

Exhibit No.:
Issue: Accounting Schedules
Witness: MoPSC Auditors
Sponsoring Party: MoPSC Staff
Case Nos.: ER-2004-0034 and
HR-2004-0024
(Consolidated)
Date Prepared: December 9, 2003

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

AQUILA, INC.

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

**CASE NOS. ER-2004-0034 AND HR-2004-0024
(CONSOLIDATED)**

*Jefferson City, Missouri
December 2003*

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated for Known & Meas 9-30-03

Revenue Requirement

Line 7.97% 8.15% 8.32% Return Return Return

(A) (B) (C) (D)

1 Net Orig Cost Rate Base (Sch 2) \$ 5,678,448 \$ 5,678,448 \$ 5,678,448 \$ 5,678,448

2 Rate of Return 7.97% 8.15% 8.32%

3 Net Operating Income Requirement \$ 452,572 \$ 462,794 \$ 472,447

4 Net Income Available (Sch 9) \$ (1,152,553) \$ (1,152,553) \$ (1,152,553)

5 Additional NOIBT Needed \$ 1,605,125 \$ 1,615,347 \$ 1,625,000

6 Income Tax Requirement (Sch 11) \$ 97,323 \$ 104,759 \$ 111,779

7 Required Current Income Tax \$ 97,323 \$ 104,759 \$ 111,779

8 Test Year Current Income Tax \$ 0 \$ 0 \$ 0

9 Additional Current Tax Required \$ 97,323 \$ 104,759 \$ 111,779

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 \$ 97,323 \$ 104,759 \$ 111,779

14 Gross Revenue Requirement \$ 1,702,448 \$ 1,720,106 \$ 1,736,779

AQUILA, INC.
CASE NOS. ER-2004-0034 AND HR-2004-0024

Weighted Cost of Capital as of June 30, 2001
For Aquila, Inc. d/b/a Aquila Networks MPS And
Aquila Networks L&P

Weighted Cost of Capital Using
Common Equity Return of:

Capital Component	Percentage of Capital	Embedded Cost	8.64%	9.14%	9.64%
Common Stock Equity	35.31%	---	3.05%	3.23%	3.40%
Long-Term Debt	64.31%	7.632%	4.91%	4.91%	4.91%
Short-Term Debt	0.38%	3.37%	0.01%	0.01%	0.01%
	<u>100.00%</u>		<u>7.97%</u>	<u>8.15%</u>	<u>8.32%</u>

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Rate Base

Line Description	Amount
(A)	(B)
1 Total Plant in Service (Sch 3)	\$ 9,266,943
Subtract from Total Plant	
2 Depreciation Reserve (Sch 6)	\$ 4,923,831
3 Net Plant in Service	\$ 4,343,112
Add to Net Plant in Service	
4 Cash Working Capital (Sch 8)	\$ 46,731
5 Materials and Supplies-Exempt	133,193
6 Undistributed Stores	18,076
7 Prepayments	8,641
8 Steam share of Aquila prepayments	873
9 Fuel Inventory	435,787
10 Prepaid Pension Asset	1,264,154
Subtract from Net Plant	
11 Federal Tax Offset ***** %	\$ 83,034
12 State Tax Offset ***** %	14,289
13 City Tax Offset 0.0000 %	0
14 Interest Expense Offset 14.2219 %	39,733
15 Customer Advances for Construction	0
16 Contribution in aid of Construction	0
17 Deferred Income Taxes-Depreciation	435,063
18 Total Rate Base	\$ 5,678,448

