

Exhibit No.:
Issue: Accounting Schedules
Witness: MoPSC Auditors
Sponsoring Party: MoPSC Staff
Case No.: HR-2005-0450
Date Prepared: October 14, 2005

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

FILED²

FEB 24 2006

Missouri Public
Service Commission

STAFF ACCOUNTING SCHEDULES

AQUILA, INC.

d/b/a AQUILA NETWORKS-L&P (STEAM)

CASE NO. HR-2005-0450

Jefferson City, Missouri
October 2005

Exhibit No. 1017
Case No(s) HR-2005-0450
Date 1-08-06 Rptr KE

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Revenue Requirement

Line		7.72% Return	7.90% Return	8.08% Return
(A)		(B)	(C)	(D)
1	Net Orig Cost Rate Base (Sch 2)	\$ 9,570,276	\$ 9,570,276	\$ 9,570,276
2	Rate of Return	7.72%	7.90%	8.08%
3	Net Operating Income Requirement	\$ 738,825	\$ 756,052	\$ 773,278
4	Net Income Available (Sch 9)	\$ (2,038,719)	\$ (2,038,719)	\$ (2,038,719)
5	Additional NOIBT Needed	\$ 2,777,544	\$ 2,794,771	\$ 2,811,997
6	Income Tax Requirement (Sch 11)			
7	Required Current Income Tax	\$ 299,274	\$ 309,594	\$ 319,912
8	Test Year Current Income Tax	\$ 0	\$ 0	\$ 0
9	Additional Current Tax Required	\$ 299,274	\$ 309,594	\$ 319,912
10	Required Deferred ITC	\$ 0	\$ 0	\$ 0
11	Test Year Deferred ITC	\$ 0	\$ 0	\$ 0
12	Additional Deferred ITC Required	\$ 0	\$ 0	\$ 0
13	Total Additional Tax Required	\$ 299,274	\$ 309,594	\$ 319,912
14	Gross Revenue Requirement	\$ 3,076,818	\$ 3,104,365	\$ 3,131,909
Allowance for Known and Measurable Changes				
		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
TOTAL		\$4,076,818	\$4,104,365	\$4,131,909

Aquila, Inc.
Case No. HR-2005-0450

Weighted Cost of Capital as of June 30, 2005
For Aquila Inc. d/b/a
Aquila Networks L&P

Capital Component	Percentage Of Capital	Embedded Cost	Weighted Cost of Capital Using Common Equity Return of:		
			8.50%	9.00%	9.50%
Common Stock Equity	36.16%	----	3.07%	3.25%	3.43%
Long Term Debt	63.84%	7.281%	4.65%	4.65%	4.65%
Shot Term Debt	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>		<u>7.72%</u>	<u>7.90%</u>	<u>8.08%</u>

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Rate Base

Line Description		Amount
(A)		(B)
1	Total Plant in Service (Sch 3)	\$ 15,667,763
	Subtract from Total Plant	
2	Depreciation Reserve (Sch 6)	\$ 7,520,767

3	Net Plant in Service	\$ 8,146,996
	Add to Net Plant in Service	
4	Cash Working Capital (Sch 8)	\$ 34,703
5	Materials and Supplies-Exempt	3,538
6	Undistributed Stores	25,648
7	Prepayments	2,529
8	Steam share of Aquila prepayments	14,292
9	Fuel Inventory	435,787
10	Prepaid Pension Asset	2,125,193
	Subtract from Net Plant	
11	Federal Tax Offset -0.6064 %	\$ (1,561)
12	State Tax Offset 6.2565 %	2,621
13	City Tax Offset 0.0000 %	0
14	Interest Expense Offset 14.2219 %	63,290
15	Customer Advances for Construction	0
16	Deferred Income Taxes-Depreciation	1,153,230
17	ERISA Minimum Tracker	830

18	Total Rate Base	\$ 9,570,276
		=====

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Lake Road Steam Production Plant							
1	310.000	Land & Land Rights	\$ 38,919	\$ 0	9.9300	\$ 0 P-1	\$ 3,865
2	311.000	Structures & Improvements	11,785,208	0	9.9300	0 P-2	1,170,271
3	311.050	Struct & Imprv - Leasehold	11,411	0	9.9300	0	1,133
4	312.000	Boiler Plant Equipment	47,468,274	0	16.5850	0 P-3	7,872,613
5	312.002	Boiler Plant - Pollution	11,667,565	0	16.5850	0	1,935,066
6	314.000	Turbogenerator Units	14,697,456	0	1.4880	0 P-4	218,698
7	315.000	Accessory Electric Equipment	3,140,294	0	9.9300	0 P-5	311,831
8	316.000	Miscellaneous Power Plant Equipment	238,013	0	26.7000	0 P-6	63,549
9		Total	\$ 89,047,140	\$ 0		\$ 0	\$ 11,577,026
Steam Production Plant							
10	310.000	Land & Land Rights	\$ 11,450	\$ 0	100.0000	\$ 0	\$ 11,450
11	311.000	Structures & Improvements	32,160	0	100.0000	0	32,160
12	311.050	Struct & Improv. - Leasehold	0	0	100.0000	0	0
13	312.000	Boiler Plant Equipment	172,134	0	100.0000	0	172,134
14	315.000	Accessory Electric Equipment	269,117	0	100.0000	0	269,117
15		Total	\$ 484,861	\$ 0		\$ 0	\$ 484,861
Distribution Plant							
16	375.000	Industrial Steam - Distr. Strt&Impr	\$ 107,094	\$ 0	100.0000	\$ 0	\$ 107,094
17	376.000	Industrial Steam Mains	1,481,523	0	100.0000	0	1,481,523
18	379.000	Indust Steam-City Gate Mea/Reg	638,475	0	100.0000	0	638,475
19	380.000	Industrial Steam Services	100,842	0	100.0000	0	100,842
20	381.000	Industrial Steam Meters	346,166	0	100.0000	0	346,166
21		Total	\$ 2,674,100	\$ 0		\$ 0	\$ 2,674,100

