

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Missouri Gas Energy's)
Tariffs to Implement a General Rate)
Increase for Natural Gas Service) Case No. GR-2004-0209

**MOTION FOR ADDITIONAL TIME TO FILE COST
OF CAPITAL REBUTTAL TESTIMONY AND FOR EXPEDITED TREATMENT**

Comes now Missouri Gas Energy, a division of Southern Union Company ("MGE"), by counsel, and for its Motion for Additional Time to File Cost of Capital Rebuttal Testimony and for Expedited Treatment, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. In accordance with the Commission's Order Adopting Procedural Schedule issued December 18, 2003, rebuttal testimony in the captioned proceeding is to be filed with the Commission by all parties on Thursday, May 20, 2004. MGE desires an additional two (2) business days until Monday, May 24, 2004, to make this filing.

2. On May 11, 2004, the Staff of the Commission ("Staff") filed with the Commission a Preliminary List of Issues, which document sets out the issues that remain unresolved in this proceeding at the completion of the prehearing conference. The first issue described on the document is "Rate of Return," including the subissues of Capital Structure, Embedded Cost of Long Term Debt and Return on Equity. According to a reconciliation prepared by the Staff and recently provided to MGE, these Rate of Return or Cost of Capital issues represent approximately \$23 Million of the \$46 Million worth, or fully 50%, of items which remain as contested issues in this case.

3. Considerable discovery has been, or will be, undertaken by MGE with

respect to the Cost of Capital issue including data requests and depositions. MGE is reviewing the transcripts of these depositions and the responses to data requests that have been provided to date¹. In any event, the Cost of Capital issue is the single most important matter in this case, not only in terms of its revenue impact, but also in terms of the underlying substantive and other matters which will be presented to the Commission in connection with this issue, which matters will have ramifications beyond this case.

4. MGE sincerely believes that the Commission and the public would benefit by allowing MGE, and the other parties, to have an additional two (2) business days to more fully develop and present to the Commission rebuttal testimony on this extraordinarily important issue. This Commission has long recognized the importance of ensuring that Missouri utilities, like MGE, are allowed a fair and reasonable rate of return. In order to fully and completely address the underlying Cost of Capital issues in rebuttal testimony, and to make the Commission fully aware of the extremely significant facts and circumstances surrounding this matter, MGE desires an additional two (2) business days, to May 24, 2004, to complete and file its rebuttal testimony on this topic. MGE believes that only with a full and complete evidentiary record will it be afforded an opportunity to be awarded and to earn a fair and reasonable rate of return as is required by law.

5. MGE does not request additional time to file rebuttal testimony with respect to any other issues in this proceeding. MGE has no objection to other parties

¹Some data requests submitted by MGE to the Staff and the Office of the Public Counsel have not been answered, but the twenty day response period has not expired.

being afforded the same extension of time to file their Cost of Capital rebuttal testimony. In addition, MGE has no objection to extending the due date for surrebuttal testimony on the Cost of Capital issue, if the parties desire and the Commission deems it appropriate².

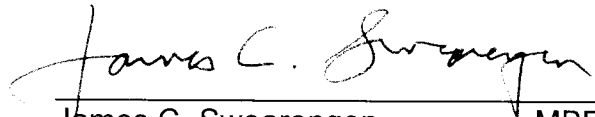
6. MGE desires that the Commission act on this Motion at its earliest opportunity and in any event no later than Tuesday, May 18, 2004. The granting of this Motion on an expedited basis will have no negative effect on MGE's customers or the general public. This Motion for Expedited Treatment is filed as soon as it could have been under the circumstances.

WHEREFORE, MGE respectfully moves the Commission to issue its order at its earliest opportunity, no later than May 18, 2004, extending the filing date for Cost of Capital rebuttal testimony from May 20 to May 24, 2004, and also extending the filing date for Cost of Capital surrebuttal testimony from June 9 to June 11, 2004, should the Commission deem this additional adjustment to the procedural schedule appropriate.

²Surrebuttal is now due Wednesday, June 9, 2004. A two business day extension for that testimony would cause it to be due Friday, June 11, 2004.

Respectfully submitted,

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ATTORNEYS FOR MISSOURI GAS ENERGY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, mailed by U.S. mail or electronically transmitted on this 13TH day of April, 2004, to all parties of record.

