

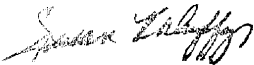
STATE OF KANSAS

BEFORE THE

STATE CORPORATION COMMISSION

KANSAS CORPORATION COMMISSION

OCT 31 2003

 Docket
Room

IN THE MATTER OF THE INVESTIGATION)
INTO THE AFFILIATE TRANSACTIONS) Docket No 02-UTCG-701-GIG
BETWEEN UTILICORP UNITED, INC. (UCU))
AND ITS UNREGULATED BUSINESSES)

DIRECT TESTIMONY OF

ANDREA C. CRANE

ON REVENUE REQUIREMENTS

PUBLIC VERSION

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

October 31, 2003

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I. STATEMENT OF QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Andrea C. Crane and my business address is 38C Grove Street, Ridgefield, Connecticut 06877.

Q. By whom are you employed and in what capacity?

A. I am Vice President of The Columbia Group, Inc., a financial consulting firm that specializes in utility regulation. In this capacity, I analyze rate filings, prepare expert testimony, and undertake various studies relating to utility rates and regulatory policy. I have held positions of increasing responsibility since I joined The Columbia Group, Inc. in January 1989.

Q. Please summarize your professional experience in the utility industry.

A. Prior to my association with The Columbia Group, Inc., I held the position of Economic Policy and Analysis Staff Manager for GTE Service Corporation, from December 1987 to January 1989. From June 1982 to September 1987, I was employed by various Bell Atlantic (now Verizon) subsidiaries. While at Bell Atlantic, I held assignments in the Product Management, Treasury, and Regulatory Departments.

Q. Have you previously testified in regulatory proceedings?

1 A. Yes, since joining The Columbia Group, Inc., I have filed testimony in over 160
2 regulatory proceedings in the states of Arkansas, Arizona, Connecticut, Delaware,
3 Hawaii, Kansas, Maryland, New Jersey, New Mexico, New York, Oklahoma,
4 Pennsylvania, Rhode Island, South Carolina, Vermont, West Virginia and the District
5 of Columbia. These proceedings involved gas, electric, water, wastewater, telephone,
6 solid waste, cable television, and navigation utilities. A list of dockets in which I
7 have filed testimony is included in Appendix A.

8

9 **Q. What is your educational background?**

10 A. I received a Masters degree in Business Administration, with a concentration in
11 Finance, from Temple University in Philadelphia, Pennsylvania. My undergraduate
12 degree is a B.A. in Chemistry from Temple University.

13

14 **II. PURPOSE OF TESTIMONY**

15 **Q. What is the purpose of your testimony?**

16 A. The Columbia Group, Inc. was engaged by The State of Kansas, Citizens' Utility
17 Ratepayer Board ("CURB") to review the financial plan submitted by Aquila, Inc.¹
18 ("Aquila" or "Company") and to comment on certain aspects of that financial plan.
19 Specifically, this testimony addresses Aquila's Motion for an Order Authorizing
20 Aquila, Inc. to Pledge and/or Create Liens on Its Utility Assets Located in the State of
21 Kansas in Order to Secure a Portion of the Term Loan Facility. This motion, which
22 was made by the Company on April 30, 2003, requested KCC authorization to utilize
23 its Kansas utility assets as collateral for a three-year term loan in the amount of \$430

¹ Since this docket was opened, the Company has changed its name from UtiliCorp United, Inc. to Aquila, Inc.

1 million that the Company received in April 2003. To develop my recommendations
2 in this case, I reviewed the prefiled testimony and exhibits of the Company, the
3 responses to data requests propounded upon the Company by CURB and by the Staff
4 of the Commission, and other documents useful in an analysis of the Company's
5 petition, including testimony and documents from other states in which Aquila filed
6 similar petitions regarding the use of utility assets as collateral.

7
8 **III. SUMMARY OF CONCLUSIONS**

9 **Q. Based on your review, should the Commission approve the Company's request**
10 **to use Kansas utility assets as collateral for its term loan?**

11 A. No, the Commission should not approve the use of Kansas utility assets as collateral
12 for the term loan, for the following reasons:

- 13 • The Company already has sufficient collateral for the loan;
- 14 • There is no assurance that any of the loan will be used by the Kansas
15 utilities;
- 16 • The requirement that the utilities prepay natural gas and purchased
17 power costs, which the Company claims has resulted in an increase in
18 cash working capital requirements, is a direct result of unsuccessful
19 unregulated ventures and a subsequent downgrade of Aquila's credit
20 rating;
- 21 • The value of the utility assets that Aquila seeks to pledge far exceeds
22 the amount of the term loan;

- 1 • If Kansas assets are pledged as collateral, Aquila will restrict its ability
2 to utilize these assets as future collateral for loans that may be needed
3 to met financing requirements of the Kansas utility;
- 4 • The Company's peak working capital study is fatally flawed.
- 5
6

7 **IV. DISCUSSION OF THE ISSUES**

8 **Q. Please describe the Company's proposal in this proceeding regarding the**
9 **pledging of Kansas utility assets as collateral for \$250 million of indebtedness.**

10 A. Aquila entered into a \$430 million three-year term loan in April 2003. The Company
11 claims that \$250 million of the \$430 million dollar loan supports the working capital
12 needs of its utilities. Therefore, Aquila is requesting Commission approval to use its
13 Kansas-jurisdictional assets as collateral for the loan. The Company is seeking
14 similar approvals in the other four regulatory jurisdictions that require regulatory
15 commission approval in order to pledge utility assets as collateral. These other
16 jurisdictions are Colorado, Iowa, Minnesota, and Missouri. Aquila has indicated that
17 it is the Company's intent to continue to use utility assets to collateralize debt used for
18 working capital purposes after the current term loan expires.

19

20 **Q. What collateral has already been pledged for the term loan?**

21 A. Aquila originally pledged its utility assets in Michigan and Nebraska as collateral for
22 the term loan, along with a pledge of the capital stock of the holding company of
23 Aquila's Canadian utilities and a second lien on the equity interest in the holding

1 company of the Company's Independent Power Project ("IPP") investments. Aquila
2 subsequently received approval in Colorado to pledge its utility assets in that state as
3 collateral for the term loan. The loan has already been fully collateralized at this
4 time.

5
6 **Q. What is the value of the utility assets that have been pledged to date?**

7 A. The net book value of the utility assets in Michigan, Nebraska, and Colorado is
8 \$380.7 million, according to the response to CURB-16. The net book value of the
9 total utility assets that Aquila seeks to pledge as collateral for \$250 million of the
10 term loan is \$1.7 billion. The market value of these assets is considerably higher than
11 \$1.7 billion, as evidenced by the fact that electric and gas utility stocks are selling at
12 premiums of 1.4 to 1.7 times book value.

13
14 **Q. Has the Company identified the market value of the assets that have been**
15 **pledged to date?**

16 A. The assets pledged in Michigan, Nebraska, and Colorado have a market value² of ***

17 **BEGIN CONFIDENTIAL** [REDACTED]

18 [REDACTED]

19 [REDACTED] ***

20 **END CONFIDENTIAL** consisting of the capital stock of the holding company of
21 Aquila's Canadian utilities and the second lien on the equity interest on the holding
22 company of the IPP investments.

² Market values were provided in response to CURB-30, which is highly confidential.

³ [REDACTED]

1

2 **Q. Is Aquila restricted to using \$250 million of the term loan for utility purposes?**

3 A. No, it is not. In response to CURB-35, Aquila stated that "...all of Aquila's businesses
4 have access to the proceeds from the term loan on an 'as needed' basis." Therefore,
5 while Aquila states that \$250 million is needed for utility working capital, there is no
6 assurance that any of the proceeds will be used by Aquila's regulated operations.

7

8 **Q. Will any utility collateral be restricted to support loan amounts actually used by
9 the utilities?**

10 A. No. Since there is no restriction on the use of loan proceeds, there is no way to limit
11 the use of utility collateral to support only those loan amounts actually used by the
12 utilities. All collateral is pooled and applied to the entire term loan amount of \$430
13 million. If the various regulatory commissions approve the use of utility assets as
14 collateral, there will be \$1.7 billion of net book utility assets supporting a \$430
15 million term loan that could be used entirely for non-regulated operations.

16

17 **Q. Are there ongoing collateral requirements for the \$430 million term loan?**

18 A. No, there are no on-going collateral requirements. According to the response to
19 CURB-32, "[t]he lenders were willing to accept the assets that Aquila could pledge at
20 signing as collateral for the entire loan, subject to Aquila agreeing to use
21 commercially reasonable efforts to add regulated assets to the collateral package."

22

1 **Q. Does this mean that there would be no changes in the terms of the loan if Aquila**
2 **fails to secure additional collateral?**

3 A. If the loan is supported with additional collateral, the rate on the loan will be reduced
4 by 75 basis points. However, even if Aquila does not obtain additional collateral, no
5 other terms of the loan will be affected. There is no compelling reason to allow
6 Kansas' utility assets to be encumbered as collateral for this term loan. While
7 pursuant to the loan agreement, the Company is obligated to ask for more collateral,
8 there is no penalty incurred if it fails to secure more collateral.

9

10 **Q. Is it possible that the interest rate on the loan could be reduced by 75 basis**
11 **points even if the Kansas assets are not pledged as collateral?**

12 A. Yes. According to the response to CURB-32, "...if the Company has sufficient
13 regulated assets to fully collateralize the loan balance, the interest rate on the loan
14 will drop from 8.75% to 8%." While the Company has not yet reached the point
15 where regulated assets are collateralizing the entire \$430 million term loan, this point
16 could be reached without inclusion of the Kansas utility assets in the collateral pool.

17

18 **Q. Why does the Company believe it is necessary to secure more collateral if the**
19 **loan has already been executed?**

20 A. Aquila presents three arguments for seeking additional regulated utility assets for
21 collateral. First, the Company argues that utility assets should support the working
22 capital requirements for the utility operations. Second, the Company argues that it is
23 only fair to use all utility assets as collateral because all the utility companies share in

1 the estimated \$250 million peak working capital requirement. Finally, as discussed
2 above, the Company indicates that the borrowing rate on the existing debt will
3 decrease by 75 basis points if additional collateral is secured.

4
5 **Q. If the Company sells its Canadian assets, will there be a need for additional**
6 **collateral?**

7 A. If the Canadian assets are sold in the future, then the proceeds would be used to retire
8 the debt with the result that the remaining extant collateral will provide the required
9 1.67 coverage ratio. Given that the utility assets already pledged support \$395 million
10 of loan value (or 158% of the \$250 million utility related financing), it does not seem
11 that the sale of the Canadian assets would be problematic for the Company.

12
13 **Q. Can you comment on the Company's contention that it is fair to use all existing**
14 **utility assets to secure the portion of the loan it claims is related to utility**
15 **working capital?**

16 A. I do not believe an issue of "fairness" exists. It certainly does not seem "fair" to over-
17 collateralize the utility portion of the term loan and place the responsibility on utility
18 customers for the entire \$430 million term loan. Further, I do not believe that the
19 Kansas Commission is obligated to permit Kansas utility assets to be used as
20 collateral simply because Michigan and Nebraska do not require Aquila to seek
21 regulatory approval to pledge utility assets, or because Colorado has approved a
22 settlement that permitted such collateral. Rather, it is incumbent upon the Kansas
23 Commission to analyze the Company's proposal and to make an assessment of its

1 implications for Kansas ratepayers. Kansas ratepayers are certainly not responsible
2 for the fact that Michigan and Nebraska do not require Commission approval before
3 utility assets can be pledged as security for loans. The Company's attempt to grossly
4 over-collateralize its loan should not be allowed.

5
6 **Q. Why would the Company want to over-collateralize its \$430 million term loan?**

7 A. If there is abundant collateral, then the Company need not apply proceeds from the
8 sales of its assets to the retirement of the \$430 million term loan. Rather, it can retire
9 other debt or use the sales proceeds in any other manner it desires. In fact, the
10 Company may be penalized if it attempts to apply sales proceeds to retirement of the
11 term loan while the loan is over-collateralized.