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant							
22	389.000	Land & Land Rights	\$ 544,238	\$ 0	0.0000	\$ 0	\$ 0
23	390.000	Structures & Improvements	4,994,672	0	0.0000	0	0
24	391.001	Office Furniture & Equipment	297,010	0	0.0000	0	0
25	391.001	Office Furn & Equip - Lake Rd	421,635	0	9.9300	0	41,868
26	391.000	Office Furn & Equip - Iatan	1,742	0	0.0000	0	0
27	391.003	General Plant Computer Hardware	630,129	0	0.0000	0	0
28	391.003	Gen Plt-Computer Hardware - Lake Rd	345,298	0	9.9300	0	34,288
29	391.004	General Computer Software	324,776	0	0.0000	0	0
30	391.004	Gen Plt Comp Software - Lake Rd	110,778	0	9.9300	0	11,000
31	391.004	Gen Plt Comp Sftw	157,762	0	0.0000	0	0
32	391.011	Of Machines 1987 Gen Plant	26,472	0	0.0000	0	0
33	391.011	Off Machines 1987 - Lake Rd	5,975	0	9.9300	0	593
34	392.002	Transportation Equip. - Cars	0	0	0.0000	0	0
35	392.003	Transportation Equip. - Light Truck	161,077	0	0.0000	0	0
36	392.004	Trans Equip Med Truck - LR	18,196	0	9.9300	0	1,807
37	392.004	Transportation Equip. Med Truck	385,774	0	0.0000	0	0
38	392.005	Trans Equip. - Heavy Truck	1,189,734	0	0.0000	0	0
39	392.005	Trans Equip Heavy Trk LK Rd	140,243	0	9.9300	0	13,926
40	392.006	Trans Equipment - Trailers	289,464	0	0.0000	0	0
41	392.006	Trans Equip Trailers LK Rd	1,859	0	9.9300	0	185
42	393.000	Stores Equipment - General Electric	106,872	0	0.0000	0	0
43	393.000	Stores Equipment - Lake Road	841	0	9.9300	0	84
44	394.000	Tools/Shop & Garage Equip - Elec	1,238,039	0	0.0000	0	0
45	394.000	Tools/Shop/Garage Equip - Lake Rd	436,659	0	9.9300	0	43,360
46	395.000	Laboratory Equip - L&P Common	319,145	0	0.0000	0	0
47	395.000	Laboratory Equipment - Lake Rd	359,404	0	9.9300	0	35,689
48	396.001	Power Oper Equip - short life	145,767	0	0.0000	0	0
49	396.002	Power Oper Equip Long Life Gen	60,097	0	0.0000	0	0
50	396.002	Power Operated Equip-Lake Rd	994,194	0	9.9300	0	98,723
51	397.000	Communication Equipment - Common	2,033,380	0	0.0000	0	0
52	397.000	Communication Equip Iatan	86,536	0	0.0000	0	0
53	397.000	Communication Equip - Lake Rd	0	0	9.9300	0	0
54	398.000	Miscellaneous Equipment - Gen Elect	73,879	0	0.0000	0	0
55	398.001	Misccl Equipment - Lake Rd	10,234	0	9.9300	0	1,016
56		Total	\$ 15,911,881	\$ 0		\$ 0	\$ 282,539

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
L&P Common General Plant							
57	389.000	Land and Land Rights	\$ 121,858	\$ 0	3.0810	\$ 0	\$ 3,754
58	390.001	Structures and Improvements	1,565,353	0	3.0810	0	48,229
59	391.001	Office Furniture and Equipment	14,291	0	3.0810	0	440
60	391.003	Computer Hardware	159,637	0	3.0810	0	4,918
61	391.004	Computer Software	2,949	0	3.0810	0	91
62	391.011	Office Machines	38,910	0	3.0810	0	1,199
63	392.003	Transportation Equip - Light Truck	0	0	3.0810	0	0
64	392.004	Transportation Equip - Medium Truck	64,963	0	3.0810	0	2,002
65	392.005	Transportation Equip - Heavy Truck	0	0	3.0810	0	0
66	396.006	Transportation Equip - Trailers	0	0	3.0810	0	0
67	393.000	Stores Equipment	5,275	0	3.0810	0	163
68	394.000	Tools, Shop & Garage Equipment	72,817	0	3.0810	0	2,243
69	396.002	Power Operated Equip - Long Life	0	0	3.0810	0	0
70	397.000	Communications Equipment	390,938	0	3.0810	0	12,045
71	398.000	Miscellaneous Equipment	17,470	0	3.0810	0	538
72	Total		\$ 2,454,461	\$ 0		\$ 0	\$ 75,622
L&P Portion of Aquila Common Plant							
73	389.001	Gen Plt - Land	\$ 58,577	\$ 0	3.0810	\$ 0	\$ 1,805
74	390.001	Struct & Improvements - Own	5,656,366	0	3.0810	0	174,273
75	390.051	Struct & Improve - Leasehold	560,193	0	3.0810	0	17,260
76	391.001	Office Furniture & Equipment	1,300,057	0	3.0810	0	40,055
77	391.003	Computer Hardware	1,363,465	0	3.0810	0	42,008
78	391.004	Computer Software	6,450,627	0	3.0810	0	198,744
79	391.005	Gen Plant Systems Development	2,113,413	0	3.0810	0	65,114
80	394.000	Gen Plant Tool/Shop/Garage	33,035	0	3.0810	0	1,018
81	395.000	Gen. Plant Lab Equipment	6,417	0	3.0810	0	198
82	397.000	Communications Equipment	1,021,856	0	3.0810	0	31,483
83	398.000	Misccl Equipment	53,767	0	3.0810	0	1,657
84	Total		\$ 18,617,773	\$ 0		\$ 0	\$ 573,615
85	Total Plant In Service		\$ 129,190,216	\$ 0		\$ 0	\$ 15,667,763

Accounting Schedule: 4

Williams

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Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Total Plant

Adj		Total Co	Mo Juris
No	Description	Adjustment	Adjustment

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
	(A)		(B)	(C)	(D)
Lake Road Steam Production Plant					
1	310.000	Land & Land Rights	\$ 3,865	0.0000	\$ 0
2	311.000	Structures & Improvements	1,170,271	1.9000	22,235
3	311.050	Struct & Imprv - Leasehold	1,133	0.0000	0
4	312.000	Boiler Plant Equipment	7,872,613	2.1600	170,048
5	312.002	Boiler Plant - Pollution	1,935,066	2.1600	41,797
6	314.000	Turbogenerator Units	218,698	2.3300	5,096
7	315.000	Accessory Electric Equipment	311,831	2.3700	7,390
8	316.000	Miscellaneous Power Plant Equipment	63,549	2.9000	1,843
9		Total	\$ 11,577,026		\$ 248,409
Steam Production Plant					
10	310.000	Land & Land Rights	\$ 11,450	0.0000	\$ 0
11	311.000	Structures & Improvements	32,160	2.3600	759
12	311.050	Struct & Improv. - Leasehold	0	0.0000	0
13	312.000	Boiler Plant Equipment	172,134	2.6000	4,475
14	315.000	Accessory Electric Equipment	269,117	2.5900	6,970
15		Total	\$ 484,861		\$ 12,204
Distribution Plant					
16	375.000	Industrial Steam - Distr. Strt&Impr	\$ 107,094	3.3000	\$ 3,534
17	376.000	Industrial Steam Mains	1,481,523	2.4500	36,297
18	379.000	Indust Steam-City Gate Mea/Reg	638,475	2.3800	15,196
19	380.000	Industrial Steam Services	100,842	2.6200	2,642
20	381.000	Industrial Steam Meters	346,166	4.7700	16,512
21		Total	\$ 2,674,100		\$ 74,181

