

Gas Accounting Authority Orders
Case No. GR-2004-0072

T. Robertson

Source: Staff Work Papers Aquila, Inc. Case No. GR-93-172

	<u>GO-90-115</u>	<u>GO-91-359</u>	<u>Adjustment</u>
Deferrals	1,061,598	1,128,125	
Deferred Tax	243,020	407,567	
Net	<u>818,578</u>	<u>720,558</u>	
Amortization Period	20	20	
Adjustment:			
Annual Amortization On Net	40,929	36,028	76,957
12 Mths End 9/03 Book	57,799	77,915	135,714
Expense Adj.	<u>(16,870)</u>	<u>(41,887)</u>	<u>(58,757)</u>

Def. Tax to Rate Base:	<u>End Balance</u>
GO-90-115	(86,070)
GO-91-359	(164,725)
Total	<u>(250,795)</u>

<u>GO-90-115</u>				<u>GO-91-359</u>			
Def. Tax to Rate Base:	<u>BB</u>	<u>Amort.</u>	<u>EB</u>	Def. Tax to Rate Base:	<u>BB</u>	<u>Amort.</u>	<u>EB</u>
Nov. 1990 BB	(243,020)	(1,013)	(242,007)	Sept. 1993 BB	(407,567)	(1,698)	(405,869)
Dec. 1990	(242,007)	(1,013)	(240,995)	Oct. 1993	(405,869)	(1,698)	(404,171)
Year 1991	(240,995)	(12,151)	(228,844)	Nov. 1993	(404,171)	(20,378)	(383,792)
Year 1992	(228,844)	(12,151)	(216,693)	Dec. 1993	(383,792)	(20,378)	(363,414)
Year 1993	(216,693)	(12,151)	(204,542)	Year 1994	(363,414)	(20,378)	(343,036)
Year 1994	(204,542)	(12,151)	(192,391)	Year 1995	(343,036)	(20,378)	(322,657)
Year 1995	(192,391)	(12,151)	(180,240)	Year 1996	(322,657)	(20,378)	(302,279)
Year 1996	(180,240)	(12,151)	(168,089)	Year 1997	(302,279)	(20,378)	(281,901)
Year 1997	(168,089)	(12,151)	(155,938)	Year 1998	(281,901)	(20,378)	(261,522)
Year 1998	(155,938)	(12,151)	(143,787)	Year 1999	(261,522)	(20,378)	(241,144)
Year 1999	(143,787)	(12,151)	(131,636)	Year 2000	(241,144)	(20,378)	(220,765)
Year 2000	(131,636)	(12,151)	(119,485)	Year 2001	(220,765)	(20,378)	(200,387)
Year 2001	(119,485)	(12,151)	(107,334)	Year 2002	(200,387)	(20,378)	(180,009)
Year 2002	(107,334)	(12,151)	(95,183)	9 Mths 2003	(180,009)	(15,284)	(164,725)

Source: OPC and Co. Workpapers/Filing Case No. GR-93-172

	<u>MPS Position</u> <u>GO-90-115</u>	<u>MPS Position</u> <u>GO-91-359</u>	<u>Adjustment</u>
Deferrals	1,061,598	1,860,989	
Deferred Tax	<u>243,020</u>	<u>504,028</u>	
Net	<u>818,578</u>	<u>1,356,961</u>	
Amortization Period	20	20	
Annual Amortization On Net	40,929	67,848	108,777
FERC Form 1 Dec. 2002 Book	<u>57,799</u>	<u>77,916</u>	<u>135,715</u>
Expense Adj.	<u>(16,870)</u>	<u>(10,068)</u>	<u>(26,938)</u>
Check On Sept. 03 Period			
Annual Amortization	40,929	67,848	108,777
12 Mths End 9/03 Book	<u>57,799</u>	<u>77,915</u>	<u>135,714</u>
Expense Adj.	<u>(16,870)</u>	<u>(10,068)</u>	<u>(26,938)</u>
Def. Tax to Rate Base:	<u>End Balance</u>		
GO-90-115	<u>(86,070)</u>		
GO-91-359	<u>(203,711)</u>		
Total	<u>(289,781)</u>		

GO-90-115

<u>Def. Tax to Rate Base:</u>	<u>BB</u>	<u>Amort.</u>	<u>EB</u>
Nov. 1990 BB	(243,020)	(1,013)	(242,007)
Dec. 1990	(242,007)	(1,013)	(240,995)
Year 1991	(240,995)	(12,151)	(228,844)
Year 1992	(228,844)	(12,151)	(216,693)
Year 1993	(216,693)	(12,151)	(204,542)
Year 1994	(204,542)	(12,151)	(192,391)
Year 1995	(192,391)	(12,151)	(180,240)
Year 1996	(180,240)	(12,151)	(168,089)
Year 1997	(168,089)	(12,151)	(155,938)
Year 1998	(155,938)	(12,151)	(143,787)
Year 1999	(143,787)	(12,151)	(131,636)
Year 2000	(131,636)	(12,151)	(119,485)
Year 2001	(119,485)	(12,151)	(107,334)
Year 2002	(107,334)	(12,151)	(95,183)
9 Mths 2003	(95,183)	(9,113)	(86,070)