12
13 **Q. In what way could the Company be penalized?**

14 A. According to the loan agreement, if the Company attempts to prepay the term loan
15 while the loan is over-collateralized, then Aquila must also pay a "Make Whole
16 Premium," which essentially makes the lenders whole for the interest payments that
17 they will forego as a result of the prepayment. If the loan is collateralized at only
18 1.67, then no Make Whole Premium is applicable.

19
20 **Q. Please comment on the Company's argument that it is important to secure
21 additional collateral so that the interest rate on the debt will be reduced.**

22 A. It may be beneficial to the Company as a whole to reduce the interest rate on its debt,
23 but it is not a ratepayer responsibility to make that happen. Mr. Dobson states at page

1 ten of his Direct Testimony, "Aquila's shift back to secured debt is a direct result of
2 its weakened credit quality." The ratepayers are not responsible for the Company's
3 weakened credit rating. It was the Company's decision to venture into unregulated
4 activities that led to its current sub-investment grade credit rating. Therefore, it is
5 not appropriate to encumber utility assets to lower the interest rate on secured debt.
6 The required collateral is not based on the fundamentals of the utility's business, but
7 is a direct result of unsuccessful non-regulated ventures that have driven Aquila's
8 credit rating below investment-grade levels.

9
10 **Q. How has the downgrade of the Company's credit rating affected the working
11 capital requirements of the utility?**

12 A. According to the response to CURB-24, as a result of its credit downgrades,
13 "...Aquila has been required to post cash deposits, make prepayments, or pay amounts
14 before gas or power is delivered rather than normal payment terms of 20-25 days
15 following month of deliver [sic], in order to be able to continue to do business with
16 certain counterparties." Moreover, it is clear that Aquila's merchant operations and its
17 non-regulated telecommunications businesses were the cause of its credit
18 downgrades, not its regulated gas and electric utility operations. While the Company
19 proposes to isolate ratepayers from the higher debt costs associated with these
20 downgrades, I don't believe that such isolation can be achieved in the long term,
21 given the Company's current restructuring strategy.

22

1 **Q. How does the Company propose to isolate ratepayers from the effects of these**
2 **higher financing costs?**

3 A. Aquila states that ratepayers are being protected from negative impacts of the credit
4 downgrade because the Company is imputing an investment-grade cost of debt to its
5 utility operations, even though its actual debt costs are higher than an investment-
6 grade rating would indicate. While that may provide some protection for ratepayers
7 as long as there other revenue streams to support these higher debt costs, the
8 Company has indicated its intent to divest its non-utility operations. Unless all
9 corresponding debt is similarly divested or retired, Aquila may find that it has no
10 revenue stream other than regulated utility operations to support this higher cost debt.

11
12 **Q. Please comment on the Company's study that purports to support the use of**
13 **\$250 million of the term loan for peak working capital needs.**

14 A. The Company proposes to pledge as collateral all of the Kansas regulated assets with
15 a net book value of \$254.3 million, as shown in response to CURB-16, to support a
16 purported peak working capital need of \$41,350,000, as quantified in the response to
17 CURB-19. Therefore, even if one accepts the Company's quantification, and I do not,
18 the collateral being requested is vastly in excess of any working capital requirement
19 generated by the Kansas jurisdiction. This is especially true when one considers that
20 the collateral value of utility assets with a net book value of \$254.3 million is likely to
21 be 1.4 to 1.7 times that amount. For example, assuming that the market value of the
22 Kansas assets is 1.5 times book value, then Aquila is proposing to pledge \$381.45
23 million of assets to support a peak working capital requirement of \$41.35 million.

1 Thus, Aquila is proposing to pledge assets valued at more than nine times its peak
2 working capital requirement. While the Company argues that it is only “fair” for all
3 utilities to share in the responsibility for \$250 million of utility-related financing, its
4 request to encumber nine times the amount of Kansas’ working capital requirement
5 certainly is not a “fair” request on the part of the Company.

6
7 **Q. What was the cash working capital requirement claimed by Aquila in its last**
8 **base rate case?**

9 A. According to the response to CURB-41, Aquila claimed a negative cash working
10 capital requirement in both its gas and electric base rate case proceedings.
11 Specifically, in its most recent electric case, the Company claimed a working capital
12 requirement of (\$6,446,822), while in its gas case, it claimed a cash working capital
13 requirement of (\$822,626). It is simply as the result of Aquila's failed unregulated
14 operations that the Company is now required to prepay certain gas and purchased
15 power costs, resulting in the Company's claimed cash working capital requirement of
16 \$41.35 million.

17
18 **Q. How did the Company determine its working capital requirement?**

19 A. The Company's claim is based on a "peak" requirement that has several questionable
20 assumptions.

21
22 **Q. Do you agree with the use of a peak working capital requirement to quantify the**
23 **amount of loan proceeds that are assigned to the utilities by the Company?**

1 A. No, I disagree for many reasons. First, working capital needs for regulated utility
2 companies are based on an average net working capital requirement and not a peak-
3 day need.

4 Second, working capital is generally not exclusively financed with secured
5 debt, as the Company proposes here. Instead, commercial paper, a letter of credit or
6 other short-term financing arrangements are generally used to finance peaks in
7 working capital requirements as they arise.

8 Third, the permanent financing of a peak-day need implies that there is excess
9 financing the other 364 days a year.

10 Fourth, the \$41.35 million Kansas peak working capital requirement
11 quantified by the Company represents just 17% of the \$245 million of net book value
12 assets that the Company seeks to pledge as collateral, so the peak-needs study clearly
13 does not support the action sought by the Company.

14 Fifth, the Company is seeking to encumber a total of \$1.7 billion of utility
15 assets in its various regulated jurisdictions based on a working capital need of just
16 \$250 million, so that there is no logical connection between its study and the actions
17 it wishes for regulators to take.

18 Sixth, the Company includes inappropriate items in its peak-needs study, such
19 as capital expenditures, storm damage, and deferred gas balances.

20 Seventh, the peak needs are increased in the study due to prepayments for
21 natural gas and pipeline transportation that are required by vendors because of
22 Aquila's poor credit rating that grew out of its unregulated activities.

1 Finally, the peak working capital study is based on numerous projections
2 regarding future prices and energy demand rather than an actual lead-lag study based
3 on a historical test period as would be used in a traditional rate case.

4
5 **Q. What are some of the quantifiable problems with the Company's study?**

6 A. There are a number of problems that make the study results unreliable. As shown in
7 the response to CURB-19, the Company's December and January gas supply and
8 purchased power costs total \$29.1 million, while its projected revenues total \$29.3
9 million, for a small revenue surplus. If storage and pipeline costs of \$10.3 million are
10 considered, the net working capital requirement is approximately \$10.1 million. If
11 coal prepayments are also factored into the study, the net result is a peak working
12 capital requirement of \$13.9 million.

13 The difference between the \$13.9 million and the Company's claim of \$41.35
14 million is due to additional components that should not be included in a peak working
15 capital study. For example, the Company stress-tested its gas costs by increasing its
16 January volumes by 10% and repricing gas at 11.63 per Mmbtu. These assumptions
17 added \$7.1 million to the Company's claim. However, even if one assumes that a
18 peak working capital study is meaningful, such a study should be based on normal
19 operating conditions and realistic assumptions, not on a "worse case" scenario.

20 The Company also included \$1 million of payroll costs in its working capital
21 needs, even though payroll costs are included in the working capital requirement

1 recovered by Aquila in base rates.⁴ Additionally, the Company included \$17.7
2 million of its February 2001 PGA balance in its peak working capital study, even
3 though the Company used a prospective January date for the calculation of its
4 revenues and expenses. Moreover, the PGA balance at February 2001 is totally
5 irrelevant to any future peak working capital requirement.

6 Finally, the Company also included other items such as hypothetical storm
7 damage expense and projected capital expenditures in its study, both of which are
8 inappropriate to include in a cash working capital study. If the Company's study is
9 corrected for these errors, the net result is a peak working capital requirement of no
10 more than \$13.9 million, significantly less than the \$41.35 million proposed by
11 Aquila.

12 Thus, the Company's study, which purports to support its need to pledge
13 Kansas utility assets as collateral for the \$430 million term loan, is seriously flawed
14 and should be rejected.

15
16 **Q. What are the implications to Kansas ratepayers if Kansas jurisdictional assets
17 are pledged as security for Aquila's term loan?**

18 A. Kansas ratepayers are worse off to the extent that their assets are encumbered for the
19 benefit of the unregulated enterprises of the Company or for the regulated utility's
20 customers in other states. Utility assets in Kansas should only be pledged for debt that
21 is necessary in order to provide safe and adequate utility service to Kansas customers.

⁴ It is also interesting to note that Mr. Dobson testified that Aquila has reduced its employees by 1,500 in an effort to restore its credit quality. We do not know how many of these employees, if any, were Kansas utility employees.

1 Because the Company seeks to encumber all Kansas assets, it will have reduced its
2 flexibility to borrow for future utility needs. The over-collateralization of the utility
3 portion of the \$430 million term loan will ultimately mean that utility assets are
4 encumbered for the entire loan, including the portion of the loan supporting
5 unregulated operations. In fact, the existing utility collateral already supports \$395
6 million of the \$430 million loan. It is not sound ratemaking to burden utility
7 ratepayers with costs arising from failed unregulated activities.

8
9 **Q. How much debt is necessary to finance working capital for the Kansas utility?**

10 A. Only a properly conducted lead-lag study could identify the actual working capital
11 requirement for Kansas utility operations. However, even if one simply corrects the
12 Company's analysis for obvious flaws, the largest possible claim for working capital
13 would be \$13.9 million. There is no reason why this amount should not be financed
14 with a mixture of equity and debt in proportion to the overall capital structure
15 appropriate to Aquila's utility business. Assuming a 60% debt ratio, approximately
16 \$8.34 million of the Company's peak working capital requirement in Kansas would
17 be debt-financed.

18
19 **Q. Would it then be appropriate to pledge the \$254 million of Kansas utility assets**
20 **for an estimated \$8.34 million of debt financing for working capital needs in**
21 **Kansas?**

22 A. No. Certainly it is not reasonable to ask Kansas ratepayers to pledge hundreds of
23 millions of dollars of assets for the minor amount of peak working capital generated

1 in Kansas. In addition, the Company has already been compensated in rates for its
2 working capital requirements in Kansas. No further consideration is owed to the
3 utility regarding its working capital investment. In fact, as previously stated, the
4 Company's utility operations generated a negative cash working capital requirement
5 prior to downgrading of Aquila's credit rating. Regulated utility assets in Kansas
6 should not be used in support of credit activities that have suffered as a result of failed
7 unregulated ventures.

8
9 **Q. Why do you believe the Company is requesting collateral for working capital**
10 **needs?**

11 A. It appears that the Company simply wants to find a way to encumber utility assets to
12 aid it in its attempt to extricate itself from the financial consequences arising from the
13 losses incurred in its unregulated businesses. Because working capital is somewhat
14 amorphous, the Company built an argument around the concept that all jurisdictions
15 need to share the burden of financing it.⁵ The real desire appears to be to secure
16 short-term financing on the best terms possible while the Company restructures itself.
17 Thus, I believe the Company is simply trying to find a way to leverage the strength of
18 its utility business in order to buy time to attempt to work itself out of the difficult
19 financial circumstances it has created for itself due to its unregulated business
20 activities.

21

⁵ Clearly the Company cannot argue that it needs debt financing for construction programs as that would require the funds be set aside and invested in new assets that are identifiable to each jurisdiction.

1 **Q. What is the status of the Company's request to use utility assets in other states as**
2 **collateral for \$250 million of the term loan?**

3 A. The Company filed for approval to utilize utility assets as collateral in five states,
4 including Kansas. On June 20, 2003, the Colorado Commission approved a
5 stipulation among the parties that permitted the utility assets in Colorado to be used as
6 collateral for the term loan. However, the settlement agreement deferred, until the
7 Company's petitions in its other jurisdictions are resolved, the issue of whether the
8 use of utility assets as collateral could continue after the term of the current \$430
9 loan. I understand that on October 9, 2003, the Minnesota Public Utilities
10 Commission denied the Company's petition to use Minnesota utility assets as
11 collateral for the term loan. The Staff of the Public Service Commission and the
12 Office of Public Counsel, both in Missouri, and the Iowa Department of Justice,
13 Consumer Advocate Division, have all presented strenuous opposition to the
14 Company's petitions. These cases have not yet been resolved by the Missouri or Iowa
15 commissions.