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
General Plant					
22	389.000	Land & Land Rights	\$ 0	0.0000	\$ 0
23	390.000	Structures & Improvements	0	2.5100	0
24	391.001	Office Furniture & Equipment	0	4.1700	0
25	391.001	Office Furn & Equip - Lake Rd	41,868	4.1700	1,746
26	391.000	Office Furn & Equip - Iatan	0	4.1700	0
27	391.003	General Plant Computer Hardware	0	12.5000	0
28	391.003	Gen Plt-Computer Hardware - Lake Rd	34,288	12.5000	4,286
29	391.004	General Computer Software	0	11.1100	0
30	391.004	Gen Plt Comp Software - Lake Rd	11,000	11.1100	1,222
31	391.004	Gen Plt Comp Sftw	0	11.1100	0
32	391.011	Of Machines 1987 Gen Plant	0	4.1700	0
33	391.011	Off Machines 1987 - Lake Rd	593	4.1700	25
34	392.002	Transportation Equip. - Cars	0	11.2500	0
35	392.003	Transportation Equip. - Light Truck	0	11.2500	0
36	392.004	Trans Equip Med Truck - LR	1,807	11.2500	203
37	392.004	Transportation Equip. Med Truck	0	11.2500	0
38	392.005	Trans Equip. - Heavy Truck	0	11.2500	0
39	392.005	Trans Equip Heavy Trk LK Rd	13,926	11.2500	1,567
40	392.006	Trans Equipment - Trailers	0	11.2500	0
41	392.006	Trans Equip Trailers LK Rd	185	11.2500	21
42	393.000	Stores Equipment - General Electric	0	3.7000	0
43	393.000	Stores Equipment - Lake Road	84	3.7000	3
44	394.000	Tools/Shop & Garage Equip - Elec	0	3.6800	0
45	394.000	Tools/Shop/Garage Equip - Lake Rd	43,360	3.6800	1,596
46	395.000	Laboratory Equip - L&P Common	0	3.4300	0
47	395.000	Laboratory Equipment - Lake Rd	35,689	3.4300	1,224
48	396.001	Power Oper Equip - short life	0	4.4500	0
49	396.002	Power Oper Equip Long Life Gen	0	0.0000	0
50	396.002	Power Operated Equip-Lake Rd	98,723	4.4500	4,393
51	397.000	Communication Equipment - Common	0	3.7000	0
52	397.000	Communication Equip Iatan	0	0.0000	0
53	397.000	Communication Equip - Lake Rd	0	3.7000	0
54	398.000	Miscellaneous Equipment - Gen Elect	0	3.7100	0
55	398.001	Miscl Equipment - Lake Rd	1,016	3.7100	38
56		Total	\$ 282,539		\$ 16,324

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
L&P Common General Plant					
57	389.000	Land and Land Rights	\$ 3,754	0.0000	\$ 0
58	390.001	Structures and Improvements	48,229	2.5100	1,211
59	391.001	Office Furniture and Equipment	440	4.1700	18
60	391.003	Computer Hardware	4,918	12.5000	615
61	391.004	Computer Software	91	11.1100	10
62	391.011	Office Machines	1,199	4.1700	50
63	392.003	Transportation Equip - Light Truck	0	11.2500	0
64	392.004	Transportation Equip - Medium Truck	2,002	11.2500	225
65	392.005	Transportation Equip - Heavy Truck	0	11.2500	0
66	396.006	Transportation Equip - Trailers	0	11.2500	0
67	393.000	Stores Equipment	163	3.7000	6
68	394.000	Tools, Shop & Garage Equipment	2,243	3.6800	83
69	396.002	Power Operated Equip - Long Life	0	4.4500	0
70	397.000	Communications Equipment	12,045	3.7000	446
71	398.000	Miscellaneous Equipment	538	3.7100	20
72		Total	\$ 75,622		\$ 2,684
L&P Portion of Aquila Common Plant					
73	389.001	Gen Plt - Land	\$ 1,805	0.0000	\$ 0
74	390.001	Struct & Improvements - Own	174,273	2.2200	3,869
75	390.051	Struct & Improve - Leasehold	17,260	0.0000	0
76	391.001	Office Furniture & Equipment	40,055	4.1700	1,670
77	391.003	Computer Hardware	42,008	12.5000	5,251
78	391.004	Computer Software	198,744	11.1100	22,080
79	391.005	Gen Plant Systems Development	65,114	11.1100	7,234
80	394.000	Gen Plant Tool/Shop/Garage	1,018	3.5700	36
81	395.000	Gen. Plant Lab Equipment	198	3.5700	7
82	397.000	Communications Equipment	31,483	3.7000	1,165
83	398.000	Miscellaneous Equipment	1,657	4.1700	69
84		Total	\$ 573,615		\$ 41,381
85		Total Depreciation Expense	\$ 15,667,763		\$ 395,183

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
Lake Road Steam Production							
1	311.000	Structures & Improvements Lake Rd	\$ 4,956,317	\$ 0	9.9300	\$ 0 R-1	\$ 492,162
2	312.000	Boiler Plant Equipment - Lake Rd	28,704,705	0	16.5850	0 R-2	4,760,675
3	314.000	Turbogenerator Units	8,296,755	0	0.0290	0 R-3	2,406
4	315.000	Accessory Electric Equip - Lake Rd	2,599,088	0	9.9300	0 R-4	258,089
5	316.000	Misc Power Plant Equip - Lake Rd	184,824	0	26.7000	0 R-5	49,348
6		Total	\$ 44,741,689	\$ 0		\$ 0	\$ 5,562,680
Steam Production Plant							
7	311.000	Structures & Improvements	\$ (11,007)	\$ 0	100.0000	\$ 0 R-6	\$ (11,007)
8	312.000	Boiler Plant Equipment	57,632	0	100.0000	0 R-7	57,632
9	315.000	Accessory Electric Equipment	155,678	0	100.0000	0 R-8	155,678
10		Total	\$ 202,303	\$ 0		\$ 0	\$ 202,303
Distribution Plant							
11	375.000	Industrial Steam - Distr. Str&Impr	\$ 30,287	\$ 0	100.0000	\$ 0 R-9	\$ 30,287
12	376.000	Industrial Steam Mains	824,274	0	100.0000	0 R-10	824,274
13	379.000	Industrial Steam-City Gate Mea/Reg	320,729	0	100.0000	0 R-11	320,729
14	380.000	Industrial Steam Services	81,596	0	100.0000	0 R-12	81,596
15	381.000	Industrial Steam Meters	160,160	0	100.0000	0 R-13	160,160
16		Total	\$ 1,417,046	\$ 0		\$ 0	\$ 1,417,046