Check to OPC 1071/MPSC 89

YE 2003 Balance	(83,032)
Monthly Amortization	(1,013)
Sept. 30, 2003 Balance	(86,071)

GO-91-359

<u>Def. Tax to Rate Base:</u>	<u>BB</u>	<u>Amort.</u>	<u>EB</u>
Sept. 1993 BB	(504,028)	(2,100)	(501,928)
Oct. 1993	(501,928)	(2,100)	(499,828)
Nov. 1993	(499,828)	(25,201)	(474,626)
Dec. 1993	(474,626)	(25,201)	(449,425)
Year 1994	(449,425)	(25,201)	(424,224)
Year 1995	(424,224)	(25,201)	(399,022)
Year 1996	(399,022)	(25,201)	(373,821)
Year 1997	(373,821)	(25,201)	(348,619)
Year 1998	(348,619)	(25,201)	(323,418)
Year 1999	(323,418)	(25,201)	(298,217)
Year 2000	(298,217)	(25,201)	(273,015)
Year 2001	(273,015)	(25,201)	(247,814)
Year 2002	(247,814)	(25,201)	(222,612)
9 Mths 2003	(222,612)	(18,901)	(203,711)

UTILICORP UNITED, INC.
 MISSOURI PUBLIC SERVICE DIVISION
 CASE NO. GR-93-172
 TEST YEAR ENDED SEPT. 30, 1992
 UPDATED THRU APR. 30, 1993
 ANALYSIS OF GR-90-198 AAO FOR PIPELINE REPLACEMENT

W/P NO.: AAO-1
 PREPARED BY: PKW
 DATE PREPARED: 11-May-93
 DATE PRINTED: 11-May-93
 TIME PRINTED: 05:17 PM
 REVIEWED BY: *SN*

DESCRIPTION	AMOUNT
AMOUNT OF NET RATE BASE TO BE DEFERRED PER STIPULATION IN GR-90-198 EFFECTIVE 11-01-1990	\$818,578
AMORTIZATION PERIOD IS 20 YEARS (240 MONTHS)	20
YEARLY AMORTIZATION AMOUNT	\$40,929
MONTHLY AMORTIZATION	\$3,411
MONTHS OF AMORTIZATION THRU APR. 30, 1993	30
TOTAL AMORTIZATION TO DATE AT APRIL 30, 1993	\$102,322
UNAMORTIZED BALANCE AT APRIL 30, 1993 TO BE INCLUDED IN RATE BASE	\$716,256

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UTILICORP UNITED INC.
 MISSOURI PUBLIC SERVICE DIVISION
 CASE NO GR-93-172
 ANALYSIS OF GAS ACCOUNTING AUTHORITY ORDER

W/P NO.: AAO-2A
 PREPARED BY: PKW
 DATE PREPARED: 26-May-93
 DATE PRINTED: 15-Jun-93
 TIME PRINTED: 02:18 PM
 REVIEWED BY:

YEAR	DESCRIPTION OF DEFERRAL	TOTAL GAS
<u>RATE BASE ADDITION</u>		
1991	GAS MAIN REPLACEMENT	\$170,661
1991	GAS HOUSE PIPING	\$4,753
1992	GAS MAIN REPLACEMENT	\$462,955
1992	GAS HOUSE PIPING	\$18,427
1993	GAS MAIN REPLACEMENT	\$452,254
1993	GAS HOUSE PIPING	\$19,075
	TOTAL DEFERRALS (ADDED TO RATE BASE)	<u>\$1,128,125</u>
<u>RATE BASE OFFSET - CUMULATIVE DEF. TAX ACCR.</u>		
1991	GAS MAIN REPLACEMENT	\$0
1991	GAS HOUSE PIPING	\$0
1992	GAS MAIN REPLACEMENT	\$0
1992	GAS HOUSE PIPING	\$0
1993	GAS MAIN REPLACEMENT	\$392,375
1993	GAS HOUSE PIPING	\$15,192
	TOTAL DEFERRALS (ADDED TO RATE BASE)	<u>\$407,567</u>
	TOTAL ADJUSTMENT	<u>\$720,558</u>
		=====
	INCREASE TO AMORTIZATION EXPENSE (TOTAL ADJUSTMENT DIVIDED BY 20)	<u>\$36,028</u>

AAO ADJS. TO RATE BASE & COST OF SERVICE
CASE NO. GR-93-172

ACCOUNTING AUTHORITY ORDER
CASE NO. GO-90-115 (GR-90-198 AAO)