16
17 **Q. What is your recommendation?**

18 A. I recommend that the Commission reject the Company's request to pledge Kansas
19 utility assets as collateral for the \$430 million term loan.

20

21 **Q. Please summarize the reasons for this recommendation.**

22 A. The Company already has more than a sufficient amount of collateral for the
23 estimated \$250 million utility-related portion of its \$430 million term loan, even if its

1 Canadian assets are sold. The Company's request for additional collateralization is
2 excessive and will result in utility assets securing the entire \$430 million loan, in spite
3 of the fact that at least a portion of the loan proceeds are being used for non-regulated
4 activities. The Kansas Commission is not obliged to encumber utility assets in its
5 jurisdiction for the benefit of the Company's unregulated operations or for cash
6 working capital requirements in other jurisdictions. The Commission is also not
7 obligated to reduce the cost of debt to Aquila by compromising the financial integrity
8 of the utility assets as would be the case if they were pledged as collateral. The
9 Company's request for collateral is a direct result of its weakened credit quality and
10 the negative consequences of that credit unworthiness should be borne by
11 shareholders and not ratepayers. The Company's calculation of peak working capital
12 needs is seriously flawed and overstated. It is not appropriate for Kansas to
13 collateralize nine times its working capital need. If Kansas assets were pledged as
14 collateral, ratepayers would be harmed due to the diminishment in the borrowing
15 capacity of the utility's assets that may be required in the future to provide safe and
16 adequate service. The Company's proposal represents an attempt to leverage the
17 utility assets to pay for the consequences of unregulated activities. For all these
18 reasons, I believe it is in the best interest of Kansas ratepayers to reject the
19 Company's request to pledge its Kansas assets as excess collateral for its \$430
20 million loan.

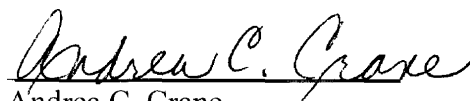
21 **Q. Does this conclude your testimony?**

22 A. Yes, it does.

VERIFICATION

STATE OF CONNECTICUT)
COUNTY OF FAIRFIELD) ss:

Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board of the State of Kansas, that she has read and is familiar with the foregoing testimony; and that the statements made herein are true to the best of her knowledge, information and belief.


Andrea C. Crane

Subscribed and sworn to before me this 28th day of October, 2003.

Notary Public 

My Appointment Expires: _____

SANDRA P. MOSIELLO
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2007

APPENDIX A

List of Prior Testimonies

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
CenturyTel of Northwest Arkansas, LLC	T	Arkansas	03-041-U	10/03	Affiliated Interests	The Arkansas Public Service Commission General Staff
Borough of Butler Electric Utility	E	New Jersey	CR03010049/63	9/03	Revenue Requirements	Division of the Ratepayer Advocate
Comcast Cablevision of Avalon Comcast Cable Communications	C	New Jersey	CR03020131-132	9/03	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	E	Delaware	03-127	8/03	Revenue Requirements	Division of the Public Advocate
Kansas Gas Service	G	Kansas	03-KGSG-602-RTS	7/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Washington Gas Light Company	G	Maryland	8959	6/03	Cost of Capital Incentive Rate Plan	U.S. DOD/FEA
Pawtucket Water Supply Board	W	Rhode Island	3497	6/03	Revenue Requirements	Division of Public Utilities and Carriers
Atlantic City Electric Company	E	New Jersey	EO03020091	5/03	Stranded Costs	Division of the Ratepayer Advocate
Public Service Company of New Mexico	G	New Mexico	03-000-17 UT	5/03	Cost of Capital Cost Allocations	Office of the New Mexico Attorney General
Comcast - Hopewell, et al.	C	New Jersey	CR02110818 CR02110823-825	5/03	Cable Rates	Division of the Ratepayer Advocate
Cablevision Systems Corporation	C	New Jersey	CR02110838, 43-50	4/03	Cable Rates	Division of the Ratepayer Advocate
Comcast-Garden State / Northwest	C	New Jersey	CR02100715 CR02100719	4/03	Cable Rates	Division of the Ratepayer Advocate
Midwest Energy, Inc. and Westar Energy, Inc.	E	Kansas	03-MDWE-421-ACQ	4/03	Acquisition	Citizens' Utility Ratepayer Board
Time Warner Cable	C	New Jersey	CR02100722 CR02100723	4/03	Cable Rates	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	01-WSRE-949-GIE	3/03	Restructuring Plan	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	ER02080604 PUC 7983-02	1/03	Deferred Balance	Division of the Ratepayer Advocate
Atlantic City Electric Company d/b/a Conectiv Power Delivery	E	New Jersey	ER02080510 PUC 6917-02S	1/03	Deferred Balance	Division of the Ratepayer Advocate
Wallkill Sewer Company	WW	New Jersey	WR02030193 WR02030194	12/02	Revenue Requirements Purchased Sewage Treatment Adjustment	Division of the Ratepayer Advocate
Midwest Energy, Inc.	E	Kansas	03-MDWE-001-RTS	12/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast-LBI Crestwood	C	New Jersey	CR02050272 CR02050270	11/02	Cable Rates	Division of the Ratepayer Advocate
Reliant Energy Arkla	G	Oklahoma	PUD200200166	10/02	Affiliated Interest Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Midwest Energy, Inc.	G	Kansas	02-MDWG-922-RTS	10/02	Gas Rates	Citizens' Utility Ratepayer Board

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Comcast Cablevision of Avalon	C	New Jersey	CR02030134 CR02030137	7/02	Cable Rates	Division of the Ratepayer Advocate
RCN Telecom Services, Inc., and Home Link Communications	C	New Jersey	CR02010044, CR02010047	7/02	Cable Rates	Division of the Ratepayer Advocate
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase II	7/02	Rate Design Tariff Issues	Division of the Public Advocate
Washington Gas Light Company	G	Maryland	8920	6/02	Rate of Return Rate Design	General Services Administration (GSA)
Tidewater Utilities, Inc.	W	Delaware	02-28	6/02	Revenue Requirements	Division of the Public Advocate
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	5/02	Financial Plan	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	02-EPDE-488-RTS	5/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	3709	4/02	Fuel Costs	Office of the New Mexico Attorney General
Cablevision Systems	C	New Jersey	CR01110706, et al	4/02	Cable Rates	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	District of Columbia	945, Phase II	4/02	Divestiture Procedures	General Services Administration (GSA)
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	3/02	Sale of VY to Entergy Corp. (Supplemental)	Department of Public Service
Delmarva Power and Light Company	G	Delaware	01-348F	1/02	Gas Cost Adjustment	Division of the Public Advocate
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	1/02	Sale of VY to Entergy Corp.	Department of Public Service
Pawtucket Water Supply Company	W	Rhode Island	3378	12/01	Revenue Requirements	Division of Public Utilities and Carriers
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase I	12/01	Revenue Requirements	Division of the Public Advocate
Potomac Electric Power Company	E	Maryland	8796	12/01	Divestiture Procedures	General Services Administration (GSA)
Kansas Electric Power Cooperative	E	Kansas	01-KEPE-1106-RTS	11/01	Depreciation Methodology (Cross Answering)	Citizens' Utility Ratepayer Board
Wellsboro Electric Company	E	Pennsylvania	R-00016356	11/01	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	3311	10/01	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Pepco and New RC, Inc.	E	District of Columbia	1002	10/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Potomac Electric Power Co. & Delmarva Power	E	Delaware	01-194	10/01	Merger Issues and Performance Standards	Division of the Public Advocate
Yankee Gas Company	G	Connecticut	01-05-19PH01	9/01	Affiliated Transactions	Office of Consumer Counsel

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Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	9/01	Revenue Requirements (Rebuttal)	The Consumer Advocate Division of the PSC
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	9/01	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Potomac Electric Power Co. & Delmarva Power	E	Maryland	8890	9/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Comcast Cablevision of Long Beach Island, et al	C	New Jersey	CR01030149-50 CR01050285	9/01	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3311	8/01	Revenue Requirements	Division of Public Utilities and Carriers
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	8/01	Revenue Requirements	Office of Consumer Advocate
Roxiticus Water Company	W	New Jersey	WR01030194	8/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	8/01	Revenue Requirements	The Consumer Advocate Division of the PSC
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity (Rebuttal)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity	Citizens' Utility Ratepayer Board
Cablevision of Allamuchy, et al	C	New Jersey	CR00100824, etc.	4/01	Cable Rates	Division of the Ratepayer Advocate
Public Service Company of New Mexico	E	New Mexico	3137, Holding Co.	4/01	Holding Company	Office of the Attorney General
Keauhou Community Services, Inc.	W	Hawaii	00-0094	4/01	Rate Design	Division of Consumer Advocacy
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests (Motion for Suppl. Changes)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	3137, Part III	4/01	Standard Offer Service (Additional Direct)	Office of the Attorney General
Chem-Nuclear Systems, LLC	SW	South Carolina	2000-366-A	03/01	Allowable Costs	Department of Consumer Affairs
Southern Connecticut Gas Company	G	Connecticut	00-12-08	03/01	Affiliated Interest Transactions	Office of Consumer Counsel
Atlantic City Sewerage Corporation	S	New Jersey	WR00080575	3/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	G	Delaware	00-314	3/01	Margin Sharing	Division of the Public Advocate

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Senate Bill 190 Re: Performance Based Ratemaking	G	Kansas	Senate Bill 190	2/01	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	00-463-F	2/01	Gas Cost Rates	Division of the Public Advocate
Waitsfield Fayston Telephone Company	T	Vermont	6417	12/00	Revenue Requirements	Department of Public Service
Delaware Electric Cooperative	E	Delaware	00-365	11/00	Code of Conduct Cost Allocation Manual	Division of the Public Advocate
Commission Inquiry into Performance-Based Ratemaking	G	Kansas	00-GIMG-425-GIG	10/00	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Pawtucket Water Supply Board	W	Rhode Island	3164 Separation Plan	10/00	Revenue Requirements	Division of Public Utilities and Carriers
Public Service Company of New Mexico	E	New Mexico	3137, Part III	9/00	Standard Offer Service	Office of the Attorney General
Laie Water Company	W	Hawaii	00-0017 Separation Plan	8/00	Rate Design	Division of Consumer Advocacy
El Paso Electric Company	E	New Mexico	3170, Part II, Ph. 1	7/00	Electric Restructuring	Office of the Attorney General
Public Service Company of New Mexico	E	New Mexico	3137 - Part II Separation Plan	7/00	Electric Restructuring	Office of the Attorney General
PG Energy	G	Pennsylvania	R-00005119	6/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	4/00	Merger Issues (Additional Supplemental)	Office of Consumer Counsel
Sussex Shores Water Company	W	Delaware	99-576	4/00	Revenue Requirements	Division of the Public Advocate
Utilicorp United, Inc.	G	Kansas	00-UTCG-336-RTS	4/00	Revenue Requirements	Citizens' Utility Ratepayer Board
TCI Cablevision	C	Missouri	9972-9146	4/00	Late Fees (Affidavit)	Honora Eppert, et al
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	3/00	Pro Forma Revenue Affiliated Transactions (Rebuttal)	Oklahoma Corporation Commission, Public Utility Division Staff
Tidewater Utilities, Inc. Public Water Supply Co.	W	Delaware	99-466	3/00	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	G/E	Delaware	99-582	3/00	Cost Accounting Manual Code of Conduct	Division of the Public Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	3/00	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	2/00	Revenue Requirements	Office of Consumer Advocate