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant							
17	390.000	Structures & Improvements	\$ 2,377,343	\$ 0	3.0810	\$ 0	\$ 73,246
18	391.001	Office Furniture & Equipment	352,199	0	3.0810	0	10,851
19	391.001	Office Furniture & Equip - Lake Rd	0	0	3.0810	0	0
20	391.011	Office Machines	24,801	0	3.0810	0	764
21	391.003	General Plant Computer Hardware	198,587	0	3.0810	0	6,118
22	391.003	Gen Plt Computer Hardware - Lake Rd	0	0	3.0810	0	0
23	391.004	General Computer Software	535,840	0	3.0810	0	16,509
24	391.004	Gen Plt Computer Software - Lake Rd	0	0	3.0810	0	0
25	392.000	Transportation Equipment - Cars	0	0	3.0810	0	0
26	392.003	Transportation Equip - Light Truck	105,660	0	3.0810	0	3,255
27	392.004	Transprotation Equip - Med Truck	406,217	0	3.0810	0	12,516
28	392.005	Transportation Equip. - Heavy Truck	1,118,595	0	3.0810	0	34,464
29	392.006	Transp Equip - Trailers	244,114	0	3.0810	0	7,521
30	393.000	Stores Equipment - General Electric	116,066	0	3.0810	0	3,576
31	393.000	Stores Equipment - Lake Rd	0	0	3.0810	0	0
32	394.000	Tools/Shop & Garage Equip-Elect	914,732	0	3.0810	0	28,183
33	394.000	Tools/Shop & Garage Equip-Lake Rd	0	0	3.0810	0	0
34	395.000	Laboratory Equipment-L&P Common	381,041	0	3.0810	0	11,740
35		Power Oper Equip - Short Life	59,641	0	3.0810	0	1,838
36	395.000	Laboratory Equip - Long Life	388,068	0	3.0810	0	11,956
37	396.000	Power Operated Equip-Lake Rd	0	0	3.0810	0	0
38	397.000	Communication Equipment - Common	1,346,687	0	3.0810	0	41,491
39	398.001	Misc1 Equipment - Lake Rd	0	0	3.0810	0	0
40	398.000	Miscellaneous Equipment - Gen Elect	46,340	0	3.0810	0	1,428
41		Total	\$ 8,615,931	\$ 0		\$ 0	\$ 265,456

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
L&P Common General Plant							
42	390.001	Structures & Improvements	\$ (1,111,671)	\$	0	3.0810 \$	0 \$ (34,251)
43	391.001	Office Furniture & Equipment	(294,119)		0	3.0810	0 (9,062)
44	391.003	Computer Hardware	93,086		0	3.0810	0 2,868
45	391.004	Computer Software	3,397		0	3.0810	0 105
46	391.011	Office Machines	(26,513)		0	3.0810	0 (817)
47	392.001	Transportation Equip - Light Trucks	0		0	3.0810	0 0
48	392.004	Transportation Equip - Med Trucks	64,963		0	3.0810	0 2,002
49	392.005	Transportation Equip - Heavy Trucks	0		0	3.0810	0 0
50	392.006	Transportation Equip - Trailers	0		0	3.0810	0 0
51	393.000	Stores Equipment	3,496		0	3.0810	0 108
52	394.000	Tools, Shop & Garage Equipment	40,839		0	3.0810	0 1,258
53	396.002	Power Operated Equip - Long Life	0		0	3.0810	0 0
54	397.000	Communications Equipment	(57,485)		0	3.0810	0 (1,771)
55	398.000	Miscellaneous Equipment	(3,430)		0	3.0810	0 (106)
56		Total	\$ (1,287,437)	\$	0	\$	0 \$ (39,666)
L&P Portion Of Aquila Common Plant							
57	390.001	Struct & Improve - Owned	\$ 572,237	\$	0	3.0810 \$	0 \$ 17,631
58	390.051	Struct & Improv - Leasehold	412,902		0	3.0810	0 12,722
59	391.001	Office Furniture & Equipment	253,226		0	3.0810	0 R-49 7,802
60	391.003	Computer Hardware	9,070		0	3.0810	0 R-50 279
61	391.004	Computer Software	1,483,293		0	3.0810	0 R-51 45,700
62	391.005	Computer System Development	675,136		0	3.0810	0 20,801
63	392.000	Trans Equip - Cars	(55)		0	3.0810	0 (2)
64	392.004	Trans Equip - Med Trucks	(491)		0	3.0810	0 (15)
65	394.000	Tools, shop & Garage Equip	27,151		0	3.0810	0 837
66	395.000	Lab Equipment	1,056		0	3.0810	0 33
67	397.000	Communications Equipment	198,718		0	3.0810	0 R-52 6,123
68	398.000	Misc Equipment	33,661		0	3.0810	0 1,037
69		Total	\$ 3,665,904	\$	0	\$	0 \$ 112,948
70		Total Depreciation Reserve	\$ 57,355,436	\$	0	\$	0 \$ 7,520,767

Accounting Schedule: 7

Williams

12:18 10/13/2005

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Depreciation Reserve

Adj	Total Co	Mo Juris
No Description	Adjustment	Adjustment

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Operation and Maintenance Expense							
1	Cash Vouchers	\$ 1,212,404	38.7136	44.1400	(5.4264)	(0.014867)	\$ (18,025)
2	Federal Income Taxes Withheld	66,625	38.7136	16.5000	22.2136	0.060859	4,055
3	State Income Taxes Withheld	19,435	38.7136	18.5000	20.2136	0.055380	1,076
4	FICA Taxes Withheld - Employee	74,820	38.7136	16.5000	22.2136	0.060859	4,553
5	Net Payroll	190,539	38.7136	13.4173	25.2963	0.069305	13,205
6	Accrued Vacation	19,435	38.7136	365.0000	(326.2864)	(0.893935)	(17,374)
7	Purchased Gas	9,255,322	38.7136	40.7903	(2.0767)	(0.005690)	(52,663)
8	Purchased Oil	0	38.7136	40.7903	(2.0767)	(0.005690)	0
9	Injuries & Damages	711	38.7136	338.0505	(299.3369)	(0.820101)	(583)
10		0	38.7136	0.0000	38.7136	0.106065	0
11	Lake Road - Coal & Freight	2,873,173	38.7136	20.0178	18.6958	0.051221	147,167
12		0	38.7136	0.0000	38.7136	0.106065	0
13		0	38.7136	0.0000	38.7136	0.106065	0
14	Pension Fund Payment	1,054	38.7136	90.0000	(51.2864)	(0.140511)	(148)
15		0	38.7136	67.3200	(28.6064)	(0.078374)	0
16	Total Operation and Maintenance Expense	\$ 13,713,518					\$ 81,263
Taxes							
17	Ad Valorem/Property Taxes	\$ 128,228	38.7136	182.5230	(143.8094)	(0.393998)	\$ (50,522)
18	FICA Taxes - Employer's	74,820	38.7136	16.5000	22.2136	0.060859	4,553
19	Unemployment Taxes (FUTA & SUTA)	4,068	38.7136	86.5099	(47.7963)	(0.130949)	(533)
20	Corporate Franchise Taxes	7,253	38.7136	(77.5000)	116.2136	0.318393	2,309
21	City Franchise Taxes	97,275	38.7136	47.8160	(9.1024)	(0.024938)	(2,426)
22	Sales Taxes and Use Taxes	24,581	38.7136	37.8356	0.8780	0.002405	59
23	Total Taxes	\$ 336,225					\$ (46,560)
24	Total Cash Working Capital Req						\$ 34,703

