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May 30, 2001

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ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOLILIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

RE: Case No. GR-2001-292

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **JOINT LIST OF CONTESTED ISSUES SUBMITTED BY THE STAFF AND THE OFFICE OF THE PUBLIC COUNSEL.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Thomas R. Schwarz, Jr.  
Deputy General Counsel  
(573) 751-5239  
(573) 751-9285 (Fax)

TRS:sw  
Enclosure  
cc: Counsel of Record

FILED<sup>3</sup>

MAY 30 2001

Missouri Public  
Service Commission

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

**FILED<sup>3</sup>**  
MAY 30 2001

Missouri Public  
Service Commission

In the matter of tariff revisions of                     )  
Missouri Gas Energy, a division of                     )  
Southern Union, designed to increase rates            )  
for natural gas service to customers in the            )  
Missouri service area.                                     )

Case No. GR-2001-292

**JOINT LIST OF CONTESTED ISSUES**

**SUBMITTED BY THE STAFF AND THE OFFICE OF THE PUBLIC COUNSEL**

COME NOW Staff of the Missouri Public Service Commission (Staff) and the Office of the Public Counsel (Public Counsel) and submit the following list of Contested Issues. The parties were not able to reach consensus on a joint statement of the issues, and this list is Staff and Public Counsel's neutral statement of the issues. The parties, including Staff and Public Counsel, will state their positions on issues and make argument in other filings or later proceedings.

**LIST OF CONTESTED ISSUES**

**1. Capital Structure/Rate of Return**

- A. What capital structure is appropriate for MGE?
- B. What return on common equity is appropriate for MGE?
- C. What overall rate of return is appropriate for MGE?

**2. Depreciation**

- A. What are the appropriate average service lives for MGE's plant?
- B. What is the appropriate net salvage methodology for MGE's plant?

**3. Gas Storage Inventory**

- A. Should the Commission adopt the Staff's 12-month average of volumes or MGE's 13-month average of volumes for purposes of valuing MGE's gas storage inventory?

- B. Should the Commission adopt a three-year historical average (April-October of 1998-2000) of MGE's cost of gas or futures prices of gas for purposes of valuing MGE's gas storage inventory?

**4. Joint & Common Costs**

- A. Should the Commission adopt the Staff's recommendation to replace the Chairman and Vice Chairman's salaries and overheads with outside director's fees and disallow all remaining costs of the New York office?
- B. Should the Commission adopt the Staff's recommendation to disallow:
  - i) 100% of the salary and overheads of Southern Union Company's Senior Vice President-Legal and Secretary;
  - ii) 75% of the salary and overheads of the salary and overheads of Southern Union Company's President and Chief Operating Officer; and
  - iii) 50% of the salary and overheads of Southern Union Company's Executive Vice President-Chief Financial Officer?
- C. Should the Commission adopt Public Counsel's and Staff's recommendation to disallow 100% of the manufactured gas plant-related expenditures incurred during the test year?

**4. Off-System Sales and Capacity Release Revenues**

- A. Should the Commission adopt either the Staff or Public Counsel's proposal to impute off-system sales revenues in setting distribution rates in this case?
- B. Should the Commission adopt Public Counsel's proposal to recognize capacity release revenues in setting distribution rates in this case?

**5. SLRP Deferrals**

- A. Should the Commission treat the June 1 to September 2, 1998 gap period as part of the AAO deferrals?
- B. Should the Commission adopt the Staff and Public Counsel recommendations to exclude from rate base the unamortized balance of SLRP deferrals?
- C. Should the Commission reduce rate base to reflect the associated deferred income taxes related to the unamortized balance of SLRP deferrals?

**6. Revenues associated with MGE's Mapping System**

- A. Should the Commission adopt Public Counsel's proposal to credit all revenues associated with MGE's land based digitized mapping system as a reduction to the digitized mapping system plant or MGE's proposal to share such revenues equally between shareholders and customers?

**7. Class Cost-of-Service/Class Revenue Allocations**

- A. What should be the appropriate method of class cost of service allocation in this case?
- B. What is the appropriate allocation of any increase in revenues to customer classes?
- C. What are the appropriate adjustments to rates for the various customer classes?

8. **Weatherization Program**

- A. Should the Commission adopt the Staff's proposal to expand MGE's low-income weatherization program?

9. **Low-income Credit Tariff Rate**

- A. Should the Commission adopt Public Counsel's proposed low-income fixed credit tariff rate?

10. **Customer Service Effectiveness / Gas Safety Incentive Plan**

- A. Should the Commission adopt MGE's proposed Customer Service Effectiveness/Gas Safety Incentive Plan?

Respectfully submitted,

DANA K. JOYCE  
General Counsel

Douglas E. Micheel *rmf*

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### Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 30th day of May 2001

Thomas R. Schwarz, Jr.

**Service List for  
Case No. GR-2001-292  
Revised: May 30, 2001 (SW)**

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