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Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	2/00	Merger Issues	Office of Consumer Counsel
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	1/00	Pro Forma Revenue Affiliated Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Connecticut Natural Gas Company	G	Connecticut	99-09-03	1/00	Affiliated Transactions	Office of Consumer Counsel
Time Warner Entertainment Company, L.P.	C	Indiana	48D06-9803-CP-423	1999	Late Fees (Affidavit)	Kelly J. Whiteman, et al
TCI Communications, Inc., et al	C	Indiana	55D01-9709-CP-00415	1999	Late Fees (Affidavit)	Franklin E. Littell, et al
Southwestern Public Service Company	E	New Mexico	3116	12/99	Merger Approval	Office of the Attorney General
New England Electric System Eastern Utility Associates	E	Rhode Island	2930	11/99	Merger Policy	Department of Attorney General
Delaware Electric Cooperative	E	Delaware	99-457	11/99	Electric Restructuring	Division of the Public Advocate
Jones Intercable, Inc.	C	Maryland	CAL98-00283	10/99	Cable Rates (Affidavit)	Cynthia Maisonette and Ola Renee Chatman, et al
Texas-New Mexico Power Company	E	New Mexico	3103	10/99	Acquisition Issues	Office of Attorney General
Southern Connecticut Gas Company	G	Connecticut	99-04-18	9/99	Affiliated Interest	Office of Consumer Counsel
TCI Cable Company	C	New Jersey	CR99020079 et al	9/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
All Regulated Companies	E/G/W	Delaware	Reg. No. 4	8/99	Filing Requirements (Position Statement)	Division of the Public Advocate
Mile High Cable Partners	C	Colorado	95-CV-5195	7/99	Cable Rates (Affidavit)	Brett Marshall, an individual, et al
Electric Restructuring Comments	E	Delaware	Reg. 49	7/99	Regulatory Policy (Supplemental)	Division of the Public Advocate
Long Neck Water Company	W	Delaware	99-31	6/99	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	99-163	6/99	Electric Restructuring	Division of the Public Advocate
Potomac Electric Power Company	E	District of Columbia	945	6/99	Divestiture of Generation Assets	U.S. GSA - Public Utilities
Comcast	C	Indiana	49C01-9802-CP-000386	6/99	Late Fees (Affidavit)	Ken Hecht, et al
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	6/99	Economic Subsidy Issues (Surrebuttal)	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/W/W	New Jersey	WR98101161 WR98101162 PUCRS 11514-98N	5/99	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate

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Cablevision of Bergen, Bayonne, Newark	C	New Jersey	CR98111197-199 CR98111190	5/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
Cablevision of Bergen, Hudson, Monmouth	C	New Jersey	CR97090624-626 CTV 1697-98N	5/99	Cable Rates - Form 1235 (Rebuttal)	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2860	4/99	Revenue Requirements	Division of Public Utilities & Carriers
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162	4/99	Revenue Requirements Rate Design	Division of the Ratepayer Advocate
PEPCO	E	District of Columbia	945	4/99	Divestiture of Assets	U.S. GSA - Public Utilities
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	4/99	Merger Approval (Surrebuttal)	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	98-479F	3/99	Fuel Costs	Division of the Public Advocate
Lenfest Atlantic d/b/a Suburban Cable	C	New Jersey	CR97070479 et al	3/99	Cable Rates	Division of the Ratepayer Advocate
Electric Restructuring Comments	E	District of Columbia	945	3/99	Regulatory Policy	U.S. GSA - Public Utilities
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	3/99	Tariff Revision Payphone Subsidies FCC Services Test (Rebuttal)	Division of the Ratepayer Advocate
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	3/99	Merger Approval (Answering)	Citizens' Utility Ratepayer Board
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	2/99	Merger Approval	Citizens' Utility Ratepayer Board
Adelphia Cable Communications	C	Vermont	6117-6119	1/99	Late Fees (Additional Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees (Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees	Department of Public Service
Orange and Rockland/ Consolidated Edison	E	New Jersey	EM98070433	11/98	Merger Approval	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR97090624 CR97090625 CR97090626	11/98	Cable Rates - Form 1235	Division of the Ratepayer Advocate
Petitions of BA-NJ and NJPA re: Payphone Ops.	T	New Jersey	TO97100792 PUCOT 11269-97N	10/98	Payphone Subsidies FCC New Services Test	Division of the Ratepayer Advocate
United Water Delaware	W	Delaware	Docket No. 98-98	8/98	Revenue Requirements	Division of the Public Advocate
Cablevision	C	New Jersey	CR97100719, 726 730, 732	8/98	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate

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Potomac Electric Power Company	E	Maryland	Case No. 8791	8/98	Revenue Requirements Rate Design	U.S. GSA - Public Utilities
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	8/98	Anti-Competitive Practices (Rebuttal)	Division of the Ratepayer Advocate
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	7/98	Anti-Competitive Practices	Division of the Ratepayer Advocate
TCI Cable Company/ Cablevision	C	New Jersey	CTV 03264-03268 and CTV 05061	7/98	Cable Rates	Division of the Ratepayer Advocate
Mount Holly Water Company	W	New Jersey	WR98020058 PUC 03131-98N	7/98	Revenue Requirements	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	2674	5/98	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
Pawtucket Water Supply Board	W	Rhode Island	2674	4/98	Revenue Requirements	Division of Public Utilities and Carriers
Energy Master Plan Phase II Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	4/98	Electric Restructuring Issues (Supplemental Surrebuttal)	Division of the Ratepayer Advocate
Energy Master Plan Phase I Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	3/98	Electric Restructuring Issues	Division of the Ratepayer Advocate
Shorelands Water Company	W	New Jersey	WR97110835 PUC 11324-97	2/98	Revenue Requirements	Division of the Ratepayer Advocate
TCI Communications, Inc.	C	New Jersey	CR97030141 and others	11/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Citizens Telephone Co. of Kecksburg	T	Pennsylvania	R-00971229	11/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	10/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Universal Service Funding	T	New Jersey	TX95120631	10/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	9/97	Low Income Fund High Cost Fund	Division of the Ratepayer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	9/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G/E	Delaware	97-65	9/97	Cost Accounting Manual Code of Conduct	Office of the Public Advocate
Western Resources, Oneok, and WAI	G	Kansas	WSRG-486-MER	9/97	Transfer of Gas Assets	Citizens' Utility Ratepayer Board
Universal Service Funding	T	New Jersey	TX95120631	9/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	8/97	Schools and Libraries Funding	Division of the Ratepayer Advocate

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Kent County Water Authority	W	Rhode Island	2555	8/97	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Ironton Telephone Company	T	Pennsylvania	R-00971182	8/97	Alternative Regulation Network Modernization (Surrebuttal)	Office of Consumer Advocate
Ironton Telephone Company	T	Pennsylvania	R-00971182	7/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Comcast Cablevision	C	New Jersey	Various	7/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR97010052 PUCRA 3154-97N	7/97	Revenue Requirements	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	6/97	Revenue Requirements	Division of Public Utilities and Carriers
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	6/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	5/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	E	Delaware	97-58	5/97	Merger Policy	Office of the Public Advocate
Middlesex Water Company	W	New Jersey	WR96110818 PUCRL 11663-96N	4/97	Revenue Requirements	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR96080628 PUCRA 09374-96N	3/97	Purchased Sewerage Adjustment	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	2484	3/97	Revenue Requirements Cost of Capital (Surrebuttal)	Division of Public Utilities & Carriers
Interstate Navigation Company	N	Rhode Island	2484	2/97	Revenue Requirements Cost of Capital	Division of Public Utilities & Carriers
Electric Restructuring Comments	E	District of Columbia	945	1/97	Regulatory Policy	U.S. GSA - Public Utilities
United Water Delaware	W	Delaware	96-194	1/97	Revenue Requirements	Office of the Public Advocate
PEPCO/ BGE/ Merger Application	E/G	District of Columbia	951	10/96	Regulatory Policy Cost of Capital (Rebuttal)	GSA
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	10/96	Revenue Requirements Cost of Capital (Supplemental)	Citizens' Utility Ratepayer Board
PEPCO and BGE Merger Application	E/G	District of Columbia	951	9/96	Regulatory Policy, Cost of Capital	U.S. GSA - Public Utilities
Utilicorp United, Inc.	G	Kansas	193,787-U	8/96	Revenue Requirements	Citizens' Utility Ratepayer Board
TKR Cable Company of Gloucester	C	New Jersey	CTV07030-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
TKR Cable Company of Warwick	C	New Jersey	CTV057537-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate

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Delmarva Power and Light Company	E	Delaware	95-196F	5/96	Fuel Cost Recovery	Office of the Public Advocate
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	5/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Princeville Utilities Company, Inc.	W/WW	Hawaii	95-0172 95-0168	1/96	Revenue Requirements Rate Design	Princeville at Hanalei Community Association
Western Resources, Inc.	G	Kansas	193,305-U	1/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements	Division of the Ratepayer Advocate
Lanai Water Company	W	Hawaii	94-0366	10/95	Revenue Requirements Rate Design	Division of Consumer Advocacy
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01382-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01381-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Chesapeake Utilities Corporation	G	Delaware	95-73	7/95	Revenue Requirements	Office of the Public Advocate
East Honolulu Community Services, Inc.	WW	Hawaii	7718	6/95	Revenue Requirements	Division of Consumer Advocacy
Wilmington Suburban Water Corporation	W	Delaware	94-149	3/95	Revenue Requirements	Office of the Public Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	1/95	Revenue Requirements (Supplemental)	Division of the Ratepayer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	1/95	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	12/94	Revenue Requirements	Office of Consumer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	12/94	Revenue Requirements	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	94-84	11/94	Revenue Requirements	Office of the Public Advocate
Delmarva Power and Light Company	G	Delaware	94-22	8/94	Revenue Requirements	Office of the Public Advocate
Empire District Electric Company	E	Kansas	190,360-U	8/94	Revenue Requirements	Citizens' Utility Ratepayer Board
Morris County Municipal Utility Authority	SW	New Jersey	MM10930027 ESW 1426-94	6/94	Revenue Requirements	Rate Counsel
US West Communications	T	Arizona	E-1051-93-183	5/94	Revenue Requirements (Surrebuttal)	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	5/94	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
US West Communications	T	Arizona	E-1051-93-183	3/94	Revenue Requirements	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	3/94	Revenue Requirements	Division of Public Utilities & Carriers
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J	2/94	Revenue Requirements (Supplemental)	Rate Counsel
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements (Supplemental)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	2098	8/93	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Wilmington Suburban Water Company	W	Delaware	93-28	7/93	Revenue Requirements	Office of Public Advocate
Kent County Water Authority	W	Rhode Island	2098	7/93	Revenue Requirements	Division of Public Utilities & Carriers
Camden County Energy Recovery Associates, Inc.	SW	New Jersey	SR91111718J ESW1263-92	4/93	Revenue Requirements	Rate Counsel
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J ESW 1263-92	4/93	Revenue Requirements	Rate Counsel
Jamaica Water Supply Company	W	New York	92-W-0583	3/93	Revenue Requirements	County of Nassau Town of Hempstead
New Jersey-American Water Company	W/WW	New Jersey	WR92090908J PUC 7266-92S	2/93	Revenue Requirements	Rate Counsel
Passaic County Utilities Authority	SW	New Jersey	SR91121816J ESW0671-92N	9/92	Revenue Requirements	Rate Counsel
East Honolulu Community Services, Inc.	WW	Hawaii	7064	8/92	Revenue Requirements	Division of Consumer Advocacy
The Jersey Central Power and Light Company	E	New Jersey	PUC00661-92 ER91121820J	7/92	Revenue Requirements	Rate Counsel
Mercer County Improvement Authority	SW	New Jersey	EWS11261-91S SR91111682J	5/92	Revenue Requirements	Rate Counsel
Garden State Water Company	W	New Jersey	WR9109-1483 PUC 09118-91S	2/92	Revenue Requirements	Rate Counsel
Elizabethtown Water Company	W	New Jersey	WR9108-1293J PUC 08057-91N	1/92	Revenue Requirements	Rate Counsel
New-Jersey American Water Company	W/WW	New Jersey	WR9108-1399J PUC 8246-91	12/91	Revenue Requirements	Rate Counsel
Pennsylvania-American Water Company	W	Pennsylvania	R-911909	10/91	Revenue Requirements	Office of Consumer Advocate
Mercer County Improvement Authority	SW	New Jersey	SR9004-0264J PUC 3389-90	10/90	Revenue Requirements	Rate Counsel
Kent County Water Authority	W	Rhode Island	1952	8/90	Revenue Requirements Regulatory Policy (Surrebuttal)	Division of Public Utilities & Carriers

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests (Supplemental)	NY State Consumer Protection Board
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests	NY State Consumer Protection Board
Kent County Water Authority	W	Rhode Island	1952	6/90	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Ellesor Transfer Station	SW	New Jersey	SO8712-1407 PUC 1768-88	11/89	Regulatory Policy	Rate Counsel
Interstate Navigation Co.	N	Rhode Island	D-89-7	8/89	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Automated Modular Systems, Inc.	SW	New Jersey	PUC1769-88	5/89	Revenue Requirements Schedules	Rate Counsel
SNET Cellular, Inc.	T	Connecticut	-	2/89	Regulatory Policy	First Selectman Town of Redding

APPENDIX B

Referenced Data Requests

CURB-16

CURB-19

CURB-24

CURB-29

CURB-30 (Confidential - Not Provided)

CURB-32

CURB-35

CURB-41

AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
DATA REQUEST NO. CURB-16

DATE OF REQUEST: August 26, 2003
DATE RECEIVED: August 26, 2003
DATE DUE: September 10, 2003
REQUESTOR: David Springe

QUESTION:

For each regulatory jurisdiction where the Company is proposing to utilize utility assets as collateral, please provide the net book value of the jurisdictional assets that the Company wants to use as collateral for the new debt obligations.