Aquila, Inc. DbA Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Operating Revenues							
1	456.000	Industrial Sales	\$ 7,210,987	\$ 5,038,198	100.0000	\$ 0 S-1	\$ 12,249,185
2	450.000	Forfeited Discounts	134,000	0	100.0000	0 S-2	134,000
3		Rent From Steam Property	0	0	100.0000	0 S-3	0
4	495.000	Other Steam Revenues	(107)	0	100.0000	0 S-4	(107)
5		Total	\$ 7,344,880	\$ 5,038,198		\$ 0	\$ 12,383,078
Operation & Maintenance Expense							
6	730.100	Steam Expense Transfer - Fuel	\$ 5,132,100	\$ 7,876,578	100.0000	\$ 0 S-5	\$ 13,008,678
7	730.200	Steam Expense Transfer - Operations	0	0	100.0000	0 S-6	0
8	730.300	Steam Expense Transfer - Maint	0	0	100.0000	0 S-7	0
9	730.400	Industrial Steam Distr. Operations	53,894	31	100.0000	0 S-8	53,925
10	735.000	Miscellaneous Production Expense	(48)	0	100.0000	0 S-9	(48)
11	760.000	NG Production Gather Oper Rents	6	0	100.0000	0 S-10	6
12	760.100	Operation Supervision & Engineering	0	0	100.0000	0 S-11	0
13	761.000	Mains/Services	0	0	100.0000	0 S-12	0
14	765.000	Maint Supervision & Engineering	0	0	100.0000	0 S-13	0
15	767.000	Maintenance of Lines	0	0	100.0000	0 S-14	0
16	768.000	Maintenance of Meters	0	0	100.0000	0 S-15	0
17	901.000	Supervision - Customer Accounts	100,159	(4,109)	0.0000	0 S-16	0
18	902.000	Meter Reading Expense	774,414	304	0.0000	0 S-17	0
19	903.000	Customer Records & Collections	1,519,705	(128,407)	0.0000	0 S-18	0
20	904.000	Uncollectible Accounts	506,567	0	0.0000	0 S-19	0
21	905.000	Miscellaneous Customer Accts Expense	44,148	(29)	0.0000	0 S-20	0
22	907.000	Supervision - Customer Services	110,277	(96)	0.0000	0 S-21	0
23	908.000	Customer Assistance Expense	82	0	0.0000	0 S-22	0
24	909.000	Information & Instructional Adver	30,596	(22,013)	0.0000	0 S-23	0
25	910.000	Miscellaneous Customer Serv & Info Expense	51,461	(127)	0.0000	0 S-24	0
26	911.000	Supervision - Sales	28,662	(24)	0.0000	0 S-25	0
27	912.000	Demonstration/Selling Expenses	40,411	(2,297)	0.0000	0 S-26	0
28	913.000	Advertising Expenses	455	(399)	0.0000	0 S-27	0
29	916.000	Miscellaneous Sales Expense	1,615	(1,615)	0.0000	0 S-28	0
30	920.000	Administrative/General Salaries	0	(3,708)	5.1600	0 S-29	(191)
31	921.000	Office Supplies & Expenses	1,324,087	(266,501)	5.2600	0 S-30	55,629
32	922.000	Admin Expense Transferred-Credit	(224,829)	0	5.2640	0 S-31	(11,835)
33	923.000	Outside Services	1,352,731	(305,111)	5.2760	(7,581) S-32	47,691
34	924.000	Property Insurance	502,009	(92,004)	5.4600	0 S-33	22,386
35	925.000	Injuries & Damages	1,273,549	(258,673)	5.3060	711 S-34	54,560
36	926.000	Employee Pension/Benefits	3,763,573	1,415,552	7.0550	0 S-35	365,387

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
37	927.000	Franchise Requirements	0	0	10.6330	0 S-36	0
38	928.000	Regulatory Commission Expense	419,297	0	10.6330	9,304 S-37	53,888
39	929.000	Duplicate Charges - Credit	(101,012)	0	5.4700	0 S-38	(5,525)
40	930.100	General Advertising Expenses	2,490	(2,488)	5.2310	0 S-39	0
41	930.200	Miscellaneous General Expenses	574,425	(33,995)	5.3470	(5,157) S-40	23,740
42	931.000	Rents - General	641,995	(252,794)	5.0520	0 S-41	19,662
43	935.000	Maintenance of General Plant	502,694	(128)	5.1890	(513) S-42	25,565
44		Total	\$ 18,425,513	\$ 7,917,947		\$ (3,236)	\$ 13,713,518
Depreciation Expense							
45		Depreciation Expense	\$ 10,431,879	\$ 0	3.0810	\$ 73,777 S-43	\$ 395,183
46		Total	\$ 10,431,879	\$ 0		\$ 73,777	\$ 395,183
Other Operating Expenses							
47	404.000	Amort. of Limited Term Plant	\$ 0	\$ 0	3.0810	\$ 0 S-44	\$ 0
48	404.300	Amort of Limited Term Plant	0	0	3.0810	0 S-45	0
49	405.000	Amortization of Other Plant	1,346	0	3.0810	0 S-46	41
50	408.000	Taxes Other Than Income Taxes	4,954,948	140,969	8.6630	0 S-47	441,459
51		Total	\$ 4,956,294	\$ 140,969		\$ 0	\$ 441,500

52		Total Operating Expenses	\$ 33,813,686	\$ 8,058,916		\$ 70,541	\$ 14,550,201

53		Net Income Before Taxes	\$ (26,468,806)	\$ (3,020,718)		\$ (70,541)	\$ (2,167,123)

Current Income Taxes							
54		Current Income Taxes	\$ 203,773	\$ 0	5.0000	\$ (10,189) S-48	\$ 0
55		Total	\$ 203,773	\$ 0		\$ (10,189)	\$ 0

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Deferred Income Taxes							
56	410.100	Deferred Income Taxes	\$ 224,131	\$ 0	2.1630	\$ (129,249) S-49	\$ (124,401)
57	411.100	Amort. of Excess Deferred Inc Taxes	(616,291)	0	2.1630	12,732 S-50	(598)
58	411.400	Investment Tax Credit	(384,270)	0	2.1630	4,907 S-51	(3,405)
59		Total	\$ (776,430)	\$ 0		\$ (111,610)	\$ (128,404)

60		Total Income Taxes	\$ (572,657)	\$ 0		\$ (121,799)	\$ (128,404)

61		Net Operating Income	\$ (25,896,149)	\$ (3,020,718)		\$ 51,258	\$ (2,038,719)

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Industrial Sales	S-1	\$ 5,038,198
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1. To adjust retail customer sales for the annualized billing corrections. (Pyatte)	\$	25,088
2. To adjust revenues to retail customers to reflect Staff's annualization of unbilled revenues. (Pyatte)	\$	75,997
3. To adjust revenue for retail customers to reflect Staff's annualization of Inactive customer. (Pyatte)	\$	(71,643)
4. To adjust revenue for retail customers to reflect Staff's annualization of rate cahnge. (Pyatte)	\$	406,202
5. To adjust revenues of retail customers to reflect Staff's annualization of Leap Day revenues. (Pyatte)	\$	(23,036)
6. To adjust revenues for retail customers to reflect Staff's annualization of Special Contract discounts. (Pyatte)	\$	290,500
7. To adjust revenues for retail customers to reflect Staff's annualization of Conjunctive Billing. (Pyatte)	\$	53,048
8. To adjust revenues for retail customers to reflect Staff's annualization Load Changes. (Pyatte)	\$	4,282,042

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

***** Steam Expense Transfer - Fuel	S-5	\$ 7,876,578

1. To adjust test year fuel expense to reflect Staff's annualized steam transfer. (Vesely)		\$ 7,876,578
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***** Industrial Steam Distr. Operations	S-8	\$ 31

