

Aquila Networks - MPS
12 Months Ended December 31, 2007
Per Books \$(000)

<u>Total Company Rate Base</u>		<u>Measurement Basis</u>		<u>12 Months Ended 12/31/2007</u>	
Plant in Service					
	Intangible	End of Period		251	
	Production - Steam	End of Period		371,278	
	Production - Other	End of Period		190,248	
	Transmission	End of Period		233,808	
	Distribution	End of Period		709,027	
	General	End of Period		<u>124,718</u>	
	Total Plant in Service				\$ 1,629,331
Reserve for Depreciation					
	Intangible	End of Period		235	
	Production - Steam	End of Period		219,575	
	Production - Other	End of Period		34,074	
	Transmission	End of Period		75,780	
	Distribution	End of Period		261,623	
	General	End of Period		47,153	
	Total Reserve for Depreciation				<u>638,442</u>
Net Plant					990,889
Add					
	Materials & Supplies	13 Mo Avg			26,491
	Cash	From prior rate case including offsets	CWC		(18,558)
	Fuel Inventory	13 Mo Avg			25,175
	Prepayments	13 Mo Avg			2,171
	Other Regulatory Assets	End of Period			5,211
Less					
	Customer Deposits	13 Mo Avg			(5,180)
	Customer Advances	13 Mo Avg			(9,280)
	Accumulated Deferred Income Taxes	End of Period			(111,159)
	Other Regulatory Liabilities	End of Period			(3,135)
Other Items from Prior Rate Case		Per Rate Case method			<u>-</u>
Total Rate Base				\$	<u>902,625</u>
Net Operating Income				\$	67,728
Return on Rate Base					7.50%

MISSOURI PUBLIC SERVICE
12 Months Ended December 31, 2007
Per Books \$(000)
FINANCIAL SURVEILLANCE MONITORING REPORT
CAPITAL STRUCTURE AND RATE OF RETURN

Overall Cost of Capital

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 492,315	51.99%	6.50%	3.38%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	-	0.00%		0.00%
Other	-	0.00%		0.00%
Common Equity	454,686	48.01%	10.25%	4.92%
Total Overall Cost of Capital	<u>\$ 947,000</u>	<u>100.00%</u>		8.30%

Based on Rate Case Rate of Return on Equity

Actual Earned Return on Equity

	Amount	Percent	Cost	Weighted Cost
Long-Term Debt	\$ 492,315	51.99%	6.50%	3.38%
Short-Term Debt	-	0.00%		0.00%
Preferred Stock	-	0.00%		0.00%
Other	-	0.00%		0.00%
Common Equity	454,686	48.01%	8.58%	4.12%
Total Overall Cost of Capital	<u>\$ 947,000</u>	<u>100.00%</u>		7.50%

Actual Rate of Return on Equity

Missouri Public Service
Quarter Ended and 12 Months Ended
December 31, 2007
Per Books (IN THOUSANDS OF DOLLARS)
FINANCIAL SURVEILLANCE MONITORING REPORT
OPERATING INCOME STATEMENT

	Quarter Ended December 31, 2007	12 Months Ended December 31, 2007
Operating Revenues:		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ 50,286	\$ 250,639
Commercial	29,637	136,035
Industrial	8,775	39,139
Total of Sales to Residential, Commercial, & Industrial Customers	\$ 88,697	\$ 425,812
Other Sales to Ultimate Customers	6,504	30,113
Sales for Resale		
Off-System Sales	9,530	58,865
Other Sales for Resale	361	1,524
Provision for Refunds	-	-
Other Operating Revenues	2,299	9,567
Total Operating Revenues	\$ 107,392	\$ 525,881
Operating & Maintenance Expenses:		
Production Expenses		
Fuel Expense		
Native Load	21,200	104,797
Off-System Sales	672	2,929
Other Production-Operations	2,227	12,314
Other Production-Maintenance	3,285	16,834
Purchased Power-Energy		
Native Load	16,294	78,337
Off-System Sales	6,615	47,285
Purchased Power-Capacity	1,859	12,644
Total Production Expenses	52,153	275,140
Transmission Expenses	4,701	22,742
Distribution Expenses	5,359	21,054
Customer Accounts Expense	2,622	10,217
Customer Service & Informational Expenses	72	249
Sales Expenses	83	401
Administrative & General Expenses	10,711	47,200
Total Operating & Maintenance Expenses	\$ 75,702	\$ 377,003
Depreciation & Amortization Expense:		
Depreciation Expense	11,906	47,766
Amortization Expense	86	445
Decommissioning Expense	-	-
Other	-	-
Total Depreciation & Amortization Expense	11,992	48,211
Taxes Other than Income Taxes	2,338	12,934
Operating Income Before Income Tax	17,360	87,731
Income Taxes	2,792	20,003
Net Operating Income	\$ 14,568	\$ 67,728
Actual Cooling Degree Days	57	1,654
Normal Cooling Degree Days	12	1,325
Actual Heating Degree Days	1,927	4,925
Normal Heating Degree Days	1,984	5,249

MISSOURI PUBLIC SERVICE
12 Months Ended
December 31, 2007
FINANCIAL SURVEILLANCE MONITORING REPORT
Missouri Jurisdictional Allocation Factors

<u>Description</u>	<u>Allocation Factor</u>
Plant in Service	
Intangible	99.433%
Production - Steam	99.463%
Production - Other	99.463%
Transmission	99.463%
Distribution	99.433%
General	99.448%
Total Plant in Service	99.449%
Reserve for Depreciation	
Intangible	99.433%
Production - Steam	99.463%
Production - Other	99.463%
Transmission	99.463%
Distribution	99.433%
General	99.448%
Total Reserve for Depreciation	99.450%
Net Plant	
Materials & Supplies	99.453%
Cash	
Fuel Inventory	99.485%
Prepayments	99.448%
Other Regulatory Assets	99.385%
Customer Deposits	100.000%
Customer Advances	100.000%
Accumulated Deferred Income Taxes	99.448%
Other Regulatory Liabilities	99.454%
Other Items from Prior Rate Case	n/a
Operating Revenues	100.000%
Intercompany Revenues	100.000%
Production Expenses	
Fuel Expense	
Native Load	99.485%
Off System Sales	99.463%
Other Production Operations	99.484%
Other Production Maintenance	99.463%
Purchased Power-Energy	99.485%
Native Load	99.485%
Off System Sales	99.485%
Purchased Power-Capacity	99.463%
Total Production Expenses	99.482%
Transmission Expenses	99.463%
Distribution Expenses	99.433%
Customer Accounts Expense	100.000%
Customer Serv & Info Expense	100.000%
Sales Expense	100.000%
Administrative & General Expense	99.467%
Depreciation Expense	
Depreciation Expense	99.448%
Amortization Expense	99.448%
Taxes Other than Income Taxes	99.449%
Income Taxes	100.000%
Other Items	99.448%

MISSOURI PUBLIC SERVICE
Quarter Ended and 12 Months Ended 9/30/07
Per Books
FINANCIAL SURVEILLANCE MONITORING REPORT

NOTES TO FINANCIAL SURVEILLANCE REPORT