

**AQUILA, INC.
CASE NO. EF-2003-0465
SEDALIA INDUSTRIAL ENERGY USERS ASSOCIATION
AND AG PROCESSING INC.
DATA REQUEST NO. SIE-11**

DATE OF REQUEST: June 5, 2003
DATE RECEIVED: June 5, 2003
DATE DUE: June 25, 2003
REQUESTOR: Stuart W. Conrad

FILED

DEC 05 2003

**Missouri Public
Service Commission**

QUESTION:

Based on the Company's request to use domestic utility operations to collateralize a line of credit, please explain all assurances and guarantees Aquila will make that the collateralized loan by domestic utility operations will be used only for the working capital needs of domestic utility companies, and will not be used in any way to fund the cash and/or letter of credit requirements of non-utility and non-regulated operations.

RESPONSE:

The Company states on page 5 of its application:

"...Aquila is separating the Term Loan and collateral into United States utility and other categories to ensure that the utility customers and utility assets are not supporting the nonutility debt requirements. It is Aquila's intent to maintain a proper alignment of United States utility collateral with United States utility loan needs and nondomestic utility and nonregulated business collateral with the loan needs of those activities."

As described in Rick Dobson's testimony, the Company has scaled back its non-regulated activities and is in the midst of selling many of those assets. This sales process has, and will continue to, generate cash that is being used to reduce liabilities and to fund the cash and/or letter of credit requirements of Aquila's non-utility and non-regulated operations separate from its domestic utility business as mentioned above.

There exist a management commitment to assure that sufficient funding will be available to support the domestic utility operations.

ATTACHMENT: NA

ANSWERED BY: Mike Cole

Exhibit No. 44
Case No(s). EF-2003-0465
Date 10-20-03 **Rptr** TL