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)		\$ 5,045
2. To annualize payroll, as of June 30, 2005. (Preston)		\$ (3,739)
3. To reflect payroll using Staff's modified Massachasett's formula. (Preston)		\$ (189)
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)		\$ 31
5. To reflect a restructuring disallowance. (Preston)		\$ (844)
6. To reflect a disallowance for Lobbying costs. (Preston)		\$ (93)
7. To reflect a disallowance for the Community Relations Department. (Preston)		\$ (175)
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)		\$ (5)

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

Supervision - Customer Accounts	S-16	\$ (4,109)
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	4,408
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(3,266)
3. To reflect payroll using Staff's modified Massachasett's formula. (Preston)	\$	(165)
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$	27
5. To reflect a restructuring disallowance. (Preston)	\$	(738)
6. To reflect a disallowance for Lobbying costs. (Preston)	\$	(82)
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$	(153)
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$	(100)
9. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$	(3,922)
10. To adjust test year expense to remove the injuries and damages expense. (Clark)	\$	(118)

Aquila, Inc. Dba Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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Meter Reading Expense	S-17	\$	304
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	42,322
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(31,360)
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$	(1,584)
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$	260
5. To reflect a restructuring disallowance. (Preston)	\$	(7,084)
6. To reflect a disallowance for Lobbying costs. (Preston)	\$	(783)
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$	(1,465)
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$	(2)

Customer Records & Collections	S-18	\$	(128,407)
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	43,421
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(32,175)

Aquila, Inc. DbA Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$ (1,625)	
4.	To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 267	
5.	To reflect a restructuring disallowance. (Preston)	\$ (7,268)	
6.	To reflect a disallowance for Lobbying costs. (Preston)	\$ (804)	
7.	To reflect a disallowance for the Community Relations Department. (Preston)	\$ (1,503)	
8.	To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (535)	
9.	To adjust test year expenses to reflect Aquila's July 1, 2005 corporate allocations. (Preston)	\$ (64,150)	
10.	To adjust corporate expenses to reflect Staff's modification to the Massachusetts formula. (Preston)	\$ (6,376)	
11.	To adjust corporate expenses to reflect the impact on the Massachusetts formula with Staff's level of South Harper plant. (Preston)	\$ 1,207	
12.	To adjust corporate expenses to reflect Staff's restructuring adjustment. (Hyneman)	\$ (23,443)	

Aquila, Inc. DbA Aquila Networks L&P - Steam

Case: HR-05-450

12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
13. To adjust corporate expenses to reflect Staff's lobbying adjustment. (Hyneman)	\$ (8,146)	
14. To adjust corporate expenses to reflect Staff's community relations adjustment. (Hyneman)	\$ (3,309)	
15. To adjust corporate expenses to reflect Staff's 20 W 9th lease revenue adjustment. (Hyneman)	\$ (3,309)	
16. To adjust corporate expenses to reflect Staff's SERP adjustment. (Hyneman)	\$ (12,654)	
17. To adjust corporate expenses to reflect Staff's six sigma adjustment. (Preston)	\$ (7,580)	
18. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (425)	

Misc Customer Accts Expense S-20	\$ (29)	

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 2,298	
2. To annualize payroll, as of June 30, 2005. (Preston)	\$ (1,703)	
3. To reflect payroll using Staff's modified Massachasett's formula. (Preston)	\$ (86)	
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 14	

Aquila, Inc. Dba Aquila Networks L&P - Steam

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12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

5. To reflect a restructuring disallowance. (Preston)	\$	(385)
6. To reflect a disallowance for Lobbying costs. (Preston)	\$	(43)
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$	(80)
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$	(38)
9. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$	(6)

Supervision - Customer Services	S-21	\$	(96)
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	5,748
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(4,259)
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$	(215)
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$	35
5. To reflect a restructuring disallowance. (Preston)	\$	(962)
6. To reflect a disallowance for Lobbying costs. (Preston)	\$	(106)

Aquila, Inc. Dba Aquila Networks L&P - Steam

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12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

7. To reflect a disallowance for the Community Relations Department. (Preston)	\$	(199)
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8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$	(138)
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Customer Assistance Expense S-22

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	4
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(3)
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)		
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)		
5. To reflect a restructuring disallowance. (Preston)	\$	(1)
6. To reflect a disallowance for Lobbying costs. (Preston)		
7. To reflect a disallowance for the Community Relations Department. (Preston)		
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)		

Aquila, Inc. Dba Aquila Networks L&P - Steam

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12 Mo's Ended 12-31-2004 - Updated For Known & Meas 6-30-05

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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 Information & Instructional Adver S-23 \$ (22,013)

1.	To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 552	
2.	To annualize payroll, as of June 30, 2005. (Preston)	\$ (409)	
3.	To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$ (21)	
4.	To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 3	
5.	To reflect a restructuring disallowance. (Preston)	\$ (92)	
6.	To reflect a disallowance for Lobbying costs. (Preston)	\$ (10)	
7.	To reflect a disallowance for the Community Relations Department. (Preston)	\$ (19)	
8.	To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (12)	
9.	To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (22,005)	

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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Misc	Customer Serv & Info Expense	S-24	\$ (127)
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1.	To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	2,162
2.	To annualize payroll, as of June 30, 2005. (Preston)	\$	(1,602)
3.	To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$	(81)
4.	To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$	13
5.	To reflect a restructuring disallowance. (Preston)	\$	(362)
6.	To reflect a disallowance for Lobbying costs. (Preston)	\$	(40)
7.	To reflect a disallowance for the Community Relations Department. (Preston)	\$	(75)
8.	To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$	(36)
9.	To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$	(96)
10.	To adjust test year expense to remove the injuries and damages expense. (Clark)	\$	(10)

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Supervision - Sales	S-25	\$ (24)
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	1,558
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(1,155)
3. To reflect payroll using Staff's modified Massachasett's formula. (Preston)	\$	(58)
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$	10
5. To reflect a restructuring disallowance. (Preston)	\$	(261)
6. To reflect a disallowance for Lobbying costs. (Preston)	\$	(29)
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$	(54)
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$	(35)

Demonstration/Selling Expenses	S-26	\$ (2,297)
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$	1,481
2. To annualize payroll, as of June 30, 2005. (Preston)	\$	(1,097)

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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3.	To reflect payroll using Staff's modified Massachasett's formula. (Preston)	\$ (55)	
4.	To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 9	
5.	To reflect a restructuring disallowance. (Preston)	\$ (248)	
6.	To reflect a disallowance for Lobbying costs. (Preston)	\$ (27)	
7.	To reflect a disallowance for the Community Relations Department. (Preston)	\$ (51)	
8.	To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (33)	
9.	To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (246)	
10.	To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (2,030)	

Advertising Expenses	S-27	\$ (399)	
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1.	To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (399)	
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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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Miscellaneous Sales Expense	S-28	\$	(1,615)
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1. To adjust test year expense to remove the injuries and damages expense. (Clark)		\$	(1,615)
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Administrative/General Salaries	S-29	\$	(3,708)
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)		\$	150,991
2. To annualize payroll, as of June 30, 2005. (Preston)		\$	(111,885)
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)		\$	(5,652)
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)		\$	929
5. To reflect a restructuring disallowance. (Preston)		\$	(25,272)
6. To reflect a disallowance for Lobbying costs. (Preston)		\$	(2,794)
7. To reflect a disallowance for the Community Relations Department. (Preston)		\$	(5,227)
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)		\$	(4,397)

