

**Aquila Networks - L&P**  
**12 Months Ended June 30, 2008**  
**Per Books \$(000)**

<b><u>Total Company Rate Base</u></b>		<b><u>Measurement Basis</u></b>		<b><u>12 Months Ended June 30, 2008</u></b>	
Plant in Service					
	Intangible	End of Period		75	
	Production - Steam	End of Period		158,710	
	Production - Other	End of Period		17,333	
	Transmission	End of Period		31,981	
	Distribution	End of Period		181,675	
	General	End of Period		<u>43,023</u>	
	Total Plant in Service				\$ 432,797
Reserve for Depreciation					
	Intangible	End of Period		-	
	Production - Steam	End of Period		97,561	
	Production - Other	End of Period		17,150	
	Transmission	End of Period		19,528	
	Distribution	End of Period		82,713	
	General	End of Period		<u>17,027</u>	
	Total Reserve for Depreciation				<u>233,979</u>
Net Plant					198,818
Add					
	Materials & Supplies	13 Mo Avg			7,742
	Cash	From prior rate case including offsets	CWC		(8,102)
	Fuel Inventory	13 Mo Avg			8,292
	Prepayments	13 Mo Avg			831
	Other Regulatory Assets	End of Period			17,630
Less					
	Customer Deposits	13 Mo Avg			(1,148)
	Customer Advances	13 Mo Avg			(150)
	Accumulated Deferred Income Taxes	End of Period			(38,313)
	Other Regulatory Liabilities	End of Period			-
Other Items from Prior Rate Case		Per Rate Case method			<u>-</u>
<b>Total Rate Base</b>					<b>\$ 185,599</b>
<b>Net Operating Income</b>					<b>18,849</b>
<b>Return on Rate Base</b>					<b>10.16%</b>

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

**Overall Cost of Capital**

	<b>Amount</b>	<b>Percent</b>	<b>Cost</b>	<b>Weighted Cost</b>
Long-Term Debt	\$ 170,396,000	52.30%	7.74%	4.05%
Short-Term Debt	-	0.00%	0.00%	0.00%
Preferred Stock	-	0.00%	0.00%	0.00%
Other	-	0.00%	0.00%	0.00%
Common Equity	<u>155,417,859</u>	<u>47.70%</u>	10.25%	<u>4.89%</u>
Total Overall Cost of Capital	\$ 325,813,859	100.00%		8.94%
Based on Rate Case Rate of Return on Equity				

**Actual Earned Return on Equity**

	<b>Amount</b>	<b>Percent</b>	<b>Cost</b>	<b>Weighted Cost</b>
Long-Term Debt	\$ 170,396,000	52.30%	7.74%	4.05%
Short-Term Debt		0.00%	0.00%	0.00%
Preferred Stock	-		0.00%	0.00%
Other	-		0.00%	0.00%
Common Equity	<u>155,417,859</u>	<u>47.70%</u>	12.80%	6.11%
Total Overall Cost of Capital	\$ 325,813,859	100.00%		<b>10.16%</b>
Actual Rate of Return on Equity				

**St. Joseph Light Power**  
**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
<b>Operating Revenues:</b>		
Sales to Residential, Commercial, & Industrial Customers		
Residential	\$ 12,560	\$ 59,072
Commercial	11,865	44,213
Industrial	8,038	28,333
Total of Sales to Residential, Commercial, & Industrial Customers	\$ 32,462	\$ 131,617
Other Sales to Ultimate Customers	379	1,404
Sales for Resale		
Off-System Sales	1,455	6,779
Other Sales for Resale	-	-
Provision for Refunds	-	-
Other Operating Revenues	5,147	23,030
<b>Total Operating Revenues</b>	<b>\$ 39,443</b>	<b>\$ 162,830</b>
<b>Operating &amp; Maintenance Expenses:</b>		
Production Expenses		
Fuel Expense		
Native Load	8,614	37,217
Off-System Sales	768	2,874
Other Production-Operations	2,390	8,800
Other Production-Maintenance	2,266	7,646
Purchased Power-Energy		
Native Load	6,178	23,376
Off-System Sales	278	1,824
Purchased Power-Capacity	2,418	9,627
Total Production Expenses	22,911	91,364
Transmission Expenses	1,813	6,565
Distribution Expenses	1,770	6,671
Customer Accounts Expense	639	2,560
Customer Service & Informational Expenses	36	136
Sales Expenses	24	75
Administrative & General Expenses	4,349	16,806
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 31,541</b>	<b>\$ 124,177</b>
<b>Depreciation &amp; Amortization Expense:</b>		
Depreciation Expense	3,025	11,848
Amortization Expense	421	871
Decommissioning Expense	-	-
Other	-	-
<b>Total Depreciation &amp; Amortization Expense</b>	<b>3,445</b>	<b>12,719</b>
Taxes Other than Income Taxes	1,139	4,362
Operating Income Before Income Tax	3,317	21,572
Income Taxes	76	2,724
<b>Net Operating Income</b>	<b>\$ 3,241</b>	<b>\$ 18,849</b>
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

**ST. JOSEPH LIGHT & POWER**  
**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	100.000%
Production - Steam	100.000%
Production - Other	100.000%
Transmission	100.000%
Distribution	100.000%
General	100.000%
Total Plant in Service	100.000%
Reserve for Depreciation	100.000%
Intangible	100.000%
Production - Steam	100.000%
Production - Other	100.000%
Transmission	100.000%
Distribution	100.000%
General	100.000%
Total Reserve for Depreciation	100.000%
Net Plant	100.000%
Materials & Supplies	100.000%
Cash	100.000%
Fuel Inventory	100.000%
Prepayments	100.000%
Other Regulatory Assets	100.000%
Customer Deposits	100.000%
Customer Advances	100.000%
Accumulated Deferred Income Taxes	100.000%
Other Regulatory Liabilities	100.000%
Other Items from Prior Rate Case	100.000%
Operating Revenues	100.000%
Intercompany Revenues	100.000%
Production Expenses	100.000%
Fuel Expense	100.000%
Native Load	100.000%
Off System Sales	100.000%
Other Production Operations	100.000%
Other Production Maintenance	100.000%
Purchased Power-Energy	100.000%
Native Load	100.000%
Off System Sales	100.000%
Purchased Power-Capacity	100.000%
Total Production Expenses	100.000%
Transmission Expenses	100.000%
Distribution Expenses	100.000%
Customer Accounts Expense	100.000%
Customer Serv & Info Expense	100.000%
Sales Expense	100.000%
Administrative & General Expense	100.000%
Depreciation Expense	
Depreciation Expense	100.000%
Amortization Expense	100.000%
Taxes Other than Income Taxes	100.000%
Income Taxes	100.000%
Other Items	100.000%

**ST. JOSEPH LIGHT & POWER**  
**Quarter Ended and 12 Months Ended**  
**Per Books at June 30, 2008**  
**FINANCIAL SURVEILLANCE MONITORING REPORT**

**NOTES TO FINANCIAL SURVEILLANCE REPORT**