RESPONSE: The net book value of the jurisdictional assets as of December 31, 2002 is as follows:

\$(000s)	
Colorado	\$ 148,700
Iowa	61,300
Kansas	254,300
Michigan	128,700
Minnesota	133,500
Missouri	877,900
Nebraska	<u>103,300</u>
Total	<u>\$1,707,700</u>

ATTACHMENT: None

ANSWERED BY: Carol Lowndes

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: Carol Lowndes

Carol Lowndes

Dated: 9-12-03

AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
DATA REQUEST NO. CURB-19

DATE OF REQUEST: August 26, 2003
DATE RECEIVED: August 26, 2003
DATE DUE: September 10, 2003
REQUESTOR: David Springe

QUESTION:

Please identify the cash working capital requirement of the Company's regulated utility operations in Kansas.

RESPONSE: The working capital requirement study was completed on an overall U.S. Network basis rather than state by state. This study indicated that the Company's overall cash needs peak in the winter, primarily driven by gas purchased for distribution. Kansas's gas and electric operations represent a portion of this peak. In order to respond to this data request we prepared a state-by-state breakdown of the U.S. Network working capital requirements for the peak month of January. The working capital loan is managed as a revolver facility by Aquila Inc; therefore operations are only charged based on Kansas's usage.

The attached schedule lists Kansas's estimated share of the winter peak and includes historical peak factors like the PGA under-recovery, under billed budget billing balances, and 2001 storm costs similar to the one mentioned in Rick Dobson's direct testimony on page 12. We also refined the calculation to include coal purchases and capital expenditures during the winter peak period.

ATTACHMENT: CURB0019_Kansas_WorkingCapital.xls

ANSWERED BY: Carol Lowndes

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: Carol Lowndes
Carol Lowndes

Dated: Sept 9 2003

Aquila Inc
Data Request CURB0019

Estimate of Kansas's portion of Aquila's Peak Working Capital Needs

Per the model

Gas Supply	13,300,000
Purchased Power	2,400,000
Power Plant Notional	-
Jan Amount	<u>15,700,000</u>

Gas Supply	11,000,000
Purchased Power	2,400,000
Power Plant Notional	-
Dec Amount	<u>13,400,000</u>

Storage	7,100,000
---------	-----------

Pipeline Prepays	3,200,000
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Payroll	1,000,000
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Incremental Gas Sensitivity	7,200,000
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Total Cash Outstanding	47,600,000
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Less: Cash Received	29,300,000
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Subtotal for winter peak related to energy/payroll	18,300,000
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Additional amounts:

Kansas PGA (based on Feb 2001)	17,700,000
--------------------------------	------------

Kansas ice storm (last occurrence Oct/Nov 2001)	450,000
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Jan 03 Coal supply purchases	1,900,000
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Dec 02 Coal supply purchases (prepayment scenario)	1,900,000
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Jan 03 CapEx	1,100,000
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Estimated KS peak working capital need	<u><u>41,350,000</u></u>
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Year	Month	Date	Daily Rev	Cumulative Monthly Cash Receipts
2003	12	12/31/03	6,025	186,784
2004	1	01/01/04	6,896	6,896
2004	1	01/02/04	6,896	13,792
2004	1	01/04/04	6,896	20,689
2004	1	01/05/04	6,896	27,585
2004	1	01/06/04	6,896	34,481
2004	1	01/07/04	6,896	41,377
2004	1	01/08/04	6,896	48,273
2004	1	01/09/04	6,896	55,170
2004	1	01/10/04	6,896	62,066
2004	1	01/11/04	6,896	68,962
2004	1	01/12/04	6,896	75,858
2004	1	01/13/04	6,896	82,754
2004	1	01/14/04	6,896	89,651
2004	1	01/15/04	6,896	96,547
2004	1	01/16/04	6,896	103,443
2004	1	01/17/04	6,896	110,339
2004	1	01/18/04	6,896	117,235
2004	1	01/19/04	6,896	124,132
2004	1	01/20/04	6,896	131,028
2004	1	01/21/04	6,896	137,924
2004	1	01/22/04	6,896	144,820
2004	1	01/23/04	6,896	151,716
2004	1	01/24/04	6,896	158,612
2004	1	01/25/04	6,896	165,509
2004	1	01/26/04	6,896	172,405
2004	1	01/27/04	6,896	179,301
2004	1	01/28/04	6,896	186,197
2004	1	01/29/04	6,896	193,093
2004	1	01/30/04	6,896	199,990
2004	1	01/31/04	6,896	206,886

Maximum GAP
(\$244,624)

GRAPH DATA

Sum of Cash Outstanding	Cumulative Monthly Cash Recei	Expected Monthly Cash Receipts	Net Working Capital
\$383,337	\$186,784	\$186,784	(\$196,553)
\$453,498	\$6,896	\$213,782	(\$239,716)
\$458,407	\$13,792	\$213,782	(\$244,624)
\$451,539	\$20,689	\$213,782	(\$237,757)
\$450,559	\$27,585	\$213,782	(\$236,777)
\$449,580	\$34,481	\$213,782	(\$235,798)
\$448,600	\$41,377	\$213,782	(\$234,818)
\$447,621	\$48,273	\$213,782	(\$233,839)
\$446,641	\$55,170	\$213,782	(\$232,859)
\$445,662	\$62,066	\$213,782	(\$231,880)
\$444,682	\$68,962	\$213,782	(\$230,900)
\$443,703	\$75,858	\$213,782	(\$229,921)
\$442,723	\$82,754	\$213,782	(\$228,941)
\$441,744	\$89,651	\$213,782	(\$227,962)
\$440,764	\$96,547	\$213,782	(\$226,982)
\$439,785	\$103,443	\$213,782	(\$226,003)
\$444,693	\$110,339	\$213,782	(\$230,911)
\$437,826	\$117,235	\$213,782	(\$224,044)
\$436,846	\$124,132	\$213,782	(\$223,064)
\$435,867	\$131,028	\$213,782	(\$222,085)
\$434,887	\$137,924	\$213,782	(\$221,105)
\$433,908	\$144,820	\$213,782	(\$220,126)
\$432,928	\$151,716	\$213,782	(\$219,146)
\$431,949	\$158,612	\$213,782	(\$218,167)
\$430,969	\$165,509	\$213,782	(\$217,187)
\$429,990	\$172,405	\$213,782	(\$216,208)
\$296,324	\$179,301	\$213,782	(\$82,542)
\$295,344	\$186,197	\$213,782	(\$81,562)
\$294,365	\$193,093	\$213,782	(\$80,583)
\$293,385	\$199,990	\$213,782	(\$79,603)
\$298,294	\$206,886	\$213,782	(\$84,512)

Includes Power Plant Purchases

					Current Month	Previous Month	Storage	Pipeline Prepay	Payroll
Wednesday, December 31, 2003	31	2003	12	12/31/03	147,286,495	132,686,278	71,564,000	31,800,000	
Thursday, January 01, 2004	1	2004	1	01/01/04	147,286,495	132,686,278	70,584,490	31,800,000	
Friday, January 02, 2004	2	2004	1	01/02/04	147,286,495	132,686,278	69,604,981	31,800,000	5,888,000
Saturday, January 03, 2004	3	2004	1	01/03/04	147,286,495	132,686,278	68,625,471	31,800,000	
Sunday, January 04, 2004	4	2004	1	01/04/04	147,286,495	132,686,278	67,645,961	31,800,000	
Monday, January 05, 2004	5	2004	1	01/05/04	147,286,495	132,686,278	66,666,452	31,800,000	
Tuesday, January 06, 2004	6	2004	1	01/06/04	147,286,495	132,686,278	65,686,942	31,800,000	
Wednesday, January 07, 2004	7	2004	1	01/07/04	147,286,495	132,686,278	64,707,433	31,800,000	
Thursday, January 08, 2004	8	2004	1	01/08/04	147,286,495	132,686,278	63,727,923	31,800,000	
Friday, January 09, 2004	9	2004	1	01/09/04	147,286,495	132,686,278	62,748,413	31,800,000	
Saturday, January 10, 2004	10	2004	1	01/10/04	147,286,495	132,686,278	61,768,904	31,800,000	
Sunday, January 11, 2004	11	2004	1	01/11/04	147,286,495	132,686,278	60,789,394	31,800,000	
Monday, January 12, 2004	12	2004	1	01/12/04	147,286,495	132,686,278	59,809,884	31,800,000	
Tuesday, January 13, 2004	13	2004	1	01/13/04	147,286,495	132,686,278	58,830,375	31,800,000	
Wednesday, January 14, 2004	14	2004	1	01/14/04	147,286,495	132,686,278	57,850,865	31,800,000	
Thursday, January 15, 2004	15	2004	1	01/15/04	147,286,495	132,686,278	56,871,356	31,800,000	
Friday, January 16, 2004	16	2004	1	01/16/04	147,286,495	132,686,278	55,891,846	31,800,000	5,888,000
Saturday, January 17, 2004	17	2004	1	01/17/04	147,286,495	132,686,278	54,912,336	31,800,000	
Sunday, January 18, 2004	18	2004	1	01/18/04	147,286,495	132,686,278	53,932,827	31,800,000	
Monday, January 19, 2004	19	2004	1	01/19/04	147,286,495	132,686,278	52,953,317	31,800,000	
Tuesday, January 20, 2004	20	2004	1	01/20/04	147,286,495	132,686,278	51,973,807	31,800,000	
Wednesday, January 21, 2004	21	2004	1	01/21/04	147,286,495	132,686,278	50,994,298	31,800,000	
Thursday, January 22, 2004	22	2004	1	01/22/04	147,286,495	132,686,278	50,014,788	31,800,000	
Friday, January 23, 2004	23	2004	1	01/23/04	147,286,495	132,686,278	49,035,278	31,800,000	
Saturday, January 24, 2004	24	2004	1	01/24/04	147,286,495	132,686,278	48,055,769	31,800,000	
Sunday, January 25, 2004	25	2004	1	01/25/04	147,286,495	132,686,278	47,076,259	31,800,000	
Monday, January 26, 2004	26	2004	1	01/26/04	147,286,495		46,096,750	31,800,000	
Tuesday, January 27, 2004	27	2004	1	01/27/04	147,286,495		45,117,240	31,800,000	
Wednesday, January 28, 2004	28	2004	1	01/28/04	147,286,495		44,137,730	31,800,000	
Thursday, January 29, 2004	29	2004	1	01/29/04	147,286,495		43,158,221	31,800,000	
Friday, January 30, 2004	30	2004	1	01/30/04	147,286,495		42,178,711	31,800,000	5,888,000
Saturday, January 31, 2004	31	2004	1	01/31/04	110,425,152	147,286,495	41,199,201	26,900,000	