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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9. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (281)	
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10. To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (120)	
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Office Supplies & Expenses S-30	\$ (266,501)	
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1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 2,620	
2. To annualize payroll, as of June 30, 2005. (Preston)	\$ (1,942)	
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$ (98)	
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 16	
5. To reflect a restructuring disallowance. (Preston)	\$ (439)	
6. To reflect a disallowance for Lobbying costs. (Preston)	\$ (48)	
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$ (91)	
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (67)	

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
9. To adjust test year expenses to reflect Aquila's July 1, 2005 corporate allocations. (Preston)	\$ (103,851)	
10. To adjust corporate expenses to reflect Staff's modification to the Massachusetts formula. (Preston)	\$ (10,322)	
11. To adjust corporate expenses to reflect the impact on the Massachusetts formula with Staff's level of South Harper plant. (Preston)	\$ 1,954	
12. To adjust corporate expenses to reflect Staff's restructuring adjustment. (Hyneman)	\$ (37,951)	
13. To adjust corporate expenses to reflect Staff's lobbying adjustment. (Hyneman)	\$ (13,188)	
14. To adjust corporate expenses to reflect Staff's community relations adjustment. (Hyneman)	\$ (5,356)	
15. To adjust corporate expenses to reflect Staff's 20 W 9th lease revenue adjustment. (Hyneman)	\$ (20,485)	
16. To adjust corporate expenses to reflect Staff's SERP adjustment. (Hyneman)	\$ (26,479)	
17. To adjust corporate expenses to reflect Staff's six sigma adjustment. (Preston)	\$ (12,271)	
18. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (35,133)	

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
19. To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (3,370)	

Outside Services S-32	\$ (305,111)	\$ (7,581)

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 211	
2. To annualize payroll, as of June 30, 2005. (Preston)	\$ (157)	
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$ (8)	
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 1	
5. To reflect a restructuring disallowance. (Preston)	\$ (35)	
6. To reflect a disallowance for Lobbying costs. (Preston)	\$ (4)	
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$ (7)	
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (5)	
9. To adjust test year expenses to reflect Aquila's July 1, 2005 corporate allocations. (Preston)	\$ (138,665)	

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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
10. To adjust corporate expenses to reflect Staff's modification to the Massachusetts formula. (Preston)	\$ (13,782)	
11. To adjust corporate expenses to reflect the impact on the Massachusetts formula with Staff's level of South Harper plant. (Preston)	\$ 2,609	
12. To adjust corporate expenses to reflect Staff's restructuring adjustment. (Hyneman)	\$ (50,673)	
13. To adjust corporate expenses to reflect Staff's lobbying adjustment. (Hyneman)	\$ (17,609)	
14. To adjust corporate expenses to reflect Staff's community relations adjustment. (Preston)	\$ (7,152)	
15. To adjust corporate expenses to reflect Staff's 20 W 9th lease revenue adjustment. (Hyneman)	\$ (27,352)	
16. To adjust corporate expenses to reflect Staff's SERP adjustment. (Hyneman)	\$ (35,355)	
17. To adjust corporate expenses to reflect Staff's six sigma adjustment. (Hyneman)	\$ (16,385)	
18. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (252)	
19. To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (491)	

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
20. To adjust corporate outside services to reflect the Six Sigma. (Preston)		\$ (7,581)

Property Insurance S-33	\$ (92,004)	

1. To adjust test year expense to reflect Staff's annualization of the insurance expense. (Clark)	\$ (92,004)	

Injuries & Damages S-34	\$ (258,673)	\$ 711

1. To adjust test year expense to reflect Staff's annualization of Injuries and Damages expense. (Clark)		\$ 711
2. To adjust test year expense to reflect Staff's annualization of insurance expense. (Clark)	\$ 4,849	
3. To remove all injuries and damages cost from the test year. (Clark)	\$ (263,522)	

Employee Pension/Benefits S-35	\$ 1,415,552	

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 9	
2. To annualize payroll, as of June 30, 2005. (Preston)	\$ (7)	
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)		

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)		
5. To reflect a restructuring disallowance. (Preston)	\$	(2)
6. To reflect a disallowance for Lobbying costs. (Preston)		
7. To reflect a disallowance for the Community Relations Department. (Preston)		
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)		
9. To adjust corporate expenses to reflect Staff's SERP adjustment. (Hyneman)	\$	(253,196)
10. To adjust test year expense to reflect Staff's annualization of pension expense. (Preston)	\$	1,363,151
11. To adjust test year expesne to reflect Staff's annualization of the ERISA expense. (Preston)	\$	(1,852)
12. To adjust test year expesne to reflect Staff's annualization of ESOP expense. (Preston)	\$	9,602
13. To adjust test year expense to reflect Staff's annualization of the Long Term Incentive Plan expense. (Preston)	\$	(18,562)
14. To adjust test year expense to reflect Staff's annualization of self insured medical expense (Preston)	\$	286,439

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
15. To adjust test year expense to reflect Staff's annualization of the premium base for health, dental and vision. (Preston)	\$ 10,957	
16. To adjust test year expense to reflect Staff's annualization of the 401K expense. (Preston)	\$ 19,013	

Regulatory Commission Expense S-37		\$ 9,304

1. To adjust test year expense to reflect Staff's annualization of the PSC Assessment. (Boateng)		\$ 14,544
2. To adjust test year expense to reflect Staff's annualization of Rate Case Expense. (Boateng)		\$ (5,240)

General Advertising Expenses S-39	\$ (2,488)	

1. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (841)	
2. To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (1,647)	

Miscellaneous General Expenses S-40	\$ (33,995)	\$ (5,157)

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 95	
2. To annualize payroll, as of June 30, 2005. (Preston)	\$ (70)	

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
3.	To reflect payroll using Staff's modified Massachusetts formula. (Preston)	\$ (4)	
4.	To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 1	
5.	To reflect a restructuring disallowance. (Preston)	\$ (16)	
6.	To reflect a disallowance for Lobbying costs. (Preston)	\$ (2)	
7.	To reflect a disallowance for the Community Relations Department. (Preston)	\$ (3)	
8.	To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (1)	
9.	To include transition costs incurred in merger with SJLP. (Hyneman)	\$ 46,166	
10.	To adjust test year expense to reflect annualized injuries and damages. (Clark)		\$ 76
11.	To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (118,173)	
12.	To adjust test year expense to remove/reclassify the write off on 12/31/2004 of prepaid insurance. (Clark)		\$ (5,233)
13.	To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (8,154)	

