Load Dispatching | 45,038 | 45,064 | |
| 206 | 872 Compressor Station Labor and Expenses | | | |
| 207 | 873 Compressor Station Fuel and Power | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|---|--|---|---------------------------------------|----------------------------|
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 208 | 874 Mains and Services Expenses | 2,483,200 | 2,432,543 | |
| 209 | 875 Measuring and Regulating Station Expenses - General | 823,389 | 711,453 | |
| 210 | 876 Measuring and Regulating Station Expenses - Industrial | - | 1,657 | |
| 211 | 877 Measuring and Regulating Station Expenses - City Gas Check Station | 31,605 | 24,015 | |
| 212 | 878 Meter and House Regulator Expenses | 7,822,767 | 6,875,049 | |
| 213 | 879 Customer Installations Expenses | 3,289,036 | 2,981,110 | |
| 214 | 880 Other Expenses | 4,154,442 | 3,188,518 | |
| 215 | 881 Rents | 233,230 | 203,488 | |
| 216 | TOTAL Operation (Total of lines 204 thru 215) | 19,500,470 | 17,129,997 | |
| 217 | Maintenance | | | |
| 218 | 885 Maintenance Supervision and Engineering | 1,258,210 | 1,292,247 | |
| 219 | 886 Maintenance of Structures and Improvements | 128,289 | 104,042 | |
| 220 | 887 Maintenance of Mains | 12,077,779 | 10,930,321 | |
| 221 | 888 Maintenance of Compressor Station Equipment | | | |
| 222 | 889 Maintenance of Measuring and Regulating Station Equipment - General | 632,843 | 673,553 | |
| 223 | 890 Maintenance of Meas. and Reg. Station Equipment - Industrial | 282,852 | 250,497 | |
| 224 | 891 Maintenance of Meas. and Reg. Station Equip. - City Gate Check Station | 51,233 | 56,903 | |
| 225 | 892 Maintenance of Services | 1,235,053 | 998,876 | |
| 226 | 893 Maintenance of Meters and House Regulators | 377,508 | 371,485 | |
| 227 | 894 Maintenance of Other Equipment | 159,934 | 164,198 | |
| 228 | TOTAL Maintenance (Total of lines 218 thru 227) | 16,203,701 | 14,842,122 | |
| 229 | TOTAL Distribution Expenses (Total of lines 216 and 228) | 35,704,171 | 31,972,119 | |
| 230 | 5. CUSTOMER ACCOUNTS EXPENSES | | | |
| 231 | Operation | | | |
| 232 | 901 Supervision | 393,453 | 375,446 | |
| 233 | 902 Meter Reading Expenses | 931,079 | 901,656 | |
| 234 | 903 Customer Records and Collection Expenses | 12,166,811 | 11,402,878 | |