Sum of Cash Outstanding	Incremental Outstanding GAS Price Sensitivity	
383,337		31
453,498	71,140,752	1
<u>458,407</u>	<u>71,140,752</u>	2
451,539	71,140,752	3
450,559	71,140,752	4
449,580	71,140,752	5
448,600	71,140,752	6
447,621	71,140,752	7
446,641	71,140,752	8
445,662	71,140,752	9
444,682	71,140,752	10
443,703	71,140,752	11
442,723	71,140,752	12
441,744	71,140,752	13
440,764	71,140,752	14
439,785	71,140,752	15
444,693	71,140,752	16
437,826	71,140,752	17
436,846	71,140,752	18
435,867	71,140,752	19
434,887	71,140,752	20
433,908	71,140,752	21
432,928	71,140,752	22
431,949	71,140,752	23
430,969	71,140,752	24
429,990	71,140,752	25
296,324	71,140,752	26
295,344	71,140,752	27
294,365	71,140,752	28
293,385	71,140,752	29
298,294	71,140,752	30
396,952	71,140,752	31

LDC Purchases

		Per Day	Expected	4/23 prices	Purch Power	Power Plant Notional	Notional COGS	2 σ
		MCF Sale	MCF Sales					
31	Dec	625,458	19,389,193	5.97	\$12,950,093	\$3,982,700	132,686,278	
31	2004 Jan	731,734	22,683,742	5.82	\$11,959,778	\$3,307,337	147,286,495	176,790,282.05

MCF Per Load Forecast File

	<u>Dec</u>	<u>Jan</u>
MO - MPS	962,034	1,093,214
MO - SJ	144,377	179,035
Michigan	3,834,411	4,575,689
Minnesota	5,264,871	5,893,616
Kansas	1,850,698	2,269,615
Colorado	1,096,345	1,094,548
Iowa	3,041,776	3,602,938
Nebraska	3,194,682	3,794,957
Total Networks Load	19,389,193	22,503,612

MO - MPS	5.0%	4.9%
MO - SJ	0.7%	0.8%
Michigan	19.8%	20.3%
Minnesota	27.2%	26.2%
Kansas	9.5%	10.1%
Colorado	5.7%	4.9%
Iowa	15.7%	16.0%
Nebraska	16.5%	16.9%
	<u>100.0%</u>	<u>100.0%</u>

Aquila Inc
 Detail of working capital

Storage Inject Plan
 Volumes Gross Notional Expense Daily Expense

		Volumes	Gross Notional Expense	Daily Expense
31	2003 Jan			
28	Feb			
31	Mar			
30	Apr	662,511	\$3,975,066	\$132,502
31	May	1,975,681	\$11,004,543	\$354,985
30	Jun	3,822,334	\$21,672,634	\$722,421
31	Jul	3,874,646	\$22,240,468	\$717,434
31	Aug	3,696,114	\$21,289,617	\$686,762
30	Sep	3,823,229	\$21,868,870	\$728,962
31	Oct	2,868,437	\$16,665,619	\$537,601
30	Nov			
31	Dec			
31	2004 Jan			
28	Feb			
31	Mar			
30	Apr			
31	May			
214		20,722,952	\$118,716,816	\$554,751
			\$5.73	

Aquila Cash Receipts Allocation

PND Revenues by State	Dec rev	Jan Rev	Dec rev	Jan Rev	Avg
COLORADO	4,633,466.13	5,510,038.01	6%	5%	5.2%
IOWA	19,341,944.41	24,602,573.88	23%	22%	22.5%
KANSAS	13,466,583.27	15,995,020.38	16%	14%	15.1%
MICHIGAN	18,549.48	14,563.68	0%	0%	0.0%
MINNESOTA	27,935,788.35	40,063,557.98	33%	36%	34.5%
NEBRASKA	18,615,585.78	25,545,115.56	22%	23%	22.5%
OKLAHOMA	23,822.88	39,427.87	0%	0%	0.0%
PND_GENERAL	153,306.32	(3,277.03)	0%	0%	0.1%
SOUTH DAKOTA	82,527.18	70,176.87	0%	0%	0.1%
TEXAS	(75,527.58)	33,251.31	0%	0%	0.0%
Subtotal - PND	84,196,046.2	111,870,448.5	100%	100%	100%

PND			53%	55%	54.0%
MGD	22,404,433	29,452,507	14%	15%	14.3%
MPD	27,333,882	32,140,070	17%	16%	16.5%
MPG	697,462	914,742	0%	0%	0.4%
SJD	7,093,912	8,244,575	4%	4%	4.3%
SJG	673,753	742,798	0%	0%	0.4%
WCD	7,738,401	8,427,014	5%	4%	4.5%
WCG	319	2,885	0%	0%	0.0%
WKD	7,376,138	7,717,339	5%	4%	4.2%
WKG	2,289,372	2,448,722	1%	1%	1.3%
Total USU	159,803,720	201,961,101	100%	100%	100%

Cash receipts for Jan 04

\$213,782,043

Based on Rev.

MGD	30,574,282
MPD	36,244,638
PND	115,527,004
SJD	9,952,414
WCD	9,636,262
WKD	11,845,703
Total receipts for Jan 03	213,780,303

PND by State

115,527,004

COLORADO	6,023,902
IOWA	25,973,088
KANSAS	17,497,792
MICHIGAN	20,246
MINNESOTA	39,852,145
NEBRASKA	25,961,437
OKLAHOMA	36,702
PND_GENERAL	103,485
SOUTH DAKOTA	92,854
TEXAS	(34,647)
Total PND	115,527,004

Summary of Purchased Power Cost by State
Source = 2003 Budget
Purchased Power for fiscal 2003

<u>Capacity Cost</u>	<u>December</u>
MO - MEP	\$ 1,490,750
MO - MPS Other	\$ 417,676
MO - SJPL	1,090,052
KS	95,600
CO	2,853,354
Total Capacity Cost	\$ 5,947,432

<u>PPower Energy Cost</u>	<u>December</u>
MO - MPS	1,586,890
MO - SJPL	861,886
KS	2,353,745
CO	2,200,140
	\$ 7,002,661

<u>Ppower MWH</u>	<u>December</u>
MO - MPS	52,366
MO - SJPL	73,513
KS	113,120
CO	126,357
	365,356

<u>Cost per MWH Purch.</u>	<u>December</u>
MO - MPS	\$ 30.30
MO - SJPL	\$ 11.72
KS	\$ 20.81
CO	\$ 17.41
	\$ 19.17

Summary of Purchased Power Cost by State
Source = 2003 Budget
Purchased Power for fiscal 2004

<u>Capacity Cost</u>	<u>January</u>
MO - MEP	\$ 1,490,750
MO - MPS Other	\$ 415,986
MO - SJPL	\$ 754,410
KS	\$ 95,600
CO	\$ 2,946,744
Total Capacity Cost	\$ 5,703,490

<u>PPower Energy Cost</u>	<u>January</u>
MO - MPS	702,107
MO - SJPL	855,493
KS	2,338,173
CO	2,360,515
	\$ 6,256,288

<u>Ppower MWH</u>	<u>January</u>
MO - MPS	26,234
MO - SJPL	74,136
KS	113,612
CO	115,082
	329,064

<u>Cost per MWH Purch.</u>	<u>January</u>
MO - MPS	\$ 26.76
MO - SJPL	\$ 11.54
KS	\$ 20.58
CO	\$ 20.51
	\$ 19.01

\$ 13,450,528

Missouri Power Plant Budget Volumes

		<u>mmBtu</u>	<u>Gross Notional Expense</u>
31	Dec	667,119	\$3,982,700
31	2004 Jan	568,271	\$3,307,337

1,026,897

			MGD	MPD	MPG	PND	PNP	SJD	SJG	UED	UPS	WCD	WCG	WKD	WKG	Grand Total		
Jan	3	\$5,479,479	342,299	978,959	326,430	2,156,041	396	283,424	140,916	215,724		73	402,050	119,349	348,351	165,468	5,479,479	\$0
Jan	17	\$5,479,479	342,299	978,959	326,430	2,156,041	396	283,424	140,916	215,724		73	402,050	119,349	348,351	165,468	5,479,479	\$0
Jan	31	\$5,479,479	342,299	978,959	326,430	2,156,041	396	283,424	140,916	215,724		73	402,050	119,349	348,351	165,468	5,479,479	\$0
Feb	14	\$5,860,150	494,732	973,397	432,731	2,160,756	396	283,974	191,978	215,492		64	429,000	120,561	358,185	198,884	5,860,150	\$0
Feb	28	\$5,860,150	494,732	973,397	432,731	2,160,756	396	283,974	191,978	215,492		64	429,000	120,561	358,185	198,884	5,860,150	\$0
Mar	14	\$6,073,606	673,994	982,518	434,264	2,179,400	399	298,834	192,505	213,617		(25)	409,573	126,189	362,301	200,038	6,073,606	\$0
Mar	28	\$6,073,606	673,994	982,518	434,264	2,179,400	399	298,834	192,505	213,617		(25)	409,573	126,189	362,301	200,038	6,073,606	\$0
Apr	11	\$5,982,056	503,973	1,019,940	439,294	2,197,943	399	296,342	192,606	213,617		(25)	423,343	125,094	369,127	200,404	5,982,056	\$0
Apr	25	\$5,982,056	503,973	1,019,940	439,294	2,197,943	399	296,342	192,606	213,617		(25)	423,343	125,094	369,127	200,404	5,982,056	\$0
May	9	\$6,088,876	516,149	1,002,326	434,274	2,231,278	399	303,811	198,167	213,617		(25)	428,640	120,742	438,111	201,387	6,088,876	\$0
May	23	\$6,088,876	516,149	1,002,326	434,274	2,231,278	399	303,811	198,167	213,617		(25)	428,640	120,742	438,111	201,387	6,088,876	\$0
June	6	\$6,008,974	508,741	993,790	438,193	2,257,214	399	287,816	192,696	213,617		(25)	404,694	120,834	389,618	201,387	6,008,974	\$0
June	20	\$6,008,974	508,741	993,790	438,193	2,257,214	399	287,816	192,696	213,617		(25)	404,694	120,834	389,618	201,387	6,008,974	\$0
July	3	\$5,964,926	512,310	996,048	435,393	2,229,247	399	286,284	192,619	213,617		(25)	374,640	121,030	399,179	204,185	5,964,926	\$0
July	18	\$5,964,926	512,310	996,048	435,393	2,229,247	399	286,284	192,619	213,617		(25)	374,640	121,030	399,179	204,185	5,964,926	\$0
Aug	1	\$5,736,423	498,575	993,113	328,850	2,201,997	399	288,829	143,925	213,144		(45)	377,201	122,016	399,798	168,620	5,736,423	\$0
Aug	15	\$5,736,423	498,575	993,113	328,850	2,201,997	399	288,829	143,925	213,144		(45)	377,201	122,016	399,798	168,620	5,736,423	\$0
Aug	29	\$5,736,423	498,575	993,113	328,850	2,201,997	399	288,829	143,925	213,144		(45)	377,201	122,016	399,798	168,620	5,736,423	\$0
Sept	12	\$5,978,872	512,949	989,451	433,152	2,228,790	399	287,446	208,789	213,617		(25)	375,922	121,605	404,642	202,134	5,978,872	\$0
Sept	26	\$5,978,872	512,949	989,451	433,152	2,228,790	399	287,446	208,789	213,617		(25)	375,922	121,605	404,642	202,134	5,978,872	\$0
Oct	10	\$5,953,887	497,721	979,484	436,499	2,221,806	399	294,195	215,195	213,617		(25)	370,710	121,605	400,546	202,135	5,953,887	\$0
Oct	24	\$5,953,887	497,721	979,484	436,499	2,221,806	399	294,195	215,195	213,617		(25)	370,710	121,605	400,546	202,135	5,953,887	\$0
Nov	7	\$5,916,201	507,901	984,666	430,912	2,204,036	399	286,806	196,087	213,617		(25)	370,570	123,333	395,764	202,134	5,916,201	\$0
Nov	21	\$5,916,201	507,901	984,666	430,912	2,204,036	399	286,806	196,087	213,617		(25)	370,570	123,333	395,764	202,134	5,916,201	\$0
Dec	5	\$5,905,305	496,705	974,462	434,397	2,173,924	401	279,750	196,113	211,500		(113)	370,726	121,658	442,647	203,132	5,905,305	\$0
Dec	19	\$5,905,305	496,705	974,462	434,397	2,173,924	401	279,750	196,113	211,500		(113)	370,726	121,658	442,647	203,132	5,905,305	\$0
		\$5,888,977	\$498,961	\$988,784	\$410,156	\$2,201,650	\$398	\$289,511	\$184,924	\$213,787		(\$16)	\$394,361	\$121,900	\$390,950	\$193,612	\$5,888,977	