SOURCE: CO. WORKPAPER E20-95
CASE NO. GR-93-172

ADJUSTMENT TO RATE BASE -----	PER STAFF TOTAL GAS -----	PER CO. TOTAL GAS -----	GR-90-198 REFERENCE -----
DEFERRAL @ 9/30/90	1,113,690	1,130,521	*4 SCHED. A
PROPERTY TAX	(29,774)	(29,773)	SCHED. A
CARRYING COST ON UNPAID BLANACES	(70,000) *1	0	
CARRYING COST ON DEPR. @ 9/30/90	(9,456)	(9,456)	SCHED. B
COMPUTING THE CARRYING COST ON PLAN ADDITIONS COMPLETED AFTER THE FIRST OF THE MONTH ON A PRORATED BASIS	(36,862)	(28,706)	SCHED. C
COMPOUNDED CARRYING COSTS SEMI-ANNUALLY	(11,279) *1	(988)	SCHED. D
RATE BASE	----- 956,319	----- 1,061,598	
DEFERRED INCOME TAX RELATED TO THIS DEFERRAL TO REDUCE RATE BASE	(352,882) *2	(243,020)	SCHED. A
NET RATE BASE	----- 603,437	----- 818,578	
AMORTIZING DEFERRAL COST OVER 20 YRS (ANNUAL AMORTIZATION EXPENSE AMOUNT)	47,816 *3 =====	40,929 =====	
NET RATE BASE		818,578	
LESS: THREE YEARS AMORTIZED (\$40,929 * 3)		122,787	
GR-93-172 RATE BASE ADJUSTMENT FOR GO-90-115 (IDENTIFIED AS GR-90-198)		----- 695,791 =====	

*NOTE:

STAFF USED NUMBERS FROM THE ELECTRIC AAO FOR THESE AMOUNTS
STAFF USED GROSS PLANT TO AMORTIZE, i.e., \$956,319
STAFF DEFERRED TAXES CALCULATED BY RATE BASE * .369 = \$352,882
COMPANY ACTUAL

AAO ADJS. TO RATE BASE & COST OF SERVICE
CASE NO. GR-93-172

ACCOUNTING AUTHORITY ORDER
CASE NO. GO-91-359 (1993 AAO)

SOURCE: CO. WORKPAPERS - E20-5,
E20-65, E20-100 & OPC D.R. NO. 11

TOTAL DEFERRALS *1	TOTAL GAS
-----	-----
1991 GAS MAIN REPLACEMENTS	176,923
1991 GAS HOUSE PIPING	4,889
1992 GAS MAIN REPLACEMENTS	702,284
1992 GAS HOUSE PIPING	28,971
1993 GAS MAIN REPLACEMENTS	917,913
1993 GAS HOUSE PIPING	30,009

TOTAL DEFERRALS (ADD TO RATE BASE)	1,860,989
	=====
DEFERRED TAX RATE BASE OFFSETS *2	

1991 GAS MAIN REPLACEMENTS	48,363
1991 GAS HOUSE PIPING	1,449
1992 GAS MAIN REPLACEMENTS	195,840
1992 GAS HOUSE PIPING	8,774
1993 GAS MAIN REPLACEMENTS	240,920
1993 GAS HOUSE PIPING	8,682

TOTAL DEFERRED TAX RATE BASE OFFSET	504,023
	=====
GR-93-172 RATE BASE ADJUSTMENT FOR GO-91-359 (IDENTIFIED AS 1993 AAO)	1,356,961
	=====
AMORTIZING DEFERRAL COST OVER 20 YRS (ANNUAL AMORTIZATION EXPENSE AMOUNT)	67,848
	=====

*NOTES:

- 1 SEE ALSO, OPC D.R. NO. 11
- 2 SEE ALSO, CO. W/P'S NO. E20-5 & E20-65

**AQUILA, INC. D/B/A AQUILA NETWORKS – MPS AND AQUILA
NETWORKS L&P****CASE NO. GR-2004-0072
OFFICE OF PUBLIC COUNSEL
DATA REQUEST NO. OPC-1088**

DATE OF REQUEST: January 3, 2004

DATE RECEIVED: January 5, 2004

DATE DUE: January 23, 2004

REQUESTOR: Ted Robertson

QUESTION:

Regarding AAO costs, in MPS Case No. GR-93-172 Company filed amortized cost of service expense for deferrals Case No. GO-90-115 - \$40,929 (authorized in GR-90-198) and GO-91-359 - \$67,848, respectively. However, in the Company's FERC Form 1 Year 2002 the amounts expensed were Case No. GO-90-115 \$57,799 and GO-91-359 \$77,916, respectively. Please explain and reconcile the differences. Include copies of all documentation referenced to reconcile the differences. Also, please provide copies of all Company AAO work papers and AAO support related to all amortized expenses in the Case No. GR-93-172 filing.