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|---|---|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| GAS OPERATION AND MAINTENANCE EXPENSES (Continued) | | | | |
| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) | |
| 235 | 904 Uncollectible Accounts | 7,454,506 | 8,504,198 | |
| 236 | 905 Miscellaneous Customer Accounts Expenses | 41,812 | 52,170 | |
| 237 | TOTAL Customer Accounts Expenses (Total of lines 232 thru 236) | 20,987,661 | 21,236,348 | |
| 238 | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | | |
| 239 | Operation | | | |
| 240 | 907 Supervision | | | |
| 241 | 908 Customer Assistance Expenses | 1,018,993 | 1,005,015 | |
| 242 | 909 Information and Instructional Expenses | 140,735 | 81,093 | |
| 243 | 910 Miscellaneous Customer Service and Informational Expenses | 534 | 15 | |
| 244 | TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243) | 1,160,262 | 1,086,123 | |
| 245 | 7. SALES EXPENSES | | | |
| 246 | Operation | | | |
| 247 | 911 Supervision | | | |
| 248 | 912 Demonstrating and Selling Expenses | 316,775 | 426,799 | |
| 249 | 913 Advertising Expenses | 2,651 | 2,615 | |
| 250 | 916 Miscellaneous Sales Expenses | 2,458 | 21,478 | |
| 251 | TOTAL Sales Expenses (Total of lines 247 thru 250) | 321,884 | 450,892 | |
| 252 | 8. ADMINISTRATIVE AND GENERAL EXPENSES | | | |
| 253 | Operation | | | |
| 254 | 920 Administrative and General Salaries | 7,694,505 | 7,481,914 | |
| 255 | 921 Office Supplies and Expenses | 13,533,359 | 13,046,824 | |
| 256 | (Less) 922 Administrative Expenses Transferred - Credit | (441,591) | (466,318) | |
| 257 | 923 Outside Services Employed | 3,852,264 | 4,180,723 | |
| 258 | 924 Property Insurance | 52,314 | 49,527 | |
| 259 | 925 Injuries and Damages | 3,026,345 | 1,641,888 | |
| 260 | 926 Employee Pensions and Benefits | 20,647,809 | 19,868,720 | |
| 261 | 927 Franchise Requirements | | | |
| 262 | 928 Regulatory Commission Expenses | 2,397,997 | 2,280,580 | |
| 263 | (Less) 929 Duplicate Charges - Credit | | | |
| 264 | 930.1 General Advertising Expenses | 55,364 | 40,313 | |
| 265 | 930.2 Miscellaneous General Expenses | 2,115,258 | 2,140,563 | |
| 266 | 931 Rents | 1,026,649 | 1,013,275 | |
| 267 | 932 Maintenance of General Plant | | | |
| 268 | TOTAL Operation (Total of lines 254 thru 267) | 53,960,273 | 51,278,009 | |
| 269 | Maintenance | | | |
| 270 | 935 Maintenance of General Plant | 1,817,493 | 1,743,903 | |
| 271 | TOTAL Administrative and General Expenses (Total of lines 267 and 269) | 55,777,766 | 53,021,912 | |
| 272 | TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, and 270) | 474,436,352 | 495,483,875 | |

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| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930.2) | | | | |
| 1. Provide the information requested below on miscellaneous general expenses. | | 2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown. | | |
| Line No. | Description (a) | Amount (in dollars) (b) | | |
| 1 | Industry association dues. | 94,067 | | |
| 2 | Experimental and general research expenses. a. Gas Research Institute (GRI) b. Other | - - | | |
| 3 | Other expenses | | | |
| 4 | Royalty and Licensing Agreement | 2,016,658 | | |
| 5 | Other Miscellaneous General Expenses (no items > \$250,000) | 4,533 | | |
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| 23 | | | | |
| 24 | Total | 2,115,258 | | |

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|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <u> X </u> An Original <u> </u> A Resubmission | Date of Report December 31, | Year Ending 2011 |
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments)

- | | |
|---|--|
| 1. Report in Section A the amounts of depreciation expense, depletion, and amortization for the accounts indicated and classified according to the plant functional groups shown. | 2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are |
|---|--|

Section A. Summary of Depreciation, Depletion, and Amortization Charges

| Line No. | Functional Classification (a) | Depreciation Expense (Account 403) (b) | Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c) | Amortization of Underground Storage Land and Land Rights (Account 404.2) (d) |
|----------|--|--|--|--|
| 1 | Intangible plant | - | - | - |
| 2 | Production plant, manufactured gas | - | - | - |
| 3 | Production and gathering plant, natural gas | - | - | - |
| 4 | Environmental | - | - | - |
| 5 | Products extraction plant | - | - | - |
| 6 | Underground gas storage plant | - | - | - |
| 7 | Other storage plant | - | - | - |
| 8 | Base load LNG terminaling and processing plant | - | - | - |
| 9 | Transmission plant | - | - | - |
| 10 | Distribution plant | 24,355,247 | - | - |
| 11 | General plant | 3,223,010 | - | - |
| 12 | Common plant - gas | - | - | - |
| 13 | TOTAL | 27,578,257 | - | - |

