

Exhibit No.:
Issues: *Accounting Schedules*
Witness: *MoPSC Accountants*
Sponsoring Party: *MoPSC Staff*
Case No.: *GR-2001-292*
Date Prepared: *April 19, 2001*

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

MISSOURI GAS ENERGY
A DIVISION OF SOUTHERN UNION COMPANY

CASE NO. GR-2001-292

STAFF ACCOUNTING SCHEDULES

Exhibit No. 29
Date 6-25-01 *Case No.* GR-2001-292
Reporter Stewart

Jefferson City, Missouri
April 2001

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Revenue Requirement

Line	8.70% Return	8.82% Return	8.95% Return
(A)	(B)	(C)	(D)
1 Net Orig Cost Rate Base (Sch 2)	\$ 486,933,326	\$ 486,933,326	\$ 486,933,326
2 Rate of Return	8.70%	8.82%	8.95%

3 Net Operating Income Requirement	\$ 42,363,199	\$ 42,947,519	\$ 43,580,533
4 Net Income Available (Sch 9)	\$ 42,947,519	\$ 42,947,519	\$ 42,947,519

5 Additional NOI/RT Needed	\$ (584,320)	\$ 0	\$ 633,014
6 Income Tax Requirement (Sch 11)			
7 Required Current Income Tax	\$ 8,954,776	\$ 9,318,852	\$ 9,713,269
8 Test Year Current Income Tax	\$ 9,318,852	\$ 9,318,852	\$ 9,318,852

9 Additional Current Tax Required	\$ (364,076)	\$ 0	\$ 394,417
10 Required Deferred ITC	\$ 0	\$ 0	\$ 0
11 Test Year Deferred ITC	\$ 0	\$ 0	\$ 0

12 Additional Deferred ITC Required	\$ 0	\$ 0	\$ 0

13 Total Additional Tax Required	\$ (364,076)	\$ 0	\$ 394,417

14 Gross Revenue Requirement	\$ (948,396)	\$ 0	\$ 1,027,431

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Rate Base

Line Description		Amount
(A)	(B)	
1 Total Plant in Service (Sch 3)		\$ 726,642,606
Subtract from Total Plant		
2 Depreciation Reserve (Sch 6)		\$ 216,231,812

3 Net Plant in Service		\$ 510,410,794
Add to Net Plant in Service		
4 Cash Working Capital (Sch 8)		\$ 2,027,280
5 Materials and Supplies Inventory		1,884,628
6 Prepayments		415,611
7 Gas Inventory		29,811,577
8 Alternative Minimum Tax Credit		12,363,267
9 Prepaid Pension Asset		7,822,837
Subtract from Net Plant		
10 Federal Tax Offset 0.5480 %		\$ 44,132
11 State Tax Offset 38.2190 %		483,670
12 City Tax Offset 0.0000 %		0
13 Interest Expense Offset 10.9320 %		2,831,919
14 Customer Advances for Construction		10,678,465
15 Customer Deposits		4,857,207
16 Deferred Income Taxes GO-94-234		3,606,147
17 Deferred Income Taxes-GO-97-301		906,050
18 Deferred Taxes on Allocated Plant		2,271,389
19 Rate Base Offset per GM-94-40		12,000,000
20 Deferred Taxes on Direct Plant		37,412,850
21 Deferred Taxes SLRP GR-98-140		2,386,441
22 Deferred Taxes on Year 2000 AAO		324,398

23 Total Rate Base		\$ 486,933,326
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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 15,600	\$ 0	100.0000	\$ 0 P-1	\$ 15,600
2	302.000	Franchises & Consents	51,046	0	100.0000	0 P-2	51,046
3	303.000	Corrosion Control Management System	1,117,800	0	100.0000	0 P-3	1,117,800
4	303.000	Landbase Digitized Mapping	1,393,602	0	100.0000	0 P-35	1,393,602
5	303.000	Premise Data Sys (PDS) Comp 12/96	985,196	0	100.0000	0 P-36	985,196
6	303.000	AMR Project - Programming	415,236	0	100.0000	0 P-37	415,236
7	303.000	FPI Main Segmentation	894,795	0	100.0000	0 P-38	894,795
8	303.000	Geographic Info Systems - GIS	1,006,719	0	100.0000	0 P-39	1,006,719
9	303.000	Licensing Office Pro2000	54,012	0	100.0000	0 P-40	54,012
10	303.000	Stoner Low Pressure/Intermediate	154,584	0	100.0000	0 P-41	154,584
11	303.000	BASIC - Customer Billing System	294,516	0	100.0000	0 P-42	294,516
12	303.000	TCS System	189,193	0	100.0000	0 P-43	189,193
13	303.000	GEO Tax Software	79,294	0	100.0000	0 P-44	79,294
14	375.200	Structures - Distribution	13,964	0	100.0000	0 P-7	13,964
15	390.200	Structures - Utility Offices	1,286,800	40,557	100.0000	0 P-19	1,327,357
16	303.000	Customer Service System (CSS)	3,786,000	0	100.0000	0 P-45	3,786,000
17		Total	\$ 11,738,357	\$ 40,557		\$ 0	\$ 11,778,914
Distribution Plant							
18	374.100	Land	\$ 240,448	\$ 0	100.0000	\$ 0 P-4	\$ 240,448
19	374.200	Land Rights	993,492	0	100.0000	0 P-5	993,492
20	375.100	Structures	5,983,365	23,703	100.0000	0 P-6	6,007,068
21	375.200	Leasehold Improvements	0	0	0.0000	0	0
22	376.000	Mains	270,057,394	8,912,537	100.0000	0 P-8	278,969,931
23	378.000	Meas. & Reg. Sta. Equip. - General	10,354,134	67,890	100.0000	0 P-9	10,422,024
24	379.000	Meas. & Reg. Sta. Equip - City Gate	2,762,737	311,276	100.0000	0 P-10	3,074,013
25	380.000	Services	249,039,889	(991,824)	100.0000	0 P-11	248,048,065
26	381.000	Meters	28,138,572	11,933	100.0000	0 P-12	28,150,505
27	382.000	Meter Installations	49,673,982	300,711	100.0000	0 P-13	49,974,693
28	383.000	House Regulators	9,497,032	43,122	100.0000	0 P-14	9,540,154
29	385.000	Electronic Gas Measuring	293,923	26,165	100.0000	0 P-15	320,088
30	387.000	Other Equipment	0	0	100.0000	0 P-16	0
31		Total	\$ 627,034,968	\$ 8,705,513		\$ 0	\$ 635,740,481

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Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant-Direct							
32	389.000	Land	\$ 610,049	\$ 0	100.0000	\$ 0 P-17	\$ 610,049
33	390.100	Structures	465,528	51,773	100.0000	0 P-18	517,301
34	390.200	Leasehold Improvements	0	0	0.0000	0	0
35	391.000	Office Furniture & Equipment	3,017,576	9,254	100.0000	0 P-20	3,026,830
36	392.000	Transportation Equipment	4,601,351	0	100.0000	0 P-21	4,601,351
37	393.000	Stores Equipment	499,757	0	100.0000	0 P-22	499,757
38	394.000	Tools, Shop & Garage Equipment	4,535,973	3,333	100.0000	0 P-23	4,539,306
39	395.000	Laboratory Equipment	0	0	100.0000	0 P-24	0
40	396.000	Power Operated Equipment	535,765	0	100.0000	0 P-25	535,765
41	397.100	Communication Equipment - AMR	32,969,219	0	100.0000	0 P-26	32,969,219
42	397.200	Comm Equipment	1,478,273	38,562	100.0000	0 P-28	1,516,835
43	398.000	Miscellaneous Equipment	166,410	8,192	100.0000	0 P-27	174,602
44		Total	\$ 48,879,901	\$ 111,114		\$ 0	\$ 48,991,015
Allocated General Plant							
45	391.000	Allocated Corporate IT Plant	\$ 0	\$ 21,722,043	46.2720	\$ (1,014,620) P-29	\$ 9,036,604
46	391.000	Direct Assigned Corporate IT Plant	0	998,325	100.0000	0 P-30	998,325
47	391.100	Furniture & Fixtures	0	1,510,720	29.0714	0 P-31	439,187
48	390.000	Structures & Improvements	0	658,891	44.8883	0 P-32	295,765
49	397.000	Communication Equipment	0	11,224	37.5972	0 P-33	4,220
50	398.000	Miscellaneous Equipment	0	6,775	37.5972	0 P-34	2,547
51	303.000	Miscellaneous Intangible Plant	0	0	100.0000	0	0
52		Total	\$ 0	\$ 24,907,978		\$ (1,014,620)	\$ 10,776,648
Projected Plant Increases- 6/30/01							
53		Projected Increase - Intangible	\$ 0	\$ 441,748	100.0000	\$ 0 P-46	\$ 441,748
54		Projected Increase - Distribution	0	18,924,141	100.0000	0 P-47	18,924,141
55		Projected Increase - General Plant	0	(10,341)	100.0000	0 P-48	(10,341)
56		Total	\$ 0	\$ 19,355,548		\$ 0	\$ 19,355,548
57		Total Plant In Service	\$ 687,653,226	\$ 53,120,710		\$ (1,014,620)	\$ 726,642,606