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Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
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14.	To adjust test year expense to include transition costs incurred in merger with SJLP. (Hyneman)	\$ 46,166	
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Rents - General	S-41	\$ (252,794)	
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1.	To adjust test year expenses to reflect Aquila's July 1, 2005 corporate allocations. (Preston)	\$ (115,015)	
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2.	To adjust corporate expenses to reflect Staff's modification to the Massachusetts formula. (Preston)	\$ (11,431)	
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3.	To adjust corporate expenses to reflect the impact on the Massachusetts formula with Staff's level of South Harper plant. (Preston)	\$ 2,164	
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4.	To adjust corporate expenses to reflect Staff's restructuring adjustment. (Hyneman)	\$ (42,030)	
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5.	To adjust corporate expenses to reflect Staff's lobbying adjustment. (Preston)	\$ (14,606)	
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6.	To adjust corporate expenses to reflect Staff's community relations adjustment. (Hyneman)	\$ (5,932)	
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7.	To adjust corporate expenses to reflect Staff's 20 W 9th lease revenue adjustment. (Hyneman)	\$ (22,687)	
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8.	To adjust corporate expenses to reflect Staff's SERP adjustment. (Hyneman)	\$ (29,325)	
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Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
9. To adjust corporate expenses to reflect Staff's six sigma adjustment. (Preston)	\$ (13,590)	
10. To adjust test year expense to reflect Staff's elimination of dues and donations. (Clark)	\$ (342)	

Maintenance of General Plant S-42	\$ (128)	\$ (513)

1. To annualize payroll, Company's Adjustment No. CS - 5. (Preston)	\$ 11,061	
2. To annualize payroll, as of June 30, 2005. (Preston)	\$ (8,196)	
3. To reflect payroll using Staff's modified Massachusetts's formula. (Preston)	\$ (414)	
4. To adjust payroll to reflect the impact of South Harper on the corporate allocations. (Preston)	\$ 68	
5. To reflect a restructuring disallowance. (Preston)	\$ (1,851)	
6. To reflect a disallowance for Lobbying costs. (Preston)	\$ (205)	
7. To reflect a disallowance for the Community Relations Department. (Preston)	\$ (383)	
8. To annualize Incentive Compensation based upon the July 1, 2005 corporate allocations. (Preston)	\$ (203)	

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment
9. To adjust test year expense to remove the injuries and damages expense. (Clark)	\$ (5)	
10. To remove Depreciation Expense Cleared to Maintenance Expense. (Williams)		\$ (513)

Taxes Other Than Income Taxes S-47	\$ 140,969	

1. To adjust test year expense to reflect Staff's annualization of the FICA taxes. (Preston)	\$ 7,677	
2. To adjust test year expense to reflect Staff's annualization of the Medicare portion of payroll taxes. (Preston)	\$ 1,440	
3. To adjust test year expense to reflect Staff's annualization of the FUTA tax expense. (Preston)	\$ 55	
4. To adjust test year expense to reflect Staff's annualization of the MO SUTA tax expense. (Preston)	\$ (3,223)	
5. To adjust test year expense to reflect Staff's annualization of property taxes. (Williams)	\$ 135,020	

Amort. of Excess Deferred Inc Taxes S-50		\$ 12,732

1. To adjust test year expense to reflect Staff's annualization of the Amortization of excess Deferred Income Taxes. (Harris)		\$ 12,732

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Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Investment Tax Credit S-51		\$ 4,907

1. To adjust test year expense to reflect Staff's annualization of the Amortization of the Investment Tax Credit. (Harris)		\$ 4,907

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Income Tax

Line		Test Year	7.72% Return	7.90% Return	8.08% Return
	(A)	(B)	(C)	(D)	(E)

1	Net Income Before Taxes (Sch 9)	\$ (2,167,123)	\$ 909,695	\$ 937,242	\$ 964,786

	Add to Net Income Before Taxes				
2	Book Depreciation Expense	\$ 395,183	\$ 395,183	\$ 395,183	\$ 395,183
3	Tran Depr Exp to Maint Exp.	0	0	0	0
4	50% Meals & Entertainment	849	849	849	849
5	Contribution Aid of Construction	0	0	0	0
		-----	-----	-----	-----
6	Total	\$ 396,032	\$ 396,032	\$ 396,032	\$ 396,032
	Subtr from Net Income Before Taxes				
7	Interest Expense 4.6500 %	\$ 445,018	\$ 445,018	\$ 445,018	\$ 445,018
8	Straight Line Tax Depreciation	384,077	384,077	384,077	384,077
9	Tax Depreciation Over St/Line Tax	(322,275)	(322,275)	(322,275)	(322,275)
		-----	-----	-----	-----
10	Total	\$ 506,820	\$ 506,820	\$ 506,820	\$ 506,820

11	Net Taxable Income	\$ (2,277,911)	\$ 798,907	\$ 826,454	\$ 853,998

	Provision for Federal Income Tax				
12	Net Taxable Income	\$ (2,277,911)	\$ 798,907	\$ 826,454	\$ 853,998
13	Deduct Missouri Income Tax 100.0 %	\$ 0	\$ 41,888	\$ 43,333	\$ 44,777
14	Deduct City Income Tax	0	0	0	0
15	Federal Taxable Income	(2,277,911)	757,019	783,121	809,221
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16	Total Federal Tax	\$ 0	\$ 257,386	\$ 266,261	\$ 275,135
	Provision for Missouri Income Tax				
17	Net Taxable Income	\$ (2,277,911)	\$ 798,907	\$ 826,454	\$ 853,998
18	Deduct Federal Income Tax 50.0 %	\$ 0	\$ 128,693	\$ 133,131	\$ 137,568
19	Deduct City Income Tax	0	0	0	0
20	Missouri Taxable Income	(2,277,911)	670,214	693,324	716,431
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21	Total Missouri Tax	\$ 0	\$ 41,888	\$ 43,333	\$ 44,777

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Income Tax

Line	Test Year	7.72% Return	7.90% Return	8.08% Return
(A)	(B)	(C)	(D)	(E)
Provision for City Income Tax				
22 Net Taxable Income	\$ (2,277,911)	\$ 798,907	\$ 826,454	\$ 853,998
23 Deduct Federal Income Tax	\$ 0	\$ 257,386	\$ 266,261	\$ 275,135
24 Deduct Missouri Income Tax	0	41,888	43,333	44,777
25 City Taxable Income	(2,277,911)	499,633	516,860	534,086
26 Total City Tax	\$ 0	\$ 0	\$ 0	\$ 0
Summary of Provision for Income Tax				
27 Federal Income Tax	\$ 0	\$ 257,386	\$ 266,261	\$ 275,135
28 Missouri Income Tax	0	41,888	43,333	44,777
29 City Income Tax	0	0	0	0
30 Total	\$ 0	\$ 299,274	\$ 309,594	\$ 319,912
Deferred Income Taxes				
31 Deferred Investment Tax Credit	\$ 0	\$ 0	\$ 0	\$ 0
32 Deferred Repair Allowance	0	0	0	0
33 Deferred Tax Depreciation	(124,401)	(124,401)	(124,401)	(124,401)
34 Amort of Deferred Tax Depreciation	0	0	0	0
35 Amort of Repair Allowance	0	0	0	0
36 Amort of Deferred ITC	0	0	0	0
37 Deferred Unbilled	0	0	0	0
38 Total	\$ (124,401)	\$ (124,401)	\$ (124,401)	\$ (124,401)

39 Total Income Tax	\$ (124,401)	\$ 174,873	\$ 185,193	\$ 195,511