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments) (Continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used

to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

| Amortization of Other Limited-term Gas Plant (Account 404.3) (e) | Amortization of Other Gas Plant (Account 405) (f) | Total (b to f) (g) | Functional Classification (a) | Line No. |
|--|--|--------------------------|--|-------------|
| | 1,437,352 | 1,437,352 | Intangible plant | 1 |
| - | - | - | Production plant, manufactured gas | 2 |
| - | - | - | Production and gathering plant, natural gas | 3 |
| - | - | - | Environmental | 4 |
| - | - | - | Products extraction plant | 5 |
| - | - | - | Underground gas storage plant | 6 |
| - | - | - | Other storage plant | 7 |
| - | - | - | Base load LNG terminaling and processing plant | 8 |
| - | - | - | Transmission plant | 9 |
| - | - | 24,355,247 | Distribution plant | 10 |
| 178,897 | | 3,401,907 | General plant | 11 |
| - | - | - | Common plant - gas | 12 |
| 178,897 | 1,437,352 | 29,194,506 | TOTAL | 13 |

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

| Line No. | Functional Classification (a) | Plant Base (thousands) (b) | Applied Depreciation or Amortization Rates (percent) (c) |
|----------|--------------------------------------|--------------------------------------|--|
| 1 | Production and Gathering Plant | | |
| 2 | Offshore | - | |
| 3 | Onshore | | |
| 4 | Underground Gas Storage Plant | - | |
| 5 | Transmission Plant | | |
| 6 | Offshore | - | |
| 7 | Onshore * | - | |
| 8 | General Plant * | 75,476,456 | |
| 9 | Distribution Plant * | 932,562,707 | |
| 10 | Intangibles * | 32,554,613 | |
| 11 | Storage & Processing Plant | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |

* See attached page 338-1.

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

| DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued) | | | |
|--|------------------------|---|----------------------------|
| STATE OF MISSOURI | | | |
| DEPRECIATION, DEPLETION AND AMORTIZATION OF GAS PLANT | | | |
| December 31, 2011 | | | |
| Account Number | Depreciable Plant Base | | Applied Depreciation Rates |
| Intangible Plant | | | |
| 301 | 15,600 | | N/A |
| 302 | 13,823 | | N/A |
| 303 | 32,525,190 | | N/A |
| Total | 32,554,613 | 1 | |
| Distribution Plant | | | |
| 3741 | 139,604 | | N/A |
| 3742 | 2,492,259 | | 2.09 |
| 3751 | 11,448,595 | | 1.49 |
| 3760 | 422,384,557 | | 2.16 |
| 3780 | 12,972,497 | | 2.86 |
| 3790 | 4,768,530 | | 2.13 |
| 3800 | 346,184,597 | | 3.13 |
| 3810 | 34,622,806 | | 2.89 |
| 3820 | 83,002,680 | | 2.86 |
| 3830 | 14,114,177 | | 2.44 |
| 3850 | 432,405 | | 3.33 |
| Total | 932,562,707 | 3 | |
| General Plant | | | |
| 3890 | 1,058,065 | | N/A |
| 3901 | 730,492 | | 2.00 |
| 3902 | 2,107,996 | | N/A |
| 3910 | 9,571,334 | | 8.06 |
| 3920 | 613,870 | | 7.83 |
| 3921 | 5,112,926 | | 13.33 |
| 3922 | 6,885,212 | | 7.83 |
| 3930 | 662,364 | | 2.70 |
| 3940 | 6,294,192 | | 5.30 |
| 3960 | 1,459,496 | | 8.33 |
| 3970 | 4,330,301 | | 6.25 |
| 3971 | 35,857,716 | | 5.00 |
| 3980 | 792,492 | | 3.85 |
| Total | 75,476,456 | 4 | |
| Grand Total | 1,040,593,776 | | |