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Structures	P-6	\$ 23,703
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 23,703	
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Mains	P-8	\$ 8,912,537
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 8,912,537	
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Meas. & Reg. Sta. Equip. - General	P-9	\$ 67,890
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 67,890	
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Meas. & Reg. Sta. Equip - City Gate	P-10	\$ 311,276
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 311,276	
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Services	P-11	\$ (991,824)
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1. To reflect retirement of inactive meters. (Lucas)	\$ (2,172,784)	
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Lucas

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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2. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 1,180,960	
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Meters	P-12	\$ 11,933
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 11,933	
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Meter Installations	P-13	\$ 300,711
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 300,711	
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House Regulators	P-14	\$ 43,122
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 43,122	
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Electronic Gas Measuring	P-15	\$ 26,165
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucas)	\$ 26,165	
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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Structures	P-18	\$ 51,773
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 46,773	
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2. To capitalize cost of installing sink and water heater by AD Jacobson Company invoice No.20-4308-1 (DR 239) (Lucus)	\$ 5,000	
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Structures - Utility Offices	P-19	\$ 40,557
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 40,557	
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Office Furniture & Equipment	P-20	\$ 9,254
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 7,309	
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2. To capitalize cost to refinish office furniture. Charged to Account 921 (DR 239) (Lucus)	\$ 1,945	
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Tools, Shop & Garage Equipment	P-23	\$ 3,333
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1. To recognize completed construction not yet classified to plant account (Account 106). (Lucus)	\$ 3,333	
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Lucas
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Adjustments to Total Plant

Adj	No Description	Adjustment	
		Total Co	Mo Juris

*****	Miscellaneous Equipment	P-27	\$ 8,192	*****
1.	To recognize completed construction not yet classified to		\$ 8,192	
	plant account (Account 106).			
	(Lucas)			

*****	Comm Equipment	P-28	\$ 38,562	*****
1.	To recognize completed construction not yet classified to		\$ 38,562	
	plant account (Account 106).			
	(Lucas)			

*****	Allocated Corporate IT Plant	P-29	\$ 21,722,043	\$ (1,014,620)	*****
1.	To include Corporate allocated Information Technology (IT)		\$ 21,722,043		
	plant.				
	(Hymeman)				

2.	To remove CSS Mainframe computer that is no longer in service.		\$ (1,007,713)		
	(Hymeman)				
3.	To remove costs capitalized to CSS for a project that was cancelled. See DR 46 \$42,908 X 48.18474, C2M cabling - transfer printing and mailing of customer statements to CSC in Omaha.		\$ (20,675)		
	(Hymeman)				

4.	To capitalize payment to Denver Solutions Group (D-49) for IT Equipment (\$24,283 X 45.91779 Allocator 200406).		\$ 11,150		
	(Hymeman)				
5.	To capitalize payment to C Tap LLC and Precision Camera & Video for IT Equipment (allocator 200401 D-51)		\$ 2,618		
	(Hymeman)				

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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***** Direct Assigned Corporate IT Plant P-30	\$ 998,325	

1. To include corporate IT plant directly assigned to MGE. (Hyneman)	\$ 998,325	
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***** Furniture & Fixtures P-31	\$ 1,510,720	

1. To include corporate allocated office furniture and equipment. (Hyneman)	\$ 1,510,720	
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***** Structures & Improvements P-32	\$ 658,891	

1. To include corporate allocated plant. (Hyneman)	\$ 658,891	
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***** Communication Equipment P-33	\$ 11,224	

1. To include corporate allocated plant. (Hyneman)	\$ 11,224	
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***** Miscellaneous Equipment P-34	\$ 6,775	

1. To include corporate allocated plant. (Hyneman)	\$ 6,775	
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Lucus

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Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Customer Service System (CSS)

P-45

1. No adjustment.

Projected Increase - Intangible

P-46

\$ 441,748

1. To reflect projected plant increases from 12/31/00 through
6/30/01.
(Lucus)

\$ 441,748

Projected Increase - Distribution

P-47

\$ 18,924,141

1. To reflect projected plant increases from 12/31/00 through
6/30/01.
(Lucus)

\$ 18,924,141

Projected Increase - General Plant

P-48

\$ (10,341)

1. To reflect projected plant increases from 12/31/00 through
6/30/01.
(Lucus)

\$ (10,341)

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Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Intangible Plant					
1	301.000	Organization	\$ 15,600	0.0000	\$ 0
2	302.000	Franchises & Consents	51,046	0.0000	0
3	303.000	Corrosion Control Management System	1,117,800	0.0000	0
4	303.000	Landbase Digitized Mapping	1,393,602	0.0000	0
5	303.000	Premise Data Sys (PDS) Comp 12/96	985,196	0.0000	0
6	303.000	AMR Project - Programming	415,236	0.0000	0
7	303.000	FPI Main Segmentation	894,795	0.0000	0
8	303.000	Geographic Info Systems - GIS	1,006,719	0.0000	0
9	303.000	Licensing Office Pro2000	54,012	0.0000	0
10	303.000	Stoner Low Pressure/Intermediate	154,584	0.0000	0
11	303.000	BASIC - Customer Billing System	294,516	0.0000	0
12	303.000	TCS System	189,193	0.0000	0
13	303.000	GEO Tax Software	79,294	0.0000	0
14	375.200	Structures - Distribution	13,964	0.0000	0
15	390.200	Structures - Utility Offices	1,327,357	0.0000	0
16	303.000	Customer Service System (CSS)	3,786,000	0.0000	0

17		Total	\$ 11,778,914		\$ 0
Distribution Plant					
18	374.100	Land	\$ 240,448	0.0000	\$ 0
19	374.200	Land Rights	993,492	2.0900	20,764
20	375.100	Structures	6,007,068	1.6500	99,117
21	375.200	Leasehold Improvements	0	0.0000	0
22	376.000	Mains	278,969,931	1.4100	3,933,476
23	378.000	Meas. & Reg. Sta. Equip. - General	10,422,024	2.8600	298,070
24	379.000	Meas. & Reg. Sta. Equip - City Gate	3,074,013	2.1300	65,476
25	380.000	Services	248,048,065	2.2700	5,630,691
26	381.000	Meters	28,150,505	2.8600	805,104
27	382.000	Meter Installations	49,974,693	2.8600	1,429,276
28	383.000	House Regulators	9,540,154	2.4400	232,780
29	385.000	Electronic Gas Measuring	320,088	3.3300	10,659
30	387.000	Other Equipment	0	0.0000	0

