

**OFFICE OF THE PUBLIC COUNSEL**

Class Cost of Service Study  
Missouri Gas Energy  
Case No. GR-2004-0209

**TOTAL COST OF SERVICE SUMMARY**

	TOTAL	Residential	Small General Service	Large General Service	Large Volume
1 O & M Expenses	66,882,947	43,730,442	14,175,667	929,431	8,047,408
2 Depreciation Expenses	22,476,857	15,347,132	3,797,464	270,608	3,061,653
3 Taxes	20,107,885	13,341,531	3,545,711	266,865	2,953,778
4					
5 TOTAL - Expenses and Taxes	109,467,689	72,419,105	21,518,841	1,466,904	14,062,839
6					
7 Current Revenue (non-gas)					
8 Rate Revenue (non-gas)	140,485,626	98,057,993	28,887,810	2,798,695	10,741,128
9 Late Payment Charge	20 1,148,304	758,999	219,036	15,516	154,752
10 Other Revenue	20 3,516,962	2,324,621	670,851	47,523	473,967
11					
12 TOTAL - Current Revenues	145,150,892	101,141,614	29,777,697	2,861,734	11,369,847
13 Current Revenue Percentage	100.00%	69.68%	20.51%	1.97%	7.83%
14					
15 OPERATING INCOME	35,683,203	28,722,508	8,258,856	1,394,831	(2,692,992)
16	35,683,203				
17 TOTAL RATE BASE	504,358,631	332,493,101	87,451,128	6,983,422	77,430,980
18					
19 Implicit Rate of Return (ROR)	7.07%	8.64%	9.44%	19.97%	-3.48%
20					
21 PSC Recommended Rate of Return	7.290%	7.290%	7.290%	7.290%	7.290%
22					
23 Recommended Operating Income With					
24 Equalized (OPC) Rates of Return	36,767,744	24,238,747	6,375,187	509,091	5,644,718
25	36,767,744				
26 Class COS at OPC's Recommended Rate of Return	146,235,433	96,657,853	27,894,028	1,975,995	19,707,557
27 Revenue Percentage	100.00%	66.10%	19.07%	1.35%	13.48%
28 Add'l taxes needed +	20 1,667,333	1,102,064	318,039	22,530	224,700
29 Allocation of Difference Between Current					
30 Revenue and Recommended I	20 2,751,874	1,818,918	524,913	37,184	370,859
31	2,751,874				
32 Margin Revenue Required to Equalize					
33 Class ROR - Revenue Neutral	145,150,892	95,940,999	27,687,155	1,961,340	19,561,398
34 Revenue Percentage	100.00%	66.10%	19.07%	1.35%	13.48%
35	145,150,892				
36 Rev. Neutral Shift to Equalize Class ROR	-	(5,200,615)	(2,090,543)	(900,394)	8,191,551
37 Rev. Neutral Shift Percentage to Equalize Class ROR		-5.30%	-7.24%	-32.17%	76.26%

Missouri Public  
Service Commission

**FILED<sup>2</sup>**  
JUL 13 2004

Exhibit No. 232  
Case No(s) GR-2004-0209  
Date 7-1-04 Rptr TS