| | | | | |
|--|----------|--|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="checked" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS | | | | |
| Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. (a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization. (b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts. (c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year. (d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year. | | | | |
| Line No. | Item (a) | | Amount (b) | |
| 1 | | | | |
| 2 | 425 | Miscellaneous Amortization | | |
| 3 | | Infinium Amortization | 199,992 | |
| 4 | | Union Negotiation Amortization | 133,728 | |
| 5 | | Total Account 425 | 333,720 | |
| 7 | | | | |
| 8 | 426 | Miscellaneous Income Deductions | | |
| 9 | | Donations | 194,660 | |
| 10 | | Civic, Political and Related Activities | 75,216 | |
| 11 | | Other Deductions | | |
| 12 | | Total Account 426 | 269,876 | |
| 13 | | | | |
| 14 | | | | |
| 15 | 430 | Interest on Debt to Associated Companies | | |
| 16 | | | | |
| 17 | 431 | Interest on Gas Cost Undercollections | | |
| 18 | | Customer Deposits | 258,166 | |
| 19 | | ACA Interest | (305,763) | |
| 20 | | Other | (78,710) | |
| 21 | | Total Account 431 | (126,307) | |
| 22 | | | | |
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| 36 | | | | |
| 37 | | | 477,289 | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 |
|---|---|---|---|---------------------------------------|---|
| REGULATORY COMMISSION EXPENSES (Account 928) | | | | | |
| 1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party. | | | 2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility. | | |
| Line No. | Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) | Assessed by Regulatory Commission | Expenses of Utility | Total Expenses to Date | Deferred in Account 182.3 at Beginning of Year |
| | (a) | (b) | (c) | (d) | (e) |
| 1 | Missouri Commission Regulatory Assessment | 1,573,758 | - | 1,573,758 | - |
| 2 | Missouri Rate Case - 1999/2006 | - | 293,352 | 293,352 | 635,596 |
| 3 | Professional fees - Legal and Consulting | | 530,887 | 530,887 | |
| 4 | | | | - | |
| 5 | | | | | |
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| 8 | | | | | |
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| 24 | | | | | |
| 25 | Sub-Total | 1,573,758 | 824,239 | 2,397,997 | 635,596 |