31		Total	\$ 635,740,481		\$ 12,525,413

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Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
General Plant-Direct					
32	389.000	Land	\$ 610,049	0.0000	\$ 0
33	390.100	Structures	517,301	2.0000	10,346
34	390.200	Leasehold Improvements	0	0.0000	0
35	391.000	Office Furniture & Equipment	3,026,830	8.0600	243,962
36	392.000	Transportation Equipment	4,601,351	8.7000	400,318
37	393.000	Stores Equipment	499,757	2.7000	13,493
38	394.000	Tools, Shop & Garage Equipment	4,539,306	2.3800	108,035
39	395.000	Laboratory Equipment	0	0.0000	0
40	396.000	Power Operated Equipment	535,765	8.3300	44,629
41	397.100	Communication Equipment - AMR	32,969,219	5.0000	1,648,461
42	397.200	Comm Equipment	1,516,835	6.2500	94,802
43	398.000	Miscellaneous Equipment	174,602	3.8500	6,722
44		Total	\$ 48,991,015		\$ 2,570,768
Allocated General Plant					
45	391.000	Allocated Corporate IT Plant	\$ 9,036,604	10.0000	\$ 903,660
46	391.000	Direct Assigned Corporate IT Plant	998,325	10.0000	99,833
47	391.100	Furniture & Fixtures	439,187	3.2200	14,142
48	390.000	Structures & Improvements	295,765	2.0000	5,915
49	397.000	Communication Equipment	4,220	6.2500	264
50	398.000	Miscellaneous Equipment	2,547	3.8500	98
51	303.000	Miscellaneous Intangible Plant	0	10.0000	0
52		Total	\$ 10,776,648		\$ 1,023,912
Projected Plant Increases- 6/30/01					
53		Projected Increase - Intangible	\$ 441,748	10.0000	\$ 44,175
54		Projected Increase - Distribution	18,924,141	1.9700	372,806
55		Projected Increase - General Plant	(10,341)	5.2500	(543)
56		Total	\$ 19,355,548		\$ 416,438
57		Total Depreciation Expense	\$ 726,642,606		\$ 16,536,531

Lucus

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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 0	\$ 0	100.0000	\$ 0 R-1	\$ 0
2	302.000	Franchises & Consents	0	0	100.0000	0 R-2	0
3	303.000	Corrosion Control Management System	668,696	0	100.0000	0 R-3	668,696
4	303.000	Landbase Digitized Mapping	571,657	0	100.0000	0 R-4	571,657
5	303.000	Premise Data Sys (PDS) Comp 12/96	985,196	0	100.0000	0 R-7	985,196
6	303.000	AMR Project - Programming	80,740	0	100.0000	0 R-19	80,740
7	303.000	FPI Main Segmentation	577,867	0	100.0000	0 R-30	577,867
8	303.000	Geographic Info Systems - GIS	440,661	0	100.0000	0 R-31	440,661
9	303.000	Licensing Office Pro2000	4,051	0	100.0000	0 R-32	4,051
10	303.000	Stoner Low Pressure/Intermediate	67,665	0	100.0000	0 R-33	67,665
11	303.000	BASIC - Customer Billing System	78,137	0	100.0000	0 R-34	78,137
12	303.000	TCS System	29,975	0	100.0000	0 R-35	29,975
13	303.000	GEO Tax Software	13,216	0	100.0000	0 R-36	13,216
14	375.200	Structures - Distribution	13,965	0	100.0000	0 R-37	13,965
15	390.200	Structures - Utility Offices	428,470	0	100.0000	0 R-38	428,470
16	303.000	Customer Service System (CSS)	2,295,122	0	100.0000	0 R-39	2,295,122
17		Total	\$ 6,255,418	\$ 0		\$ 0	\$ 6,255,418
Distribution Plant							
18	374.100	Land	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
19	374.200	Land Rights	236,712	0	100.0000	0 R-5	236,712
20	375.100	Structures	1,211,729	0	100.0000	0 R-6	1,211,729
21	375.200	Leasehold Improvements	0	0	0.0000	0	0
22	376.000	Mains	79,610,487	0	100.0000	0 R-8	79,610,487
23	378.000	Meas. & Reg. Sta. Equip. - General	2,115,436	0	100.0000	0 R-9	2,115,436
24	379.000	Meas. & Reg. Sta. Equip - City Gate	557,730	0	100.0000	0 R-10	557,730
25	380.000	Services	101,156,743	(2,172,784)	100.0000	0 R-11	98,983,959
26	381.000	Meters	2,591,815	0	100.0000	0 R-12	2,591,815
27	382.000	Meter Installations	6,657,549	0	100.0000	0 R-13	6,657,549
28	383.000	House Regulators	967,223	0	100.0000	0 R-14	967,223
29	387.000	Other Equipment	0	0	100.0000	0 R-15	0
30	385.100	Electronic Gas Measurement	40,948	0	100.0000	0 R-16	40,948
31		Total	\$ 195,146,372	\$ (2,172,784)		\$ 0	\$ 192,973,588

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Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant							
32	389.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0 R-17	\$ 0
33	390.100	Structures & Improvements	114,795	0	100.0000	0 R-18	114,795
34	390.200	Leasehold Improvements	0	0	0.0000	0	0
35	391.000	Office Furniture & Equipment	(785,447)	0	100.0000	0 R-20	(785,447)
36	392.000	Transportation Equipment	1,068,272	0	100.0000	0 R-21	1,068,272
37	393.000	Stores Equipment	188,469	0	100.0000	0 R-22	188,469
38	394.000	Tools, Shop & Garage Equipment	1,233,385	0	100.0000	0 R-23	1,233,385
39	395.000	Laboratory Equipment	(164,763)	164,763	100.0000	0 R-24	0
40	396.000	Power Operated Equipment	(320,069)	0	100.0000	0 R-25	(320,069)
41	397.000	Communication Equipment	(1,268,850)	0	100.0000	0 R-26	(1,268,850)
42	398.000	Miscellaneous Equipment	79,268	0	100.0000	0 R-27	79,268
43	397.100	Communication Equipment-AMR	4,572,289	0	100.0000	0 R-28	4,572,289
44		Total	\$ 4,717,349	\$ 164,763		\$ 0	\$ 4,882,112
Corporate Allocated Reserve							
45	391.000	Allocated Corporate IT Plant	\$ 0	\$ 8,476,231	46.2720	\$ (1,007,713) R-29	\$ 2,914,409
46	391.000	Direct Assigned Corporate IT Plant	0	389,137	100.0000	0 R-41	389,137
47	391.100	Furniture & Fixtures	0	503,248	29.0714	0 R-42	146,301
48	390.000	Structures & Improvements	0	490,424	44.8883	0 R-43	220,143
49	397.000	Communications Equipment	0	(244,486)	37.5972	0 R-44	(91,920)
50	398.000	Miscellaneous Equipment	0	(53,401)	37.5972	0 R-45	(20,077)
51	303.000	Miscellaneous Intangible Plant	0	0	100.0000	0 R-46	0
52		Total	\$ 0	\$ 9,561,153		\$ (1,007,713)	\$ 3,557,993
Projected Increases - 6/30/01							
53		Projected Increase through 6/30/01	\$ 0	\$ 8,562,701	100.0000	\$ 0 R-40	\$ 8,562,701
54		Total	\$ 0	\$ 8,562,701		\$ 0	\$ 8,562,701
55		Total Depreciation Reserve	\$ 206,119,139	\$ 16,115,833		\$ (1,007,713)	\$ 216,231,812

Lucus

14:15 04/18/2001

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Services R-11	\$ (2,172,784)	

1. To reflect retirement of inactive meters. (Lucus)	\$ (2,172,784)	

Laboratory Equipment R-24	\$ 164,763	

1. To remove debit reserve balance for amortization on the income statement over 5 years. (Lucus)	\$ 164,763	

Allocated Corporate IT Plant R-29	\$ 8,476,231	\$ (1,007,713)

1. To include corporate allocated reserve. (Hyneman)	\$ 8,476,231	
2. To remove depreciation reserve for retired CSS Mainframe computer. (Hyneman)		\$ (1,007,713)

Projected Increase through 6/30/01 R-40	\$ 8,562,701	

1. To include estimated increased in depreciation reserve from 12/31/00 through 6/30/01. (Lucus)	\$ 8,562,701	

Direct Assigned Corporate IT Plant R-41	\$ 389,137	

1. To include corporate allocated reserve. (Hyneman)	\$ 389,137	

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Furniture & Fixtures	R-42	\$ 503,248
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1. To include corporate allocated reserve. (Hyneman)		\$ 503,248
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Structures & Improvements	R-43	\$ 490,424
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1. To include corporate allocated reserve. (Hyneman)		\$ 490,424
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Communications Equipment	R-44	\$ (244,486)
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1. To include corporate allocated reserve. (Hyneman)		\$ (244,486)
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Miscellaneous Equipment	R-45	\$ (53,401)
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1. To include corporate allocated reserve. (Hyneman)		\$ (53,401)
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Missouri Gas Energy
Case: GR-01-292
December 31, 2000

Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Operation and Maintenance Expense							
1	Cash Vouchers	\$ 28,327,853	43.0000	28.0000	15.0000	0.041096	\$ 1,164,161
2	Bad Debt Expense	3,455,836	43.0000	43.0000	0.0000	0.000000	0
3	Net Payroll	16,083,990	43.0000	12.5000	30.5000	0.083562	1,344,010
4	Fica Withheld	1,774,630	43.0000	12.5000	30.5000	0.083562	148,292
5	Federal Income Tax Withheld	3,172,249	43.0000	12.5000	30.5000	0.083562	265,079
6	State Income Tax Withheld	875,845	43.0000	22.0000	21.0000	0.057534	50,391
7	City Tax Withheld	128,476	43.0000	20.2200	22.7800	0.062411	8,018
8	Resident State Tax Withheld	15,645	43.0000	30.7271	12.2729	0.033624	526
9	Vacation Expense Nonunion	313,128	43.0000	182.5000	(139.5000)	(0.382192)	(119,675)
10	Pensions and OPEBs	(556,071)	43.0000	43.0000	0.0000	0.000000	0
11	Medical Expense	3,195,996	43.0000	0.0000	43.0000	0.117808	376,514
12	Building Rents and Leases	433,570	43.0000	(14.6500)	57.6500	0.157945	68,480
13	Vacation Expense Union	830,091	43.0000	388.1500	(345.1500)	(0.945616)	(784,947)
14	Outside Legal Expense	988,027	43.0000	51.8100	(8.8100)	(0.024137)	(23,848)
15	Other Leases	887,174	43.0000	(20.8000)	63.8000	0.174795	155,074
16	Total Operation and Maintenance Expense	\$ 59,926,439					\$ 2,652,075
Taxes							
17	Property Taxes	\$ 6,744,597	43.0000	182.0000	(139.0000)	(0.380822)	\$ (2,568,491)
18	State Franchise Taxes	294,237	43.0000	289.0000	(246.0000)	(0.673973)	(198,308)
19	Employer Portion of FICA	1,774,630	43.0000	12.5000	30.5000	0.083562	148,292
20	Federal and State Unemployment	43,880	43.0000	102.0000	(59.0000)	(0.161644)	(7,093)
21	Use Taxes	30,185	43.0000	38.0000	5.0000	0.013699	414
22	Sales Taxes	5,420,783	43.0000	38.0000	5.0000	0.013699	74,259
23	Gross Receipts Tax	27,690,995	43.0000	58.0000	(15.0000)	(0.041096)	(1,137,989)
24	Purchase Gas Expense	279,598,590	43.0000	39.0000	4.0000	0.010959	3,064,121
25	Total Taxes	\$ 321,597,897					\$ (624,795)
26	Total Cash Working Capital Req						\$ 2,027,280

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Operating Revenues							
1	480.000	Residential Sales	\$ 296,474,501	\$ (202,246,216)	100.0000	\$ 0 S-1	\$ 94,228,285
2	481.100	Commercial and Industrial	126,028,130	(92,352,324)	100.0000	0 S-2	33,675,806
3	483.000	Sales for Resale (Large Volume)	4,912	0	100.0000	0 S-3	4,912
4	487.000	Forfeit Discount/Late Payment	983,440	0	100.0000	0 S-4	983,440
5	488.000	Miscellaneous Service Revenue	1,217,295	1,631,620	100.0000	0 S-5	2,848,915
6	489.000	Transport. of Gas For Others	13,362,735	(3,961,219)	100.0000	0 S-6	9,401,516
7	400.000	Revenue Gas Costs	0	0	100.0000	0 S-7	0
8	493.000	Rent From Property	0	0	100.0000	0 S-8	0
9	495.000	Other Gas Revenues	68,552	1,014,503	100.0000	0 S-9	1,083,055
10		Adjust for Future Adjustments	0	(1,848,409)	100.0000	0 S-74	(1,848,409)
11		Total	\$ 438,139,565	\$ (297,762,045)		\$ 0	\$ 140,377,520
Operation & Maintenance Expense							
12	805.000	Other Gas Purchases	\$ 279,598,590	\$ (279,598,590)	100.0000	\$ 0 S-11	\$ 0
13	870.000	Operation, Supervision and Engineer	937,672	1,410	100.0000	0 S-12	939,082
14	871.000	Distribution and Load Dispatching	20,193	24	100.0000	0 S-13	20,217
15	872.000	Compressor Station Labor Exp.	1,375	(564)	100.0000	0 S-14	811
16	874.000	Mains and Service Expenses	2,659,695	12,539	100.0000	0 S-15	2,672,234
17	875.000	Distributing Regulating Station Exp	610,461	16,009	100.0000	0 S-16	626,470
18	876.000	Measuring & Regulating - Station Ex	885	(544)	100.0000	0 S-17	341
19	877.000	Meas. & Reg. Station - City Gate	15,549	(700)	100.0000	0 S-18	14,849
20	878.000	Meter & House Regulator Expense	4,382,171	127,459	100.0000	0 S-19	4,509,630
21	879.000	Customer Installation Expenses	2,467,761	42,578	100.0000	0 S-20	2,510,339
22	880.000	Other Expenses	1,135,231	(15,695)	100.0000	0 S-21	1,119,536
23	881.000	Rents	121,136	0	100.0000	0 S-22	121,136
24	885.000	Maintenance Supervision & Engineer	524,476	2,582	100.0000	0 S-23	527,058
25	886.000	Maint. of Structures & Improvements	210,430	6,942	100.0000	0 S-24	217,372
26	887.000	Maintenance of Mains	6,713,827	157,112	100.0000	0 S-25	6,870,939
27	889.000	Maint.Meas./Reg.Station-General	289,508	3,743	100.0000	0 S-26	293,251
28	890.000	Maint.Meas.& Reg.Station Equip	147,448	5,462	100.0000	0 S-27	152,910
29	891.000	Maint. of Meas. & Reg. - City Gate	15,283	523	100.0000	0 S-28	15,806
30	892.000	Maintenance of Services	225,256	6,177	100.0000	0 S-29	231,433
31	893.000	Maint. of Meters & House Regulators	956,242	27,453	100.0000	0 S-30	983,695
32	894.000	Maintenance of Other Equipment	336,723	2,141	100.0000	0 S-31	338,864
33	901.000	Customer Accounts - Supervision	657,796	(24,926)	100.0000	0 S-32	632,870
34	902.000	Meter Reading Expense	597,624	15,580	100.0000	0 S-33	613,204
35	903.000	Customer Records & Collection Exp.	8,343,253	(97,791)	100.0000	0 S-34	8,245,462
36	904.000	Uncollectible Accounts	4,005,044	(549,208)	100.0000	0 S-35	3,455,836

