

FILE COPY

MISSOURI GAS ENERGY

A division of Southern Union Company

Office of Public Counsel - Missouri  
DATA INFORMATION REQUEST RESPONSE

Case Number: GR-2004-0209

Data Request No 5004

FILED<sup>2</sup>

JUL 13 2004

Missouri Public  
Service Commission

Requested From: Michael Noack

Date Requested: 1/21/2004

Information Requested:

Specifically list the utility companies witness Quain believes to be similarly-situated utilities to Southern Union Company d/b/a Missouri Gas Energy. Please explain in detail why witness Quain believes the utilities stated are similarly-situated to Southern Union Company d/b/a Missouri Gas Energy.

Requested By: Douglas Micheel

Information Provided:

Mr. Quain provided the following response.

The purpose of my testimony is not to compare MGE to similarly-situated utilities, nor even to identify any such utilities. Rather, the purpose of my testimony, as stated therein and explained in my response to Data Request 5001, is to explain "the general public policy implications of MGE's pending rate case and the relevance of public policy considerations to the issue of MGE's rate of return." (Direct Testimony, page 2, lines 7 and 8.) Accordingly, my testimony explains that the need to set rates at a sufficient level to attract capital essential to secure a sound infrastructure and to maintain or enhance a utility's creditworthiness is based not only on good public policy but also on the legal precedent established by the United States Supreme Court in Hope Natural Gas and Bluefield. In particular, as stated on page 3 of my testimony, the Court in Bluefield described regulators' duty to establish rates that allow a utility to earn a return equal to that of similarly-situated business undertakings:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties . . . .

262 U.S. at 692; see Hope Natural Gas, 320 U.S. at 603 ("[T]he return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks.").

Exhibit No. 221  
Case No(s). GR-2004-0209  
Date 6-24-04 Rptr TS

The information provided in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to promptly notify the requesting party if, during the pendency of Case No. GR-2004-0209 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

Date Response Received: \_\_\_\_\_

Signed By: [Signature]  
Director, Pricing and Regulatory Affairs

Date: 2/9/04

FEB 10 2004