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|--|-----------------|------------|---|---|---------------------------------------|---|----------|
| Name of Respondent Missouri Gas Energy | | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 | |
| REGULATORY COMMISSION EXPENSES (Continued) | | | | | | | |
| 3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization. 4. identify separately all annual charge adjustments (ACA). | | | | 5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts. 6. Minor items (less than \$250,000) may be grouped. | | | |
| EXPENSES INCURRED DURING YEAR | | | | AMORTIZED DURING YEAR | | Deferred in Account 182.3 End of Year (l) | Line No. |
| CHARGED CURRENTLY TO | | | Deferred to Account 182.3 (i) | Contra Account (j) | Amount (k) | | |
| Department (f) | Account No. (g) | Amount (h) | | | | | |
| - | - | - | | 186 | (1,442,683) | | 1 |
| - | - | - | - | 182 | (293,352) | 342,244 | 2 |
| - | - | - | - | | | - | 3 |
| - | - | - | - | | - | - | 4 |
| - | - | - | - | | - | - | 5 |
| - | - | - | - | | - | - | 6 |
| - | - | - | - | | | - | 7 |
| - | - | - | - | | | - | 8 |
| - | - | - | - | | | - | 9 |
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| | | - | - | | (1,736,035) | 342,244 | 25 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="checked" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|---|---|--|---------------------------------------|----------------------------|
| Employee Pensions and Benefits (Account 926) | | | | |
| Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items. | | | | |
| Line No. | Expense (a) | Amount (b) | | |
| 1 | Pensions - defined benefits plans | 14,490,326 | | |
| 2 | Pensions - other | 528,106 | | |
| 3 | Post-retirement benefits other than pensions (PBOP) | - | | |
| 4 | Post-employment benefit plans | | | |
| 5 | Other (Specify) | | | |
| 6 | Medical, Dental & Vision | 7,427,907 | | |
| 7 | 401K Match | 1,457,142 | | |
| 8 | Amortization of FAS 106 Transition Obligation | 2,664,792 | | |
| 9 | Life Insurance, AD&D and LTD | 283,462 | | |
| 10 | FAS 123R Stock Options | 851,520 | | |
| 11 | Tuition Reimbursement | 19,825 | | |
| 12 | Pension and Benefits Capitalized | (7,075,271) | | |
| 13 | | | | |
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| 31 | | | | |
| 32 | TOTAL | 20,647,809 | | |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Payroll Billed by Affiliated Companies (c) | Allocation of Payroll Charged for Clearing Accounts (d) | Total (e) |
|----------|--|------------------------------------|---|--|--------------|
| 1 | Electric | | | | |
| 2 | Operation | | | | |
| 3 | Production | | - | - | - |
| 4 | Transmission | | - | - | - |
| 5 | Distribution | | - | - | - |
| 6 | Customer Accounts | | - | - | - |
| 7 | Customer Service and Informational | | - | - | - |
| 8 | Sales | | - | - | - |
| 9 | Administrative and General | | - | - | - |
| 10 | TOTAL Operation (Total of lines 3 thru 9) | | - | - | - |
| 11 | Maintenance | | | | |
| 12 | Production | | - | - | - |
| 13 | Transmission | | - | - | - |
| 14 | Distribution | | - | - | - |
| 15 | Administrative and General | | - | - | - |
| 16 | TOTAL Maintenance (Total of lines 12 thru 15) | | - | - | - |
| 17 | Total Operation and Maintenance | | | | |
| 18 | Production (Total of lines 3 and 12) | | - | - | - |
| 19 | Transmission (Total of lines 4 and 13) | | - | - | - |
| 20 | Distribution (Total of lines 5 and 14) | | - | - | - |
| 21 | Customer Accounts (line 6) | | - | - | - |
| 22 | Customer Service and Informational (line 7) | | - | - | - |
| 23 | Sales (line 8) | | - | - | - |
| 24 | Administrative and General (Total of lines 9 and 15) | | - | - | - |
| 25 | TOTAL Operation and Maintenance (Total of lines 18 thru 24) | | - | - | - |
| 26 | Gas | | | | |
| 27 | Operation | | | | |
| 28 | Production - Manufactured Gas | | | - | - |
| 29 | Production - Natural Gas (Including Exploration and Development) | | - | - | - |
| 30 | Other Gas Supply | | - | - | - |
| 31 | Storage, LNG Terminaling and Processing | | | - | - |
| 32 | Transmission | | - | - | - |
| 33 | Distribution | 10,267,818 | | 2,782,851 | 13,050,669 |
| 34 | Customer Accounts | 6,627,640 | | 955,995 | 7,583,635 |
| 35 | Customer Service and Informational | 268,993 | | 138,976 | 407,969 |
| 36 | Sales | 290,483 | | 150,079 | 440,562 |
| 37 | Administrative and General | 6,451,552 | | 2,550,208 | 9,001,760 |
| 38 | TOTAL Operation (Total of lines 28 thru 37) | 23,906,486 | - | 6,578,109 | 30,484,595 |
| 39 | Maintenance | | | | |
| 40 | Production - Manufactured Gas | | - | - | - |
| 41 | Production - Natural Gas (Including Exploration and Development) | | - | - | - |
| 42 | Other Gas Supply | | | - | - |
| 43 | Storage, LNG Terminaling and Processing | | - | - | - |
| 44 | Transmission | | - | - | - |
| 45 | Distribution | 8,726,978 | | 1,887,695 | 10,614,673 |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 |
|--|--|---|---|--|----------------------------|
| DISTRIBUTION OF SALARIES AND WAGES (Continued) | | | | | |
| Line No. | Classification (a) | Direct Payroll Distribution (b) | Payroll Billed by Affiliated Companies (c) | Allocation of Payroll Charged for Clearing Accounts (d) | Total (e) |
| 46 | Administrative and General | | | | - |
| 47 | TOTAL Maint. (Total of lines 40 thru 46) | - | - | - | - |
| 48 | Gas (Continued) | | | | |
| 49 | Total Operation and Maintenance | | | | |
| 50 | Production - Manufactured Gas (Total of lines 28 and 40) | | - | - | - |
| 51 | Production - Natural Gas (Including Expl. and Dev.)(lines 29 and 41) | | - | - | - |
| 52 | Other Gas Supply (Total of lines 30 and 42) | | - | - | - |
| 53 | Storage, LNG Terminaling and Processing (Total of lines 31 and 43) | | - | - | - |
| 54 | Transmission (Total of lines 32 and 44) | | - | - | - |
| 55 | Distribution (Total of lines 33 and 45) | 18,994,796 | - | 4,670,546 | 23,665,342 |
| 56 | Customer Accounts (Total of line 34) | 6,627,640 | - | 955,995 | 7,583,635 |
| 57 | Customer Service and Informational (Total of line 35) | 268,993 | - | 138,976 | 407,969 |
| 58 | Sales (Total of line 36) | 290,483 | - | 150,079 | 440,562 |
| 59 | Administrative and General (Total of lines 37 and 46) | 6,451,552 | - | 2,550,208 | 9,001,760 |
| 60 | Total Operation and Maintenance (Total of lines 50 thru 59) | 32,633,464 | - | 8,465,804 | 41,099,268 |
| 61 | Other Utility Departments | | | | |
| 62 | Operation and Maintenance | | - | - | - |
| 63 | TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62) | 32,633,464 | - | 8,465,804 | 41,099,268 |
| 64 | Utility Plant | | | | |
| 65 | Construction (By Utility Departments) | | | | |
| 66 | Electric Plant | | - | - | - |
| 67 | Gas Plant | 2,150,851 | | 603,715 | 2,754,566 |
| 68 | Other | - | - | - | - |
| 69 | TOTAL Construction (Total of lines 66 thru 68) | 2,150,851 | - | 603,715 | 2,754,566 |
| 70 | Plant Removal (By Utility Department) | | | | |
| 71 | Electric Plant | | - | - | - |
| 72 | Gas Plant | 267,056 | - | 64,094 | 331,150 |
| 73 | Other | - | - | - | - |
| 74 | TOTAL Plant Removal (Total of lines 71 thru 73) | 267,056 | - | 64,094 | 331,150 |
| 75 | | | | | - |
| 76 | TOTAL Other Accounts | - | - | - | - |
| 77 | TOTAL SALARIES AND WAGES | 35,051,371 | - | 9,133,613 | 44,184,984 |