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
37	905.000	Miscellaneous Customer Accounts Exp	226,620	(4,382)	100.0000	0 S-36	222,238
38	908.000	Customer Assistance	344,488	(353)	100.0000	0 S-37	344,135
39	909.000	Information/Instruction Advertising	53,043	0	100.0000	0 S-38	53,043
40	910.000	Miscellaneous Customer Accounts Exp	8,161	0	100.0000	0 S-39	8,161
41	911.000	Sales & Advertising - Supervision	106,156	(353)	100.0000	0 S-40	105,803
42	912.000	Demonstrating & Selling Expenses	947,470	(341,012)	100.0000	0 S-41	606,458
43	913.000	Advertising Expense - Sales	0	0	100.0000	0 S-42	0
44	916.000	Miscellaneous Sales Expense	6,237	0	100.0000	0 S-43	6,237
45	920.000	Administrative & General Salaries	2,564,656	(195,411)	100.0000	0 S-44	2,369,245
46	921.000	Office Supplies and Expenses	2,726,877	(47,288)	100.0000	0 S-45	2,679,589
47	922.000	Administrative Expenses Transferred	(408,925)	0	100.0000	0 S-46	(408,925)
48	923.000	Outside Services Employed	2,307,589	(30,818)	100.0000	0 S-47	2,276,771
49	924.000	Property Insurance	77,688	0	100.0000	0 S-48	77,688
50	925.000	Injuries and Damages	1,123,657	252,795	100.0000	0 S-49	1,376,452
51	926.000	Employee Pensions and Benefits	5,766,483	43,048	100.0000	0 S-50	5,809,531
52	928.000	Regulatory Commission Expense	1,454,879	135,445	100.0000	0 S-51	1,590,324
53	930.000	Miscellaneous General Expenses	243,219	(87,395)	100.0000	0 S-52	155,824
54	931.000	Rents	463,947	(5,616)	100.0000	0 S-53	458,331
55	932.000	Maint. of General Plant	90,361	0	100.0000	0 S-54	90,361
56	431.000	Interest on Customer Deposits	386,897	(58,427)	100.0000	0 S-55	328,470
57		Corporate Payroll Related	0	5,067,681	100.0000	(1,318,067) S-62	3,749,614
58		Corporate - Nonpayroll Related	0	3,305,241	100.0000	(391,497) S-63	2,913,744
59	807.000	Purchase Gas Expense (Payment Bond)	186,500	(186,500)	100.0000	0 S-75	0
60		Total	\$ 333,649,632	\$ (272,013,629)		\$ (1,709,564)	\$ 59,926,439
Depreciation Expense							
61	403.000	Depreciation Expense	\$ 21,816,176	\$ 713,624	100.0000	\$ (5,993,269) S-56	\$ 16,536,531
62	404.405	Amortization Expense	910,128	2,688,262	100.0000	0 S-57	3,598,390
63	403.100	Other Depreciation Expense	0	(526,494)	100.0000	0 S-66	(526,494)
64		Total	\$ 22,726,304	\$ 2,875,392		\$ (5,993,269)	\$ 19,608,427
Other Operating Expenses							
65	408.000	Payroll Taxes	\$ 1,618,628	\$ 215,184	100.0000	\$ 0 S-58	\$ 1,833,812
66	408.000	Property Taxes	6,544,654	199,943	100.0000	0 S-71	6,744,597
67	408.000	Gross Receipts Tax	27,690,995	(27,690,995)	100.0000	0 S-72	0
68	408.000	State Franchise Taxes	294,237	0	100.0000	0 S-73	294,237
69		Miscellaneous Expense	0	0	0.0000	0 S-80	0
70		Total	\$ 36,148,514	\$ (27,275,868)		\$ 0	\$ 8,872,646

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)

71		Total Operating Expenses	\$ 392,524,450	\$ (296,414,105)		\$ (7,702,833)	\$ 88,407,512

72		Net Income Before Taxes	\$ 45,615,115	\$ (1,347,940)		\$ 7,702,833	\$ 51,970,008

Current Income Taxes							
73	409.000	Current Income Taxes	\$ 9,667,876	\$ 0	100.0000	\$ (349,024) S-59	\$ 9,318,852
			-----	-----		-----	-----
74		Total	\$ 9,667,876	\$ 0		\$ (349,024)	\$ 9,318,852
Deferred Income Taxes							
75	410.411	Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ (296,363) S-60	\$ (296,363)
76	411.400	Investment Tax Credit - Net	0	0	100.0000	0 S-61	0
			-----	-----		-----	-----
77		Total	\$ 0	\$ 0		\$ (296,363)	\$ (296,363)

78		Total Income Taxes	\$ 9,667,876	\$ 0		\$ (645,387)	\$ 9,022,489

79		Net Operating Income	\$ 35,947,239	\$ (1,347,940)		\$ 8,348,220	\$ 42,947,519

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Residential Sales	S-1	\$ (202,246,216)
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1. To adjust residential revenue to reflect 365 days of consumption - KC District. (Russo)	\$	14,535
2. To adjust residential revenue to reflect 365 days of consumption - St Joseph District. (Russo)	\$	695
3. To adjust residential revenue to reflect 365 days of consumption - Joplin District. (Russo)	\$	2,592
4. To adjust residential revenues to reflect normal weather - KC District. (Russo)	\$	3,223,647
5. To adjust residential revenue to reflect normal weather - St. Joseph District. (Russo)	\$	276,021
6. To adjust residential revenue to reflect normal weather - Joplin District. (Russo)	\$	268,708
7. To remove gross receipts tax. (Russo)	\$	(18,534,879)
8. To remove unbilled revenues. (Russo)	\$	(1,308,633)
9. To remove gas cost revenues. (Russo)	\$	(184,075,825)
10. To remove take or pay costs. (Russo)	\$	(5,565,729)

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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11. To annualize customer growth in the Kansas City district. (Russo)	\$ 1,364,946	
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12. To annualize customer growth in the Joplin district. (Russo)	\$ 217,788	
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13. To adjust for Actual Cost Adjustment (ACA). (Russo)	\$ 1,869,918	
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Commercial and Industrial S-2	\$ (92,352,324)	
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1. To remove gross receipts tax. (Russo)	\$ (8,836,426)	
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2. To remove gas cost revenues. (Russo)	\$ (84,676,418)	
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3. To remove take or pay costs. (Russo)	\$ (2,636,097)	
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4. To adjust for Actual Cost Adjustment (ACA). (Russo)	\$ 938,822	
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5. To adjust SGS and LGS sales for rate switching to Account No. 489. (Beck)	\$ (82,352)	
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6. To adjust LVS customer charge revenue for changes in customer levels. (Beck)	\$ (409)	
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7. To adjust LGS revenue to reflect 365 days of consumption - KC District. (Russo)	\$ 2,212	
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8. To adjust LGS revenue to reflect 365 days of consumption - Joplin District. (Russo)	\$ 657	
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Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
9. To adjust LGS revenue to reflect 365 days of consumption - St. Joseph district. (Russo)	\$ 26	
10. To adjust LGS revenue to reflect normal weather - KC district. (Russo)	\$ 170,810	
11. To adjust LGS revenue to reflect normal weather - Joplin district. (Russo)	\$ 22,919	
12. To adjust LGS revenue to reflect normal weather - St. Joseph district. (Russo)	\$ 13,300	
13. To annualize customer growth in the KC district - LGS. (Russo)		
14. To annualize customer in the Joplin district - LGS. (Russo)		
15. To adjust SGS revenue to reflect 365 days of consumption - KC district. (Russo)	\$ 12,295	
16. To adjust SGS revenue to reflect 365 days of consumption - Joplin district. (Russo)	\$ 2,472	
17. To adjust SGS revenue to reflect 365 days of consumption - St. Joseph district. (Russo)	\$ 482	
18. To adjust SGS revenues to reflect normal weather - KC district. (Russo)	\$ 1,199,416	
19. To adjust SGS revenue to reflect normal weather - Joplin district. (Russo)	\$ 140,302	

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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20. To adjust SGS revenues to reflect normal weather - St. Joseph district. (Russo)	\$ 100,577	
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21. To annualize growth in the KC district - SGS. (Russo)	\$ 1,034,555	
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22. To annualize customer growth in the Joplin district - SGS. (Russo)	\$ 209,639	
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23. To annualize customer growth in the St. Joseph district - SGS. (Russo)	\$ 30,894	
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Forfeit Discount/Late Payment

S-4

1. No adjustment required.

Miscellaneous Service Revenue

S-5

\$ 1,631,620

1. To remove gross receipts tax. (Russo)	\$ (68,559)	
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2. No adjustment required.

