

Aquila Networks - MPS Electric Division  
Case No. ER 2004-0034  
Reconciliation of Issues (Corrected 2/17/04)

1	Company Revenue Requirement	\$76,973,440
	<b><u>Rate of Return</u></b>	
2	Return on Equity	(\$12,405,325)
3	Capital Structure	(\$7,688,777)
	<b><u>Rate Base</u></b>	
4	Jurisdictional Allocations - Odessa	(\$1,283,096)
5	Exclusion of Storm Cost AAO from Rate Base	(\$727,230)
6	Prepaid Pension Asset	(\$1,045,205)
7	Merger Savings - General Plant	(\$108,113)
8	CWC - Interest and Income Tax Offsets	(\$939,130)
	<b><u>Revenue Issues</u></b>	
9	Customer Growth – Rate Codes 710 and 711	(\$1,562,237)
10	Customer Growth - Large Customer Class	(\$585,794)
	<b><u>Expense Issues</u></b>	
11	Fuel Expense Annualization	(\$601,065)
12	Purchased Power Energy Costs	(\$4,779,924)
13	Purchased Power Demand Costs	(\$6,253,147)
14	Gas Cost Cap	(\$4,568,954)
15	Pension Expense	(\$662,290)
16	Amortization of Prepaid Pension Asset	\$1,422,707
17	Bad Debt Expense (Uncollectibles)	(\$366,028)
18	Accounts Receivable Program - CWC Impact	(\$1,288,522)
19	Property Tax Annualization	(\$259,445)
20	Incentive Compensation	(\$601,803)
21	April 1, 2004 Payroll Increase & Payroll Taxes	(\$583,135)

22	Cost of Removal	\$1,471,338
23	Depreciation Expense	(\$14,460,089)
24	Merger Savings - O&M and Joint Dispatch	(\$5,584,096)
25	State Based Restructuring - Severance Costs	(\$855,874)
26	Corporate Restructuring Costs - Labor and Non-Labor	(\$887,421)
27	Income Tax - Straight-Line Tax Depreciation Deduction	(\$4,716,181)
28	Supplemental Executive Retirement Plan (SERP)	(\$401,551)
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29	Staff Revenue Requirement	\$6,653,054
	<b><u>OPC Issues</u></b>	
30	Eliminate Sibley AAO's from Rate Base	(\$285,807)
31	Excess Capacity at 20 West 9th Building - Rate Base	(\$379,578)
32	O&M and Depreciation Expense - 20 West 9th	(\$161,356)
33	Gas Remediation Costs	\$50,511
34	Cost of Gas used in Fuel Annualization	\$776,470
35	Corporate Restructuring Cost Elimination	(\$1,035,158)
36	Accumulated Deferred Income Tax Offset - Sibley AAO's	(\$324,152)
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37	OPC Revenue Requirement	\$5,293,985