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|---|-------------------------------------|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
| CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES | | | | |
| <p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services. (b) Total charges for the year.</p> <p>2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.</p> <p>3. Total under a description "Total", the total of all of the aforementioned services.</p> <p>4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.</p> | | | | |
| Line No. | Description (a) | Amount (in dollars) (b) | | |
| 1 | Armstrong Teasdale | 242,709 | | |
| 2 | Brydon, Swearingen & England | 354,909 | | |
| 3 | Burns & McDonnell | 118,934 | | |
| 4 | Concentric Energy Advisors | 108,265 | | |
| 5 | Dysart Tarlor Lay | 110,316 | | |
| 6 | Environmental Operations | 165,883 | | |
| 7 | Henson Hutton Mudrick | 126,452 | | |
| 8 | Kasowitz, Benson, Torres & Friedman | 960,018 | | |
| 9 | Ogletree Deakins Nash Smoak | 142,912 | | |
| 10 | Premier Tech | 247,731 | | |
| 11 | Schiff Hardin | 175,978 | | |
| 12 | Schlee Huber McMullen & Krause | 169,454 | | |
| 13 | Shafer Kline & Warren | 298,111 | | |
| 14 | Sonnenschein Nath & Rosenthal | 652,437 | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | Other: (Services under \$100,000) | 1,057,625 | | |
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| 25 | | | | |
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| 37 | | | | |
| 38 | | | | |
| 39 | Total | 4,931,734 | | |

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| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

| Line No. | Description of the Good or Service (a) | Name of Associated/Affiliated Company (b) | Account(s) Charged or Credited (c) | Amount Charged or Credited (d) |
|----------|---|--|---------------------------------------|-----------------------------------|
| 1 | Goods or Services Provided by Affiliated Company | | | |
| 2 | | | | |
| 3 | Joint and Common Costs - Capitalized | Southern Union Company | 184 | 2,837,302 |
| 4 | Joint and Common Costs - Expensed | Southern Union Company | 921 | 7,500,573 |
| 5 | Service Management Fee | Southern Union Company | 921 | 3,024,987 |
| 6 | Royalty Fee | Southern Union Company | 930.2 | 2,016,658 |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | Total | | | 15,379,520 |
| 20 | Goods or Services Provided for Affiliated Company | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
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| 37 | | | | |