3. To adjust revenues to (1) reflect an increase in reconnection charge (2) an increase in the return check charge, and (3) reflect charges related to Connection and Transfer Services. (Elvington)	\$ 1,700,179	
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Transport. of Gas For Others

S-6

\$ (3,961,219)

1. To remove gross receipts tax. (Russo)	\$ (174,753)	
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Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To remove take or pay costs. (Russo)	\$ (4,307,022)	
3. To adjust Transportation revenues to reflect flex-rate customers at the full Transportation rates. (Imhoff)	\$ 357,641	
4. To reflect a decrease in revenues relating to the Economic Development Rider. (Imhoff)	\$ (14,312)	
5. To adjust test year revenues to reflect Staff's normal weather. (Beck)	\$ 17,151	
6. To adjust test year revenues to reflect SGS and LGS rate switching. (Beck)	\$ 44,846	
7. To adjust test year revenues for changes in Transportation customer levels. (Beck)	\$ (1,553)	
8. To adjust test year revenues to reflect abnormally low volumes due to extreme weather in December 2000. (Beck)	\$ 116,783	

Other Gas Revenues S-9	\$ 1,014,503	

1. To normalize off-system sales revenue (2 year avg 1999,2000) (Wallis)	\$ 1,083,055	
2. To remove non-jurisdictional revenues. (Russo)	\$ (68,552)	

Missouri Gas Energy
Case: GR-01-292
December 31, 2000

Adjustments to Income Statement

Adj	No Description	Total Co	Mo Juris
Adjustment			

*****	Other Gas Purchases	S-11	\$ (279,598,590)
*****	1. To remove purchase gas cost.		
	(Russo)		

*****	Operation, Supervision and Engineer	S-12	\$ 1,410
*****	1. To annualize payroll at December 31, 2000 plus projected		
	increases through 6/30/01.		
	(Vesely)		

*****	2. To remove bonus payments included in per books test year		
	account balance.		
	(Vesely)		
*****	1. To annualize payroll at December 31, 2000 plus projected		
	increases through 6/30/01.		
	(Vesely)		

*****	2. To remove bonus payments included in per books test year		
	account balance.		
	(Vesely)		
*****	Compressor Station Labor Exp.	S-14	\$ (564)
*****	1. To annualize payroll at December 31, 2000 plus projected		
	increases through 6/30/01.		
	(Vesely)		

Missouri Gas Energy
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December 31, 2000

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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2.	To remove bonus payments included in per books test year account balance. (Vesely)	\$	(1)
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Mains and Service Expenses	S-15	\$	12,539
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1.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	13,852
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2.	To remove bonus payments included in per books test year account balance. (Vesely)	\$	(1,313)
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Distributing Regulating Station Exp	S-16	\$	16,009
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1.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	17,800
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2.	To remove bonus payments included in per books test year account balance. (Vesely)	\$	(1,791)
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Measuring & Regulating - Station Ex	S-17	\$	(544)
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1.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	(544)
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Missouri Gas Energy
Case: GR-01-292
December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Meas. & Reg. Station - City Gate S-18	\$	(700)
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	(652)
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(48)
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Meter & House Regulator Expense S-19	\$	127,459
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	141,566
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(14,107)
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Customer Installation Expenses S-20	\$	42,578
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	45,695
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(3,117)
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Missouri Gas Energy

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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 Other Expenses S-21 \$ (15,695)

1. To remove 50 percent of meals and entertainment expense
(type code 341)
(Hyneman) \$ (6,886)
2. To annualize payroll at December 31, 2000 plus projected
increases through 6/30/01.
(Vesely) \$ (7,328)
3. To remove bonus payments included in per books test year
account balance.
(Vesely) \$ (1,481)

 Maintenance Supervision & Engineer S-23 \$ 2,582

1. To annualize payroll at December 31, 2000 plus projected
increases through 6/30/01.
(Vesely) \$ 4,462
2. To remove bonus payments included in per books test year
account balance.
(Vesely) \$ (1,880)

 Maint. of Structures & Improvements S-24 \$ 6,942

1. To annualize payroll at December 31, 2000 plus projected
increases through 6/30/01.
(Vesely) \$ 7,539
2. To remove bonus payments included in per books test year
account balance.
(Vesely) \$ (597)

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Maintenance of Mains	S-25	\$ 157,112
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	176,459
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(19,347)
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Maint.Meas./Reg.Station-General	S-26	\$ 3,743
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1. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$	(285)
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2. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	4,878
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3. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(850)
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Maint.Meas.& Reg.Station Equip	S-27	\$ 5,462
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	5,934
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(472)
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Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Maint. of Meas. & Reg. - City Gate	S-28	\$ 523
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	573
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(50)
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Maintenance of Services	S-29	\$ 6,177
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	7,046
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(869)
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Maint. of Meters & House Regulators	S-30	\$ 27,453
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1. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$	(299)
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2. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	30,701
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3. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(2,949)
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Hyneman

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Missouri Gas Energy

Case: GR-01-292

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Adjustments to Income Statement

Adj	No Description	Total Co	Adjustment	No Juris	Adjustment
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	Maintenance of Other Equipment	S-31	\$	2,141	
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1.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01.		\$	2,828	
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2.	To remove bonus payments included in per books test year account balance.		\$	(687)	
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	Customer Accounts - Supervision	S-32	\$	(24,926)	
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1.	To eliminate payments to former employees under severance agreements.		\$	(24,400)	
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2.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01.		\$	2,154	
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3.	To remove bonus payments included in per books test year account balance.		\$	(2,680)	
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	Meter Reading Expense	S-33	\$	15,580	
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1.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01.		\$	17,498	
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2.	To remove bonus payments included in per books test year account balance.		\$	(1,918)	
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Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Customer Records & Collection Exp.	S-34	\$ (97,791)
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- | | | |
|---|----|----------|
| 1. To remove 50 percent of meals and entertainment expense
(type code 341)
(Hyneman) | \$ | (553) |
| 2. To annualize payroll at December 31, 2000 plus projected
increases through 6/30/01.
(Vesely) | \$ | (77,511) |
| 3. To remove bonus payments included in per books test year
account balance.
(Vesely) | \$ | (19,727) |

Uncollectible Accounts	S-35	\$ (549,208)
------------------------	------	--------------

- | | | |
|---|----|-----------|
| 1. To normalize bad debts expense based on 3-year average of
charge offs.
(Russo) | \$ | (549,208) |
|---|----|-----------|

Miscellaneous Customer Accounts Exp	S-36	\$ (4,382)
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- | | | |
|---|----|---------|
| 1. To remove 50 percent of meals and entertainment expense
(type code 341)
(Hyneman) | \$ | (4,303) |
| 2. To annualize payroll at December 31, 2000 plus projected
increases through 6/30/01.
(Vesely) | \$ | (79) |

Missouri Gas Energy
Case: GR-01-292
December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Customer Assistance S-37	\$	(353)
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	(54)
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(299)
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Sales & Advertising - Supervision S-40	\$	(353)
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1. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$	79
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2. To remove bonus payments included in per books test year account balance. (Vesely)	\$	(432)
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Demonstrating & Selling Expenses S-41	\$	(341,012)
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1. To remove cost of promotional advertising. (Lucus)	\$	(7,883)
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2. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$	(3,499)
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3. To eliminate payments to former employees under severance agreements. (Hyneman)	\$	(51,203)
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Adjustments to Income Statement

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Hyneman
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Adj	No Description	Total Co	Mo Juris
		Adjustment	Adjustment

4. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)

5. To remove bonus payments included in per books test year account balance. (Vesely)

6. To remove costs of MP Gold database and meter 300,000 meter credits (\$18,464) and amortize over approximate life of available credits - 3 years. (Hyneman)

Administrative & General Salaries S-44 \$ (195,411)

1. To eliminate payments to former employees under severance agreements. (Hyneman)

2. To eliminate payments to former employees under severance agreements. (Hyneman)

3. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)

4. To remove bonus payments included in per books test year account balance. (Vesely)

5. To remove 50 percent of Public Affairs and Community Services Dept payroll costs. (Wood)

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Office Supplies and Expenses	S-45	\$ (47,288)

1. To remove payments to Blue Hills Country Club (Type Code 390). (Wood)		\$ (2,548)
2. To capitalize cost of installing sink and water heater by AD Jacobson Company invoice # 20-4308-1 (DR 239) (Hyneman)		\$ (5,000)
3. No adjustment made.		
4. To remove cost of promotional advertising. (Lucus)		\$ (3,453)
5. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)		\$ (27,455)
6. To eliminate payments to former employees under severance agreements. (Hyneman)		\$ (5,000)
7. To remove costs associated with second Christmas Party (DR 239, vendor 3926, TC 390, WA 230400) (Hyneman)		\$ (1,138)
8. To remove costs to refinish office furniture that should be capitalized. See Adjustment P-20.2 (DR 239 Cheap Antiques). (Hyneman)		\$ (1,945)
9. To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)		\$ (297)
10. To remove Y2K costs booked in the test year. (Oligschlaeger)		\$ (70,088)

