

**FILED<sup>2</sup>**

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**MGE's Recommended Capital Structure and Cost Rates** Missouri Public Service Commission

	Ratio	Cost	Weighted Cost
Long-Term Debt	41.06%	6.080%	2.496%
Short-Term Debt	10.94%	5.492%	0.601%
Common Equity	48.00%	10.50% (ROE)	5.040%
<b>Rate of Return =</b>			<b>8.137%</b>

**Staff's Recommended Capital Structure and Cost Rates**

	Ratio	Cost	Weighted Cost
Long-Term Debt	40.47%	5.92%	2.40%
Short-Term Debt	8.47%	1.00%	0.08%
Common Equity	51.06%	9.50% (ROE) <sup>1</sup>	4.85%
<b>Rate of Return =</b>			<b>7.33%</b>

**Public Counsel's Recommended Capital Structure and Cost Rates**

	Ratio	Cost	Weighted Cost
Long-Term Debt	56.16%	6.258%	3.514%
Short-Term Debt	3.26%	5.920%	0.193%
Preferred Equity	1.92%	7.758%	0.149%
Common Equity	38.66%	10.0% (ROE) <sup>2</sup>	3.866%
<b>Rate of Return =</b>			<b>7.772%</b>

<sup>1</sup> Using the mid-point of Staff's ROE range of 9.25 to 9.75 percent.

<sup>2</sup> Using the mid-point of Public Counsel's ROE range of 9.5 to 10.5 percent.

Company Exhibit No. 98  
Case No(s). SL-2009-0035  
Date 10/27/09 Rptr PL