| Name of Respondent Missouri Gas Energy | | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | | Date of Report December 31, | Year Ending 2011 |
|--|--|---|---|---|----------------------------|
| GAS ACCOUNT - NATURAL GAS | | | | | |
| <p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.</p> <p>7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.</p> <p>8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.</p> <p>9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</p> <p>10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.</p> | | | | | |
| Line No. | Item (a) | Ref. Page No. of FERC Form Nos. 2/2-a (b) | Total Amount of Mcf Year to Date (c) | Current 3 month Ended Amount of Dth Quarterly Only (d) | |
| 01 | NAME OF SYSTEM | | | | |
| 2 | GAS RECEIVED | | | | |
| 3 | Gas Purchases (Accounts 800-805) | | 51,643,086 | | |
| 4 | Gas of Others Received for Gathering (Account 489.1) | 303 | - | | |
| 5 | Gas of Others Received for Transmission (Account 489.2) | 305 | - | | |
| 6 | Gas of Others Received for Distribution (Account 489.3) | 301 | 22,588,308 | | |
| 7 | Gas of Others Received for Contract Storage (Account 489.4) | | - | | |
| 8 | Exchanged Gas Received from Others (Account 806) | | - | | |
| 9 | Gas Received as Imbalances (Account 806) | | - | | |
| 10 | Receipts of Respondent's Gas Transported by Others (Account 858) | | - | | |
| 11 | Other Gas Withdrawn from Storage (Explain) | | - | | |
| 12 | Gas Received from Shippers as Compressor Station Fuel | | - | | |
| 13 | Gas Received from Shippers as Lost and Unaccounted for | | - | | |
| 14 | | | | | |
| 15 | Total Receipts (Total of lines 3 thru 14) | | 74,231,394 | | |
| 16 | GAS DELIVERED | | | | |
| 17 | Gas Sales (Account 480-484) | 301 | 47,377,167 | | |
| 18 | Deliveries of Gas Gathered for Others (Account 489.1) | 303 | - | | |
| 19 | Deliveries of Gas Transported for Others (Account 489.2) | 305 | - | | |
| 20 | Deliveries of Gas Distributed for Others (Account 489.3) | 301 | 22,588,308 | | |
| 21 | Deliveries of Contract Storage Gas (Account 489.4) | 307 | - | | |
| 22 | Exchanged Gas Delivered to Others (Account 806) | 328 | - | | |
| 23 | Gas Delivered as Imbalances (Account 806) | 328 | - | | |
| 24 | Deliveries of Gas to Others for Transportation (Account 858) | 332 | - | | |
| 25 | Other Gas Delivered to Storage (Explain) | | - | | |
| 26 | Gas Used for Compressor Station Fuel | 509 | - | | |
| 27 | | | | | |
| 28 | Total Deliveries (Total of lines 17 thru 27.?) | | 69,965,475 | | |
| 29 | GAS UNACCOUNTED FOR | | | | |
| 30 | Production System Losses | | 4,265,919 | | |
| 31 | Gathering System Losses | | - | | |
| 32 | Transmission System Losses | | - | | |
| 33 | Distribution System Losses | | - | | |
| 34 | Storage System Losses | | - | | |
| 35 | | | - | | |
| 36 | Total Unaccounted For (Total of lines 30 thru 35) | | 4,265,919 | | |
| 37 | Total Deliveries & Unaccounted For (Total of lines 28 and 36) | | 74,231,394 | | |

| | | | |
|--|---|---------------------------------------|----------------------------|
| Name of Respondent Missouri Gas Energy | This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission | Date of Report December 31, | Year Ending 2011 |
|--|---|---------------------------------------|----------------------------|

| SYSTEM MAPS | |
|--|---|
| <p>1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.</p> <p>2. Indicate the following information on the maps:</p> <ul style="list-style-type: none"> (a) Transmission lines. (b) Incremental facilities. (c) Location of gathering areas. (d) Location of zones and rate areas. (e) Location of storage fields. (f) Location of natural gas fields. | <ul style="list-style-type: none"> (g) Location of compressor stations. (h) Normal direction of gas flow (indicated by arrows). (i) Size of pipe. (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc. (k) Principal communities receiving service through the respondents pipeline. <p>3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.</p> <p>4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.</p> |

System maps for the Missouri service territories were submitted with the December 31, 1996 FERC Form No. 2.

As no material changes have occurred for this service territory, system maps for the Missouri service territory is not attached.

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