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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11.	To include Staff's annualized Y2K deferral amortization. (Oligschlaeger)	\$ 93,355	
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12.	To remove bonus payments included in per books test year account balance. (Vesely)	\$ (8)	
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13.	To remove 50 percent of nonpayroll Public Affairs and community Services Dept costs. (Wood)	\$ (23,711)	
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Outside Services Employed	S-47	\$ (30,818)	

1. No adjustment made.

2.	To remove lobbying payments made to Arnold and Associates. (Wood)	\$ (6,500)	
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3.	To remove expenses for lobbying activities provided by Richard Wiles and Associates (account 923 TC 436) (Wood)	\$ (24,000)	
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4.	To remove payments to Polsinelli, White, Vardeman and Pangrac & Associates for nonregulated activities - see MGE adjustment H-25. (Hyneman)	\$ (20,459)	
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5.	To remove nonrecurring legal and outside vendor costs (Hyneman)	\$ (93,926)	
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6.	To adjust per hour legal fees paid to affiliate Fleischman & Walsh to \$300 per hour (\$87,770), remove payments for expenses that are not explained (\$12,060) and correct for an overbilling (\$1,155). (Hyneman)	\$ 229,388	
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7.	To eliminate payments to former employees under severance agreements. (Hyneman)	\$ (86,145)	
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Missouri Gas Energy
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December 31, 2000

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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8.	To remove legal payment to Barton (invoice 2/29/00) to include in the corporate allocation of legal expenses. (Hyneman)	\$ (1,760)	
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9.	To remove 50 percent of nonpayroll Public Affairs and community Services Dept costs. (Wood)	\$ (27,416)	
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Injuries and Damages	S-49	\$ 252,795	
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1.	To annualize based on 5-year average of recoverable workers compensation and auto & general liability claims paid (1996 through 2000). (Wood)	\$ 253,275	
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2.	To annualize payroll at December 31, 2000 plus projected increases through 6/30/01. (Vesely)	\$ (480)	
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Employee Pensions and Benefits	S-50	\$ 43,048	
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1.	To adjust test year medical expense to reflect a 3-year average of costs. Calculated with a 75.0935% expense factor. (Fischer)	\$ (313,329)	
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2.	To adjust test year dental expense to reflect a 3-year average of costs. Calculated with a 75.0935% expense factor. (Fischer)	\$ (34,815)	
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3.	To adjust test year Life, AD&D, and LTD insurance costs to reflect an annualized level of costs. Calculated with a 75.0935% expense factor. (Fischer)	\$ 18,205	
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Missouri Gas Energy

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To adjust test year SERP for MGE retirees to a pay-as-you-go cost basis. Calculated with a 75.0935% expense factor. (Fischer)	\$ (60,188)	
5.	No adjustment made.		
6.	To adjust test year COLI to reflect the 5-year amortization of costs associated with the prior accrual of COLI and IRS tax liability. (Fischer)	\$ 180,782	
7.	To adjust test year 401(k) and Shadow 401(k) costs to reflect an annualized level of costs including an estimated wage increase of 4% prior to the June 30, 2001 true-up. Calculated with a 75.0935% expense factor. (Fischer)	\$ 151,056	
8.	To adjust test year 401(k) Retirement Power costs to reflect an annualized level of costs including an estimated wage increase of 4% prior to the June 30, 2001 true up. Calculated with a 75.0935% expense factor. (Fischer)	\$ 7,967	
9.	To adjust FAS 87 pension costs of MGE Plan B to reflect the most current estimate for the plan year beginning July 1, 2001. Calculated with a 75.0935% expense factor. (Fischer)	\$ (3,128)	
10.	No adjustment made.		
11.	To adjust FAS 106 OPEB costs of MGE to reflect the most current estimates for the plan year beginning July 1, 2001. Calculated with a 75.0935% expense factor. (Fischer)	\$ 100,137	
12.	No adjustment made.		
13.	To remove 50 percent of pension costs for Public Affairs and Community Services Dept employees. (Wood)	\$ (3,639)	

Missouri Gas Energy

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December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Regulatory Commission Expense	S-51	\$ 135,445
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1. To remove test year expense for account 928. (Wood)	\$ (1,454,879)	
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2. To annualize PSC assessment based on the \$1,276,682 FY 2001 assessment (FY 2000 assessment \$1,361,233) (Wood)	\$ 1,276,682	
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3. To normalize an annual level of rate case expense (\$600,000 over 2 years). (Wood)	\$ 300,000	
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4. To include a normalized level of costs for Commission-ordered depreciation study every 5 years. (Wood)	\$ 7,444	
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5. To include costs of NARUC assessment. (Wood)	\$ 6,198	
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Miscellaneous General Expenses	S-52	\$ (87,395)
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1. To include MGE's adjustment H-21 removal of country club dues. (Wood)	\$ (9,253)	
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2. To remove preliminary survey costs of an abandoned project as nonrecurring - construction of fire training school on land owned by MGE (DR 239) (Hyneman)	\$ (2,500)	
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3. To remove costs of promotional and institutional advertising. (Lucus)	\$ (19,183)	
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Missouri Gas Energy

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
4. To remove 50 percent of meals and entertainment expense (type code 341) (Hyneman)	\$ (1,571)	
5. To remove 50 percent of nonpayroll Public Affairs and community Services Dept costs. (Wood)	\$ (7,571)	
6. To remove dues paid by MGE to various civic and social groups. (Wood)	\$ (47,317)	

Rents S-53	\$ (5,616)	

1. To offset Broadway lease expense by parking lot rent received from Broadway Ford (DR 290). (Hyneman)	\$ (5,616)	

Interest on Customer Deposits S-55	\$ (58,427)	

1. To annualize interest on customer deposits using December 31, 2000 balances of commercial (\$2,216,081) deposits at 3.5% and residential (\$2,641,126) deposits at 9.5% (Hyneman)	\$ (58,427)	

Depreciation Expense S-56	\$ 713,624	\$ (5,993,269)

1. To annualize depreciation expense based on MGE plant in service on December 31, 2000, corporate allocated plant, and the projected plant increases for MGE through June 30, 2001. (Lucus)		\$ (5,993,269)
2. To include a 5-year average of net salvage. (Hyneman)	\$ 713,624	

Missouri Gas Energy
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Adjustments to Income Statement

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Amortization Expense	S-57	\$ 2,688,262	

1. To annualize amortization of leasehold improvements and miscellaneous intangible plant. (Lucus)		\$ (43,045)	
2. To amortize MGE's service line replacement program (SLRP) deferrals over 10 years. (Oligschlaeger)		\$ 2,741,716	
3. To amortize debit reserve balance in Reserve account 395 Laboratory Equipment. (Lucus)		\$ 32,953	
4. To remove Y2K amortization book in test year. (Oligschlaeger)		\$ (43,362)	

Payroll Taxes	S-58	\$ 215,184	

1. To annualize payroll taxes based on payroll at 12/31/00 plus projected increases through 6/30/01. (Vesely)		\$ 222,272	
2. To remove 50 percent of the payroll taxes related to Public Affairs and Community Services Dept employees. (Wood)		\$ (7,088)	

Current Income Taxes	S-59		\$ (349,024)

1. To annualize current income taxes. (Hyneman)			\$ (349,024)

Hyneman

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Deferred Income Taxes S-60		\$ (296,363)

1. To reflect the amortization of investment tax credit per the Stipulation and Agreement in Case No. GM-94-40. (Hyneman)		\$ (296,363)

Corporate Payroll Related S-62	\$ 5,067,681	\$ (1,318,067)

1. To include allocated corporate payroll-related costs. (Hyneman)	\$ 5,067,681	
2. To adjust test year SERP for the Southern Union plan costs, removing expenses from MGE cost of service. Calculated with Southern Union's corporate allocation model rates and expense factors. (Fischer)		\$ (835,908)
3. To adjust FAS 87 pension costs of Southern Union Plan A to reflect the Staff's methodology and the most current actuarial estimates for the plan year beginning July 1, 2001 Calculated with Southern Union's corporate allocation model rates and expense factors. (Fischer)		\$ 73,152
4. To adjust test year dental expense to reflect a 3-year average of costs. Calculated with a 75.0935% expense factor. (Fischer)		\$ 30,970
5. To remove certain corporate meals and entertainment expenses. (Hyneman)		\$ (19,610)
6. To eliminate corporate payroll and benefits for Messrs. Brennan, Lindemann and Ms. Schiehle. (Hyneman)		\$ (203,917)