RESPONSE: We have been unable to locate the workpapers to complete the requested reconciliation. The FERC Form 1 Year 2002 amortizations are based on the book amortizations supported by the amortization schedule MPSC 0089 MPD Gas AAO Amort.xls provided with response to data request number OPC – 1008 (\$57,799 from pages 1 of 4 and 4 of 4; \$77,916 from pages 2 of 4 and 3 of 4, respectively). The Company relied on the booked amortization supported by the referenced amortization schedule when completing the current filing.

ATTACHMENT:

RESPONDED BY: Harold Mikkelsen

DATE RESPONDED: January 23, 2004

FILE COPY

**AQUILA, INC. D/B/A AQUILA NETWORKS – MPS AND AQUILA
NETWORKS L&P**

**CASE NO. GR-2004-0072
OFFICE OF PUBLIC COUNSEL
DATA REQUEST NO. OPC-1089**

DATE OF REQUEST: January 3, 2004

DATE RECEIVED January 5, 2004

DATE DUE: January 23, 2004

REQUESTOR: Ted Robertson

QUESTION:

Regarding AAO costs, in MPS Case No. GR-93-172 Company filed rate base additions Case No. GO-90-115 - \$695,791 (authorized in GR-190-198) and GO-91-359 \$1,356,961, respectively. However, the GO-91-359 - \$1,356,961 balance does not appear to reconcile with the amortization schedules provided in Company's response to OPC Data Request Nos. 1008, 1046 and 1072 (MPSC 89). Please explain and reconcile the differences in the Case No. GO-91-359 balances. Include all copies of all documentation referenced to reconcile the differences. Also, please provide copies of all Company AAO work papers and AAO support related to all the unamortized AAO deferred balances in the Case No. GR-93-172 filing.

RESPONSE: We have been unable to locate the workpapers to complete the requested reconciliation. The Company relied on the booked balances supported by the referenced amortization schedule submitted with response to OPC Data Request No. 1008 when completing the current filing.

ATTACHMENT:

RESPONDED BY: Harold Mikkelsen

DATE RESPONDED: January 23, 2004

JAN 30 2004
Schedule TJR 2.2

JAN 30 2004

Aquila
 GR-2004-0072
 MPS
 Analysis of AAO's
 Trisha Miller
 Description
 GO-90-115
 GO-91-359

Safety of Gas Mains, Lines
 Service Line and Replacement Project

AAO's	MPS GO-90-115	MPS GO-91-359	MPS GO-91-359	MPS GO-91-359
Annualized Adjustments to Expense	53,080	3,066	74,845	4,719
Unamortized Amounts Included in Rate Base at December 31, 2002	415,793	32,698	798,348	50,335
Monthly Amounts to be Amortized	4,423	255	6,237	393
Amounts Amortized	0	0	0	0
Unamortized Amounts to be included in rate base as of December 31, 2002	<u>415,793</u>	<u>32,698</u>	<u>798,348</u>	<u>50,335</u>
To Update thru Sept 30, 2003 Additional Amounts to be Amortized would be	<u>39,810</u>	<u>2,299</u>	<u>56,134</u>	<u>3,539</u>
Unamortized Amounts in Rate Base as of Sept 30, 2003	375,983	30,399	742,214	46,796
x Jurisdictional Factor	100.00%	100.00%	100.00%	100.00%
Unamortized Jurisdictional Amounts in Rate Base as of Sept 30, 2003	<u>375,983</u>	<u>30,399</u>	<u>742,214</u>	<u>46,796</u>
Total of AAO's in Rate Base as of Sept 30, 2003	375,983		819,409	1,195,392
Source: RB-40 and comparison DR 89 Gr-2004-0072	GO-90-115		GO-91-359	
Per Books Sept 30, 2003 All Gas AAO's	<u>375,982</u>		<u>819,440</u>	<u>1,195,422</u>
No Adjustment to Amortization of AAO's				

Aquila
 GR-2004-0072
 MPS
 Analysis of AAO's
 Trisha Miller
 Description
 GO-90-115
 GO-91-359

Prepared 37,972
 DR 89
 Report and Orders
 Safety of Gas Mains, Lines
 Service Line and Replacement Projec

	MPS	MPS	MPS	MPS	Total
AAO's	GO-90-115	GO-91-359	GO-91-359	GO-91-359	GO-91-359
Beg Balance	1,061,598	61,310	1,496,903	94,376	1,652,589
Amortization Period in Years	20	20	20	20	20
Yearly Amortization	53,080	3,066	74,845	4,719	82,629
Per Books December 31, 2002	53,079	3,066	74,846	4,718	82,630
Adjustment to AAO Amortization	1				(1)
No Adjustment to Amortization					