

Missouri Gas Energy

Case No. GR-2004-0209

Revenue Requirement Reconciliation-Issues to be Heard

Line No.			
1	MGE - Revenue Requirement		35,673,315
2			
3	Rate of Return & Capital Structure		
4	Value of Capital Structure Issue - Staff / Company	(11,172,976)	
5	Value of Difference in Long-Term Debt Rates	(3,704,178)	
6	Value of Difference in Preferred Stock Rates	(94,979)	
6	Capital Structure impact on Interest Expense Deduction	(1,895,977)	
7	Value of Return on Equity	(6,648,525)	
8	Sub-Total Rate of Return and Capital Structure Differences		(23,516,636)
9			
10	Income Statement - Revenue Issues		
11	Capacity Release Revenues	(1,340,400)	
12	Sub Total - Revenue Adjustments		(1,340,400)
13			
14	Income Statement - Expense Issues		
15	Weatherization Program	(160,000)	
16	Environmental Response Fund	(750,000)	
17	Legislative/Lobbying Payroll Adjustment	(95,265)	
18	Incentive Compensation	(209,513)	
19	Corporate Expenses	(656,246)	
20	Sub Total - Expense Adjustments		(1,871,024)
21			
22	Total Value of All Issues		(26,728,059)
23			
24	Staff Revenue Requirement		8,945,256
25			
26	OPC Issues:		
27	Return on Equity	(86,344)	
28	Capital Structure		4,317,224
29			
30	Revenue:		
31	Off System Sales/Capacity Release Revenue		(159,600)
32			
33	Expenses:		
34	Weatherization Program		51,000
35	Efficient Energy Program		126,156
36	Legislative/Lobbying		35,017
37	Low Income		337,000
38	OPC Revenue Requirement		13,228,709

NOTE 1: MGE has requested an additional 25 basis points added to ROR for Management Efficiency. The additional MGE revenue requirement impact: **2,158,612**
This results in an overall revenue requirement for MGE of: **37,831,927**

NOTE 2: The above revenue requirements for each party do not reflect their positions on or settlement of tariff item issues, such as late payment and miscellaneous service charges.