Missouri Gas Energy
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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
7. To remove salaries and benefits which should be charged to merger and acquisition activities. (Hyneman)		\$ (265,830)
8. To remove salaries and benefits associated with the Southwest Gas Company litigation. (Hyneman)		\$ (96,924)

Corporate - Nonpayroll Related S-63	\$ 3,305,241	\$ (391,497)

1. To include corporate allocated and directly assigned nonpayroll costs. (Hyneman)	\$ 3,305,241	
2. To remove amount paid for SGA dues (\$13,500 X MGE Corp allocation (allocator 200802) 54.08172% = \$7,301 x MGE expense ratio 79.2495% = \$5,786). (Hyneman)		\$ (5,786)
3. To remove the percentage of AGA's 2000 Budget allocated to Government Relations - Annual Dues \$267,680 (WP D133) X 23.04% (DR 52) = \$61,673 X 36.84311% (All entities allocator 200801 = \$22,722 X MGE expense ratio 79.2495% = \$18,007 (Hyneman)		\$ (18,007)
4. To remove costs of former manufactured gas sites directly assigned to MGE \$337,605 x MGE Expense factor 79.2495% (D-98). (Hyneman)		\$ (267,550)
5. To remove entertainment expense (D-137), corporate advertising (D-140) and excess accounting dues (D-124) paymet to Lone Star Riverboat (D-37) (Hyneman)		\$ (3,425)

Missouri Gas Energy

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
6. To remove costs associated with New York City office (Rent \$254,411 + Rent Tax \$9,922 = \$264,333 X MGE Corp allocation (allocator 200801) 36.84311% = \$97,388 x MGE expense ratio 79.2495% = \$77,180). (Hyneman)		\$ (77,180)
7. To adjust legal expense allocated to MGE for improper allocations (Barton and Vandenburg), redacted description of services (Blackwell Sanders) and no description of services (Frank Denius). (Hyneman)		\$ (8,637)
8. To remove from expense and capitalize payment in December 1999 of \$24,283.38 to Denver Solutions Group (allocator 200406 45.91779 and expense factor of 79.2495%). (Hyneman)		\$ (8,837)
9. To remove from expense and capitalize purchase of IT equipment from C Tap LLC and Precision Camera & Video (allocator 200401 47.32593% and expense factor of 79.2495% D-51). (Hyneman)		\$ (2,075)

Other Depreciation Expense S-66	\$	(526,494)

1. To reflect depreciation booked to clearing accounts Acct 392 Transportation Equipment (Hyneman)	\$	(491,884)
2. To reflect depreciation booked to clearing accounts Acct 396 Power Operated Equipment. (Hyneman)	\$	(34,610)

Property Taxes S-71	\$	199,943

1. To annualize property taxes. (Wood)	\$	460,955

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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2. To reduce property tax expense by the amount of property taxes deferred under SLRP for the 12 months ended December 2000. (Wood)	\$ (261,012)	
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Gross Receipts Tax	S-72	\$ (27,690,995)
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1. To remove gross receipts tax. (Russo)	\$ (27,690,995)	
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Adjust for Future Adjustments	S-74	\$ (1,848,409)
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1. To adjust operating revenues to allow for impact of corrections and changes from prehearing conference. (Hyneman)	\$ (1,848,409)	
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Purchase Gas Expense (Payment Bond)	S-75	\$ (186,500)
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1. To remove cost of gas supply payment bond paid to Duke Energy. (Wallis)	\$ (186,500)	
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Miscellaneous Expense	S-80	
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1.

Income Tax

Line	(A)	(B)	(C)	(D)	(E)
Test	Year	Return	Return	Return	Return
8.70%	8.70%	8.82%	8.95%		
1	Net Income Before Taxes (Sch 9)	\$ 51,970,008	\$ 51,021,612	\$ 51,970,008	\$ 52,997,439
2	Add to Net Income Before Taxes				
2	Book Depreciation Expense	\$ 19,608,427	\$ 19,608,427	\$ 19,608,427	\$ 19,608,427
3	COLI Amortization	303,497	303,497	303,497	303,497
4	Total	\$ 19,911,924	\$ 19,911,924	\$ 19,911,924	\$ 19,911,924
5	Subtr from Net Income Before Taxes				
5	Interest Expense 5.3200 %	\$ 25,904,853	\$ 25,904,853	\$ 25,904,853	\$ 25,904,853
6	Book Depreciation Expense	19,608,427	19,608,427	19,608,427	19,608,427
7	Preferred Stock Dividend .43%	2,093,617	2,093,617	2,093,617	2,093,617
8	Total	\$ 47,606,897	\$ 47,606,897	\$ 47,606,897	\$ 47,606,897
9	Net Taxable Income	\$ 24,275,035	\$ 23,326,639	\$ 24,275,035	\$ 25,302,466
10	Provision for Federal Income Tax	\$ 24,275,035	\$ 23,326,639	\$ 24,275,035	\$ 25,302,466
11	Net Taxable Income	\$ 24,275,035	\$ 23,326,639	\$ 24,275,035	\$ 25,302,466
11	Deduct Missouri Income Tax 100.0 %	\$ 1,265,523	\$ 1,216,081	\$ 1,265,523	\$ 1,319,086
12	Deduct City Income Tax	0	0	0	0
13	Federal Taxable Income	23,009,512	22,110,558	23,009,512	23,983,380
14	Total Federal Tax	\$ 8,053,329	\$ 7,738,695	\$ 8,053,329	\$ 8,394,183
15	Provision for Missouri Income Tax	\$ 24,275,035	\$ 23,326,639	\$ 24,275,035	\$ 25,302,466
15	Net Taxable Income	\$ 24,275,035	\$ 23,326,639	\$ 24,275,035	\$ 25,302,466
16	Deduct Federal Income Tax 50.0 %	\$ 4,026,665	\$ 3,869,348	\$ 4,026,665	\$ 4,197,092
17	Deduct City Income Tax	0	0	0	0
18	Missouri Taxable Income	20,248,371	19,457,292	20,248,371	21,105,375
19	Total Missouri Tax	\$ 1,265,523	\$ 1,216,081	\$ 1,265,523	\$ 1,319,086

Missouri Gas Energy

Case: GR-01-292

December 31, 2000

Income Tax

Line	Test Year	8.70% Return	8.82% Return	8.95% Return
(A)	(B)	(C)	(D)	(E)
Provision for City Income Tax				
20 Net Taxable Income	\$ 24,275,035	\$ 23,326,639	\$ 24,275,035	\$ 25,302,466
21 Deduct Federal Income Tax	\$ 8,053,329	\$ 7,738,695	\$ 8,053,329	\$ 8,394,183
22 Deduct Missouri Income Tax	1,265,523	1,216,081	1,265,523	1,319,086
23 City Taxable Income	14,956,183	14,371,863	14,956,183	15,589,197
24 Total City Tax	\$ 0	\$ 0	\$ 0	\$ 0
Summary of Provision for Income Tax				
25 Federal Income Tax	\$ 8,053,329	\$ 7,738,695	\$ 8,053,329	\$ 8,394,183
26 Missouri Income Tax	1,265,523	1,216,081	1,265,523	1,319,086
27 City Income Tax	0	0	0	0
28 Total	\$ 9,318,852	\$ 8,954,776	\$ 9,318,852	\$ 9,713,269
Deferred Income Taxes				
29 Deferred Investment Tax Credit	\$ 0	\$ 0	\$ 0	\$ 0
30 Amortization of ITC per GM-94-40	(296,363)	(296,363)	(296,363)	(296,363)
31 Total	\$ (296,363)	\$ (296,363)	\$ (296,363)	\$ (296,363)
32 Total Income Tax	\$ 9,022,489	\$ 8,658,413	\$ 9,022,489	\$ 9,416,906