PND		Coloardo	Iowa	Kansas	Minnesota	Nebraska	Other	Total	
Jan	3	98,759	307,562	254,973	368,962	441,547	684,237	2,156,041	2,156,041
Jan	17	98,759	307,562	254,973	368,962	441,547	684,237	2,156,041	2,156,041
Jan	31	98,759	307,562	254,973	368,962	441,547	684,237	2,156,041	2,156,041
Feb	14	101,502	304,789	252,925	370,827	441,534	689,179	2,160,756	2,160,756
Feb	28	101,502	304,789	252,925	370,827	441,534	689,179	2,160,756	2,160,756
Mar	14	98,065	308,683	267,210	370,827	443,495	691,120	2,179,400	2,179,400
Mar	28	98,065	308,683	267,210	370,827	443,495	691,120	2,179,400	2,179,400
Apr	11	109,235	318,111	262,528	372,581	443,495	691,993	2,197,943	2,197,943
Apr	25	109,235	318,111	262,528	372,581	443,495	691,993	2,197,943	2,197,943
May	9	109,386	329,452	280,002	372,581	443,495	696,362	2,231,278	2,231,278
May	23	109,386	329,452	280,002	372,581	443,495	696,362	2,231,278	2,231,278
June	6	109,386	339,542	290,783	372,581	443,495	701,427	2,257,214	2,257,214
June	20	109,386	339,542	290,783	372,581	443,495	701,427	2,257,214	2,257,214
July	3	109,386	324,968	271,071	379,598	443,495	700,730	2,229,247	2,229,247
July	18	109,386	324,968	271,071	379,598	443,495	700,730	2,229,247	2,229,247
Aug	1	104,015	318,686	266,464	374,810	443,509	694,513	2,201,997	2,201,997
Aug	15	104,015	318,686	266,464	374,810	443,509	694,513	2,201,997	2,201,997
Aug	29	104,015	318,686	266,464	374,810	443,509	694,513	2,201,997	2,201,997

Sept	12	109,235	315,208	280,506	379,598	443,495	700,748	2,228,790	2,228,790
Sept	26	109,235	315,208	280,506	379,598	443,495	700,748	2,228,790	2,228,790
Oct	10	110,094	301,976	282,378	390,122	443,495	693,741	2,221,806	2,221,806
Oct	24	110,094	301,976	282,378	390,122	443,495	693,741	2,221,806	2,221,806
Nov	7	118,686	293,178	265,688	390,122	443,495	692,867	2,204,036	2,204,036
Nov	21	118,686	293,178	265,688	390,122	443,495	692,867	2,204,036	2,204,036
Dec	5	101,503	287,285	256,631	391,910	443,529	693,066	2,173,924	2,173,924
Dec	19	101,503	287,285	256,631	391,910	443,529	693,066	2,173,924	2,173,924

Average		106,203	312,505	268,606	377,416	443,124	693,797	2,201,650	2,201,650
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		10.5%	9.4%	15.0%	10.5%	14.3%	27.6%	12.6%	0.0%	100.0%	
Other		Colorado	Iowa	Kansas	Michigan	Minnesota	Missouri	Nebraska	Other	Total	
Jan	3	71,807	64,212	102,877	71,807	98,044	189,184	86,306	-	684,237	684,237
Jan	17	71,807	64,212	102,877	71,807	98,044	189,184	86,306	-	684,237	684,237
Jan	31	71,807	64,212	102,877	71,807	98,044	189,184	86,306	-	684,237	684,237
Feb	14	72,326	64,676	103,620	72,326	98,752	190,550	86,930	-	689,179	689,179
Feb	28	72,326	64,676	103,620	72,326	98,752	190,550	86,930	-	689,179	689,179
Mar	14	72,529	64,858	103,912	72,529	99,030	191,087	87,175	-	691,120	691,120
Mar	28	72,529	64,858	103,912	72,529	99,030	191,087	87,175	-	691,120	691,120
Apr	11	72,621	64,940	104,043	72,621	99,155	191,328	87,285	-	691,993	691,993
Apr	25	72,621	64,940	104,043	72,621	99,155	191,328	87,285	-	691,993	691,993
May	9	73,079	65,350	104,700	73,079	99,781	192,536	87,836	-	696,362	696,362
May	23	73,079	65,350	104,700	73,079	99,781	192,536	87,836	-	696,362	696,362
June	6	73,611	65,825	105,462	73,611	100,507	193,936	88,475	-	701,427	701,427
June	20	73,611	65,825	105,462	73,611	100,507	193,936	88,475	-	701,427	701,427
July	3	73,538	65,760	105,357	73,538	100,407	193,744	88,387	-	700,730	700,730
July	18	73,538	65,760	105,357	73,538	100,407	193,744	88,387	-	700,730	700,730
Aug	1	72,885	65,176	104,422	72,885	99,516	192,025	87,603	-	694,513	694,513
Aug	15	72,885	65,176	104,422	72,885	99,516	192,025	87,603	-	694,513	694,513
Aug	29	72,885	65,176	104,422	72,885	99,516	192,025	87,603	-	694,513	694,513
Sept	12	73,540	65,761	105,360	73,540	100,410	193,749	88,389	-	700,748	700,748
Sept	26	73,540	65,761	105,360	73,540	100,410	193,749	88,389	-	700,748	700,748
Oct	10	72,804	65,104	104,306	72,804	99,406	191,811	87,505	-	693,741	693,741
Oct	24	72,804	65,104	104,306	72,804	99,406	191,811	87,505	-	693,741	693,741
Nov	7	72,713	65,022	104,175	72,713	99,281	191,570	87,395	-	692,867	692,867
Nov	21	72,713	65,022	104,175	72,713	99,281	191,570	87,395	-	692,867	692,867
Dec	5	72,733	65,041	104,205	72,733	99,309	191,625	87,420	-	693,066	693,066
Dec	19	72,733	65,041	104,205	72,733	99,309	191,625	87,420	-	693,066	693,066

Average		72,810	65,109	104,315	72,810	99,414	191,827	87,512	-	693,797	693,797
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		10.5%	9.4%	15.0%	10.5%	14.3%	27.6%	12.6%	0.0%	100.0%	
UED		Colorado	Iowa	Kansas	Michigan	Minnesota	Missouri	Nebraska	Other	Total	
Jan	3	22,639	20,245	32,435	22,639	30,911	59,645	27,210	-	215,724	215,724
Jan	17	22,639	20,245	32,435	22,639	30,911	59,645	27,210	-	215,724	215,724
Jan	31	22,639	20,245	32,435	22,639	30,911	59,645	27,210	-	215,724	215,724
Feb	14	22,615	20,223	32,400	22,615	30,878	59,581	27,181	-	215,492	215,492
Feb	28	22,615	20,223	32,400	22,615	30,878	59,581	27,181	-	215,492	215,492
Mar	14	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Mar	28	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Apr	11	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617

Apr	25	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
May	9	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
May	23	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
June	6	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
June	20	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
July	3	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
July	18	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Aug	1	22,368	20,002	32,047	22,368	30,541	58,932	26,885	-	213,144	213,144
Aug	15	22,368	20,002	32,047	22,368	30,541	58,932	26,885	-	213,144	213,144
Aug	29	22,368	20,002	32,047	22,368	30,541	58,932	26,885	-	213,144	213,144
Sept	12	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Sept	26	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Oct	10	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Oct	24	22,418	20,047	32,118	22,418	30,609	59,062	26,945	-	213,617	213,617
Nov	7	22,418	20,047	32,118	22,418	30,609	59,063	26,945	-	213,617	213,617
Nov	21	22,418	20,047	32,118	22,418	30,609	59,063	26,945	-	213,617	213,617
Dec	5	22,196	19,848	31,800	22,196	30,306	58,477	26,678	-	211,500	211,500
Dec	19	22,196	19,848	31,800	22,196	30,306	58,477	26,678	-	211,500	211,500

Average		22,436	20,063	32,144	22,436	30,633	59,110	26,966	-	213,787	213,787
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UPS		15%		22%			63%			Other	100%	
		Colorado	Iowa	Kansas	Michigan	Minnesota	Missouri	Nebraska	Toal			
Jan	3	11	-	16	-	-	46	-	-	73	73	
Jan	17	11	-	16	-	-	46	-	-	73	73	
Jan	31	11	-	16	-	-	46	-	-	73	73	
Feb	14	10	-	14	-	-	40	-	-	64	64	
Feb	28	10	-	14	-	-	40	-	-	64	64	
Mar	14	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Mar	28	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Apr	11	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Apr	25	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
May	9	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
May	23	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
June	6	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
June	20	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
July	3	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
July	18	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Aug	1	(7)	-	(10)	-	-	(28)	-	-	(45)	(45)	
Aug	15	(7)	-	(10)	-	-	(28)	-	-	(45)	(45)	
Aug	29	(7)	-	(10)	-	-	(28)	-	-	(45)	(45)	
Sept	12	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Sept	26	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Oct	10	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Oct	24	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Nov	7	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Nov	21	(4)	-	(5)	-	-	(15)	-	-	(25)	(25)	
Dec	5	(17)	-	(25)	-	-	(71)	-	-	(113)	(113)	
Dec	19	(17)	-	(25)	-	-	(71)	-	-	(113)	(113)	

Average		(2)	-	(3)	-	-	(10)	-	-	(16)	(16)
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Sum of Sum	Unit														Grand Total
Period	MGD	MPD	MPG	PND	PNP	SJD	SJG	UED	UPS	WCD	WCG	WKD	WKG	Grand Total	
1	921,417	2,633,971	878,286	5,801,007	1,064	762,574	479,583	580,423	197	1,081,750	321,119	937,266	548,287	14,946,944	
2	887,844	1,746,004	776,199	3,875,795	710	509,371	411,225	386,533	115	769,507	216,253	642,484	459,825	10,681,865	
3	1,214,673	1,762,363	778,949	3,909,237	715	536,026	412,172	383,169	-44	734,660	226,347	649,867	461,894	11,070,029	
4	904,525	1,829,488	787,972	3,942,498	715	531,555	412,352	383,169	-44	759,360	224,383	662,111	462,551	10,900,636	
5	936,501	1,797,894	778,967	4,002,292	715	544,953	422,327	383,169	-44	768,860	216,577	785,850	464,315	11,102,376	
6	923,212	1,782,583	785,997	4,048,813	715	516,261	412,515	383,169	-44	725,909	216,742	698,867	464,315	10,959,054	
7	929,615	1,786,633	780,974	3,998,649	715	513,514	412,376	383,169	-44	672,000	217,094	716,016	469,333	10,880,045	
8	1,357,467	2,672,053	884,798	5,924,656	1,073	777,119	487,679	573,483	-121	1,014,890	328,294	1,075,691	556,767	15,653,850	
9	930,761	1,774,799	776,954	3,997,829	715	515,598	441,381	383,169	-44	674,300	218,126	725,816	465,655	10,905,059	
10	903,446	1,756,922	782,958	3,985,302	715	527,704	452,871	383,169	-44	664,950	218,126	718,468	465,656	10,860,243	
11	921,705	1,766,218	772,937	3,953,427	715	514,451	418,596	383,169	-44	664,700	221,224	709,891	465,655	10,792,645	
12	901,624	1,747,914	779,188	3,899,415	719	501,795	418,645	379,372	-202	664,980	218,221	793,986	467,450	10,773,108	
Grand Total	11,732,789	23,056,846	9,564,175	51,338,923	9,289	6,750,921	5,181,722	4,985,161	-363	9,195,867	2,842,510	9,116,314	5,751,700	139,525,853	

