

Aquila Networks - MPS
12 Months Ended June 30, 2008
Per Books \$(000)

<u>Total Company Rate Base</u>		<u>Measurement Basis</u>		<u>12 Months Ended</u>
				<u>June 30, 2008</u>
Plant in Service				
Intangible	End of Period		22	
Production - Steam	End of Period		377,391	
Production - Other	End of Period		196,452	
Transmission	End of Period		237,356	
Distribution	End of Period		729,890	
General	End of Period		<u>124,994</u>	
Total Plant in Service				\$ 1,666,104
Reserve for Depreciation				
Intangible	End of Period		6	
Production - Steam	End of Period		221,309	
Production - Other	End of Period		37,535	
Transmission	End of Period		77,341	
Distribution	End of Period		268,588	
General	End of Period		50,348	
Total Reserve for Depreciation				<u>655,128</u>
Net Plant				1,010,977
Add				
Materials & Supplies	13 Mo Avg		26,591	
Cash	From prior rate case including offsets	CWC	(18,558)	
Fuel Inventory	13 Mo Avg		24,500	
Prepayments	13 Mo Avg		1,419	
Other Regulatory Assets	End of Period		4,005	
Less				
Customer Deposits	13 Mo Avg		(5,831)	
Customer Advances	13 Mo Avg		(8,771)	
Accumulated Deferred Income Taxes	End of Period		(105,213)	
Other Regulatory Liabilities	End of Period		(3,957)	
Other Items from Prior Rate Case	Per Rate Case method			<u>-</u>
Total Rate Base				<u>\$ 925,163</u>
Net Operating Income				\$ 70,045
Return on Rate Base				7.57%

Aquila Networks - MPS
Per Books at June 30, 2008
FINANCIAL SURVEILLANCE MONITORING REPORT
CAPITAL STRUCTURE AND RATE OF RETURN

Overall Cost of Capital

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 550,910,073	54.66%	5.67%	3.10%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	-	0.00%		0.00%
Other	-	0.00%		0.00%
Common Equity	<u>456,986,635</u>	45.34%	10.25%	<u>4.65%</u>
Total Overall Cost of Capital	\$ 1,007,896,708	100.00%		7.75%
Based on Rate Case Rate of Return on Equity				

Actual Earned Return on Equity

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 550,910,073	54.66%	5.67%	3.10%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	-	0.00%		0.00%
Other	-	0.00%		0.00%
Common Equity	<u>456,986,635</u>	45.34%	9.87%	<u>4.47%</u>
Total Overall Cost of Capital	\$ 1,007,896,708	100.00%		7.57%
Actual Rate of Return on Equity				

Missouri Public Service
Quarter Ended and 12 Months Ended
Per Books at June 30, 2008
(IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
OPERATING INCOME STATEMENT

	Quarter Ended As of Qtr2	12 Months Ended As of June 2008
Operating Revenues:		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ 58,448	\$ 267,852
Commercial	39,073	146,322
Industrial	11,840	42,153
Total of Sales to Residential, Commercial, & Industrial Customers	\$ 109,361	\$ 456,327
Other Sales to Ultimate Customers	8,664	32,268
Sales for Resale		
Off-System Sales	6,831	41,275
Other Sales for Resale	345	1,576
Provision for Refunds	-	-
Other Operating Revenues	2,098	9,445
Total Operating Revenues	\$ 127,298	\$ 540,891
Operating & Maintenance Expenses:		
Production Expenses		
Fuel Expense		
Native Load	12,609	93,151
Off-System Sales	301	2,178
Other Production-Operations	3,770	12,154
Other Production-Maintenance	7,730	19,651
Purchased Power-Energy		
Native Load	32,807	100,188
Off-System Sales	5,351	32,905
Purchased Power-Capacity	2,645	11,859
Total Production Expenses	65,215	272,086
Transmission Expenses	5,113	21,733
Distribution Expenses	6,760	23,064
Customer Accounts Expense	2,561	10,232
Customer Service & Informational Expenses	65	256
Sales Expenses	90	342
Administrative & General Expenses	15,815	57,450
Total Operating & Maintenance Expenses	\$ 95,619	\$ 385,162
Depreciation & Amortization Expense:		
Depreciation Expense	12,330	48,305
Amortization Expense	117	403
Decommissioning Expense	-	-
Other	-	-
Total Depreciation & Amortization Expense	12,447	48,707
Taxes Other than Income Taxes	3,682	13,378
Operating Income Before Income Tax	15,550	93,643
Income Taxes	3,330	23,598
Net Operating Income	\$ 12,220	\$ 70,045
Actual Cooling Degree Days	355	1,587
Normal Cooling Degree Days	377	1,325
Actual Heating Degree Days	509	5,413
Normal Heating Degree Days	463	5,249

MISSOURI PUBLIC SERVICE
12 Months Ended June 30, 2008
FINANCIAL SURVEILLANCE MONITORING REPORT
Missouri Jurisdictional Allocation Factors

<u>Description</u>	<u>Allocation Factor</u>
Plant in Service	
Intangible	99.469%
Production - Steam	99.485%
Production - Other	99.485%
Transmission	99.485%
Distribution	99.450%
General	99.469%
Total Plant in Service	99.469%
Reserve for Depreciation	
Intangible	99.450%
Production - Steam	99.485%
Production - Other	99.485%
Transmission	99.485%
Distribution	99.450%
General	99.469%
Total Reserve for Depreciation	99.469%
Net Plant	
Materials & Supplies	99.485%
Cash	
Fuel Inventory	99.575%
Prepayments	99.469%
Other Regulatory Assets	99.469%
Customer Deposits	100.000%
Customer Advances	100.000%
Accumulated Deferred Income Taxes	99.469%
Other Regulatory Liabilities	99.485%
Other Items from Prior Rate Case	n/a
Operating Revenues	100.000%
Intercompany Revenues	100.000%
Production Expenses	
Fuel Expense	
Native Load	99.575%
Off System Sales	99.575%
Other Production Operations	99.575%
Other Production Maintenance	99.485%
Purchased Power-Energy	99.575%
Native Load	99.575%
Off System Sales	99.575%
Purchased Power-Capacity	99.485%
Total Production Expenses	99.559%
Transmission Expenses	99.485%
Distribution Expenses	99.450%
Customer Accounts Expense	100.000%
Customer Serv & Info Expense	100.000%
Sales Expense	100.000%
Administrative & General Expense	99.485%
Depreciation Expense	
Depreciation Expense	99.469%
Amortization Expense	99.469%
Taxes Other than Income Taxes	99.469%
Income Taxes	100.000%
Other Items	99.469%

**MISSOURI PUBLIC SERVICE
Quarter Ended and 12 Months Ended
Per Books at June 30, 2008
FINANCIAL SURVEILLANCE MONITORING REPORT**

NOTES TO FINANCIAL SURVEILLANCE REPORT