4,982,315 (4,914,331) 67,984

Period	MGD	MPD	MPG	PND	PNP	SJD	SJG	UED	UPS	WCD	WCG	WKD	WKG	Grand Total
1	1,026,897	2,936,878	979,289	6,468,123	1,187	850,271	422,748	647,172	220	1,206,151	358,048	1,045,052	496,403	16,438,438
2	989,464	1,946,794	865,461	4,321,512	792	567,948	383,955	430,984	128	858,000	241,122	716,370	397,789	11,720,301
3	1,347,988	1,965,035	868,528	4,358,799	798	597,669	385,011	427,233	(49)	819,146	252,377	724,602	400,075	12,147,214
4	1,007,946	2,039,880	878,588	4,395,886	798	592,684	385,211	427,233	(49)	846,687	250,187	738,254	400,808	11,964,115
5	1,032,298	2,004,652	868,548	4,462,556	798	607,623	396,333	427,233	(49)	857,279	241,484	876,223	402,774	12,177,757
6	1,017,481	1,987,581	876,386	4,514,427	798	575,631	385,393	427,233	(49)	809,389	241,668	779,237	402,774	12,017,954
7	1,024,621	1,992,096	870,786	4,458,494	798	572,568	385,238	427,233	(49)	749,280	242,060	798,358	408,370	11,929,859
8	1,495,726	2,979,339	986,549	6,605,992	1,197	866,488	431,775	639,433	(135)	1,131,603	366,048	1,199,395	505,859	17,209,277
9	1,025,899	1,978,901	866,303	4,457,580	798	574,892	417,578	427,233	(49)	751,845	243,211	809,285	404,269	11,957,753
10	995,442	1,958,969	872,998	4,443,612	798	588,390	430,390	427,233	(49)	741,419	243,211	801,092	404,270	11,907,783
11	1,015,802	1,969,333	861,824	4,408,071	798	573,613	392,173	427,234	(49)	741,141	246,665	791,529	404,269	11,832,413
12	993,410	1,948,924	868,795	4,347,848	802	559,501	392,227	423,000	(225)	741,453	243,317	885,295	406,263	11,810,622
	1,081,081	2,142,365	888,671	4,770,242	863	627,273	400,669	463,205	(34)	854,449	264,117	847,058	419,492	12,759,457

PND

	Colorado	Iowa	Kansas	Minnesota	Nebraska	Other	Total
1	265,720	827,520	686,027	992,723	1,188,019	1,840,997	5,801,008
2	182,066	546,707	453,677	665,160	791,988	1,236,186	3,875,797
3	175,902	553,691	479,300	665,160	795,507	1,239,677	3,909,240
4	195,937	570,602	470,902	668,307	795,507	1,241,243	3,942,498
5	196,208	590,945	502,246	668,307	795,507	1,249,079	4,002,292
6	196,208	609,043	521,584	668,307	795,507	1,258,164	4,048,819
7	196,208	582,902	486,225	680,893	795,507	1,256,914	3,998,656
8	279,862	857,451	716,943	1,008,456	1,193,299	1,868,645	5,924,656
9	195,937	565,395	503,150	680,893	795,507	1,256,947	3,997,838
10	197,479	541,660	506,507	699,771	795,507	1,244,378	3,985,312
11	212,889	525,879	476,571	699,771	795,507	1,242,810	3,953,438
12	182,068	515,309	460,324	702,978	795,568	1,243,168	3,899,427

PND

	Colorado	Iowa	Kansas	Minnesota	Nebraska	Other	Total
1	296,277	922,685	764,920	1,106,887	1,324,842	2,052,711	6,468,124
2	203,003	609,579	505,850	741,653	883,067	1,378,359	4,321,514

Pay Period timing

Slight variations of total among weeks - Michigan budgeted 2 pay periods in Jan instead of 3 and 3 pay periods in March instead of 2; 1% non-union merit increase budgeted starting in March; also seasonal variations in budgeted overtime.

	month	Jan
	day	3
<u>total</u>		(14,742,993)
payroll dates		(4,914,331)
payroll tax at 7.5%	7.5%	(368,575)
company 401K at 4%	4%	(196,573)
total		<u>(5,479,479)</u>
<u>inc stmnt</u>		
payroll dates		(4,199,568)
payroll tax at 7.5%		(314,968)
company 401K at 4%		(167,983)
total		<u>(4,682,518)</u>
<u>capex/rwip</u>		
payroll dates		(365,023)
payroll tax at 7.5%		(27,377)
company 401K at 4%		(14,601)
total		<u>(407,000)</u>
<u>other bal sheet</u>		
payroll dates		(349,741)
payroll tax at 7.5%		(26,231)
company 401K at 4%		(13,990)
total		<u>(389,961)</u>

AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
CITIZENS' UTILITY RATEPAYER BOARD
DATA REQUEST NO. CURB-24

DATE OF REQUEST: September 30, 2003

DATE RECEIVED: September 30, 2003

DATE DUE: October 13, 2003

REQUESTOR: David Springe

QUESTION:

Please discuss how the payment terms for purchased power, gas supply, pipeline capacity, and/or coal has changed over the past few years as the result of the downgrade in Aquila's credit ratings or other financial difficulties.

RESPONSE: Please see the attached response to MPSC 0003 (Part 2) which discusses the changes in payment terms during the last several years.

ATTACHMENT: MPSC DR 0003

ANSWERED BY: Mark Reed

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____

Dated: _____

AQUILA, INC.
CASE NO. EF-2003-0465
DATA REQUEST NO. MPSC-3

DATE OF REQUEST: May 29, 2003

DATE RECEIVED: May 29, 2003

DATE DUE: June 18, 2003

REQUESTOR: Joan Wandel

QUESTION:

- 1) For each state in which Aquila operates, please identify and provide the procurement procedures and timing of actual payments and related documentation on the payment pattern or processes used to make payments for:
 - Natural gas purchases (for both electric and natural gas operations); and
 - Purchased power purchases.
2. Has the timing of actual payments for natural gas (for electric and gas operations) and purchased power changed during the previous three-year period and, if so, please explain those changes.

RESPONSE:

For Natural Gas:

- 1.1 Please find attached copies of natural gas procurement procedures for daily/monthly purchases and for over one month.
- 1.2 The timing of when payments are due is provided in the base contract with the supplier. Payment is usually made on the 25th of the month following production or within 10 days of receipt of the invoice, whichever is later. Payments are made after verification of delivery of the gas is made against pipeline statements. Price is confirmed against contract exhibits completed by our buyer(s).

For Purchased Power:

1. Purchased power is procured on a long-term basis according to IRP requirements. Spot purchased power is procured on a short-term basis as needed due to demand and market conditions. The majority of purchased power purchases are done with counterparties under the WSPP or MAPP agreements. The payment terms on both of these agreements are "10 days after receipt, or the 20th of the month, whichever is later". Any purchases that are not done under the WSPP or MAPP agreement would be covered by separate, stand-alone contracts that vary in regard to the payment terms.

For both Natural Gas and Purchased Power:

2. The timing of some natural gas and purchased power payments have changed within the last year due to credit issues related to Aquila's investment rating downgrades. Following the downgrades, Aquila has been required to post cash deposits, make pre-payments, or pay amounts before gas or power is delivered rather than normal payment terms of 20-25 days following month of deliver, in order to be able to continue to do business with certain counterparties.



Gas Purch Daily
Monthly.doc



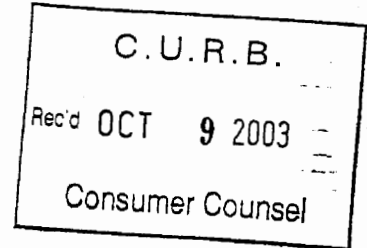
procurementprocedure
sap.1.doc

3. ATTACHMENT:

ANSWERED BY: Debbie Francis, Alan Pederson and Debbie Hines

AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
CITIZENS' UTILITY RATEPAYER BOARD
DATA REQUEST NO. CURB-29

DATE OF REQUEST: September 30, 2003
DATE RECEIVED: September 30, 2003
DATE DUE: October 13, 2003
REQUESTOR: David Springe



QUESTION:

How much of the term loan has already been collateralized by assets in other jurisdictions?

RESPONSE:

The term loan currently has the network assets from Michigan, Nebraska and Colorado in the collateral pool. These assets support a loan value of approximately \$395 million based on a 1.67x coverage calculation.

ATTACHMENT:

None

ANSWERED BY:

Randy Miller

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____

Dated: _____

Randy Miller
10-6-03

AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
CITIZENS' UTILITY RATEPAYER BOARD
DATA REQUEST NO. CURB-32

DATE OF REQUEST: September 30, 2003

DATE RECEIVED: September 30, 2003

DATE DUE: October 13, 2003

REQUESTOR: David Springe

QUESTION:

In order to collateralize each dollar of the term loan, how much in a) regulated assets and b) unregulated assets would the Company have to pledge? Also state if the assets are valued at book value or market value.

RESPONSE: Under the term loan, there are no on-going collateral requirements. The lenders were willing to accept the assets that Aquila could pledge at signing as collateral for the entire loan, subject to Aquila agreeing to use commercially reasonable efforts to add regulated assets to the collateral package. Collateral ratios are relevant in limited areas only, such as prepayments, interest rates, and financial covenants.

The assets are valued by independent appraisals which would indicate an approximate market value. The appraisals to date have been performed by BearingPoint.

ATTACHMENT: NA

ANSWERED BY: Mark Reed

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: M. W. New

Dated: 10/8/03

**AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
CITIZENS' UTILITY RATEPAYER BOARD
DATA REQUEST NO. CURB-35**

DATE OF REQUEST: September 30, 2003

DATE RECEIVED: September 30, 2003

DATE DUE: October 13, 2003

REQUESTOR: David Springe

QUESTION:

Is it correct that all Aquila's operations have access to the proceeds of the term loan?

RESPONSE: Yes, all of Aquila's business operations have access to the proceeds from the term loan on an "as needed" basis. The Company estimates that \$250m of the loan balance is sufficient for its domestic utility operations and the remaining \$180m, sufficient for its remaining non-regulated businesses.

It is Aquila's intent to maintain a proper alignment of domestic utility collateral with domestic utility loan requirements and non-utility business collateral with non-utility loan needs.

ATTACHMENT: NA

ANSWERED BY: Mark Reed

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____

Dated: _____

AQUILA, INC.
DOCKET NO. 02-UTCG-701-GIG
CITIZENS' UTILITY RATEPAYER BOARD
DATA REQUEST NO. CURB-41

DATE OF REQUEST: September 30, 2003

DATE RECEIVED: September 30, 2003

DATE DUE: October 13, 2003

REQUESTOR: David Springe

QUESTION:

Please provide the Company's cash working capital requirement submitted in its last base rate case in Kansas.

RESPONSE:

Aquila has both electric and gas operations in the state of Kansas.

For the electric operations, the cash working capital requirement submitted by Aquila Networks-WPK, formerly West Plains Energy, in its last rate case was (\$6,446,822). This was adjusted in the final rate order to take into account various pro forma adjustments. This adjustment is displayed in Appendix 1 attached to the Commission order in Docket No. 01-WPEE-473-RTS.

For the gas operations, the cash working capital requirement submitted by Aquila Networks-Peoples Natural Gas Kansas Operations was (\$822,626). This calculation can be found in Docket No. 00-UTCG-336-RTS Section 6, Schedule 1.

However it should be noted that these calculations for rate base treatment are inherently different than the peak need cash working capital calculation performed in support of the term loan secured by Aquila and submitted in this docket. The calculation for inclusion in rate base is based on an annual average calculation while the peak day working capital analysis is similar to a utility's analysis of peak day requirements for generating and purchased capacity for the customers on the electric system. It is also similar to design day planning that is performed for the gas distribution segment of the business to make sure there is enough pipeline and storage capacity to serve the peak day needs of the gas utility customers. The utility must determine the peak amount of capacity required under a weather normal and abnormal scenario to ensure it has the capacity to handle the peak need. The utility does not expect to operate at the peak capacity at all times, not even on average for the year, but it must ensure it has the necessary capacity to meet its *potential* peak day usage.

ATTACHMENT: None

ANSWERED BY: Carol Lowndes

CERTIFICATE OF SERVICE

I, Niki Christopher, hereby certify a true and correct copy of the foregoing, was hand delivered on this 31st day of October, 2003 to:

Anne Bos
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, KS 66604
Hand Delivered

James G. Flaherty
Anderson, Byrd, Richeson, Flaherty &
Henrichs, LLP
216 S. Hickory, PO Box 17
Ottawa, KS 66067

Randal P. Miller
V.P., Finance & Treasurer
Aquila, Inc.
20 West Ninth Street
Kansas City, MO 64105



Niki Christopher