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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	\$ 289,246	\$ 0	8.3100	0 P-1	\$ 24,036
2	311.000	Structures & Improvements	10,897,384	0	7.2000	0 P-2	784,612
3	312.000	Boiler Plant Equipment	44,508,252	0	10.9300	0 P-3	4,864,752
4	314.000	Turbogenerator Units	12,389,730	0	0.1400	0 P-4	17,346
5	315.000	Accessory Electric Equipment	2,849,361	0	2.2000	0 P-5	62,686
6	316.000	Miscellaneous Power Plant Equipment	214,468	0	8.8700	0 P-6	19,023
7		Total	\$ 71,148,441	\$ 0		\$ 0	\$ 5,772,455
Steam Production Plant							
8	310.000	Land & Land Rights	\$ 11,524	\$ 0	100.0000	0 P-7	\$ 11,524
9	311.000	Structures & Improvements	64,204	0	100.0000	0 P-8	64,204
10	312.000	Boiler Plant Equipment	267,625	0	100.0000	0 P-9	267,625
11	315.000	Accessory Electric Equipment	270,852	0	100.0000	0 P-10	270,852
12		Total	\$ 614,205	\$ 0		\$ 0	\$ 614,205
Distribution Plant							
13	375.000	Industrial Steam - Distr. Strt&Impr	\$ 75,947	\$ 0	100.0000	0 P-11	\$ 75,947
14	376.000	Industrial Steam Mains	1,491,076	0	100.0000	0 P-12	1,491,076
15	379.000	Indust Steam-City Gate Mea/Reg	585,299	0	100.0000	0 P-13	585,299
16	380.000	Industrial Steam Services	101,492	0	100.0000	0 P-14	101,492
17	381.000	Industrial Steam Meters	290,942	0	100.0000	0 P-15	290,942
18		Total	\$ 2,544,756	\$ 0		\$ 0	\$ 2,544,756

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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							
19	389.000	Land & Land Rights	\$ 544,238	\$ 0	0.0000	\$ 0 P-16	\$ 0
20	390.000	Structures & Improvements	4,922,591	0	0.0000	0 P-17	0
21	391.001	Office Furniture & Equipment	323,482	0	0.0000	0 P-18	0
22	391.001	Office Furn & Equip - Lake Rd	421,426	0	8.4330	0 P-19	35,539
23	391.003	General Plant Computer Hardware	711,199	0	0.0000	0 P-20	0
24	391.003	Gen Plt-Computer Hardware - Lake Rd	379,932	0	8.4330	0 P-21	32,040
25	391.004	General Computer Software	324,776	0	0.0000	0 P-22	0
26	391.004	Gen Plt Comp Software - Lake Rd	106,199	0	8.4330	0 P-23	8,956
27	392.002	Transportation Equip. - Cars	16,766	0	8.4330	0 P-24	1,414
28	392.003	Transportation Equip. - Light Truck	120,913	0	8.4330	0 P-25	10,197
29	392.004	Transportation Equip. Med Truck	188,039	0	0.8158	0 P-26	1,534
30	392.005	Transportation Equip. - Heavy Truck	1,096,060	0	1.0790	0 P-27	11,826
31	393.000	Stores Equipment - General Electric	12,698	0	0.0000	0 P-28	0
32	393.000	Stores Equipment - Lake Road	841	0	8.4330	0 P-29	71
33	394.000	Tools/Shop & Garage Equip - Elec	1,204,869	0	0.0000	0 P-30	0
34	394.000	Tools/Shop/Garage Equip - Lake Rd	436,969	0	8.4330	0 P-31	36,850
35	395.000	Laboratory Equip - L&P Common	274,928	0	0.0000	0 P-32	0
36	395.000	Laboratory Equipment - Lake Rd	359,404	0	8.4330	0 P-33	30,309
37	396.000	Power Operated Equip-Lake Rd	999,703	0	8.4330	0 P-34	84,305
38	397.000	Communication Equipment - Common	1,819,483	0	0.0000	0 P-35	0
39	397.000	Communication Equip - Lake Rd	111,190	0	8.4330	0 P-36	9,377
40	398.000	Miscellaneous Equipment - Gen Elect	73,879	0	0.0000	0 P-37	0
41	398.001	Miscl Equipment - Lake Rd	10,234	0	8.4330	0 P-38	863
42		Total	\$ 14,459,819	\$ 0		\$ 0	\$ 263,281

Total Plant in Service

Line	No Acct	Description	Total Company	Total Co Adjustment	Allot Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)

L&P Common General Plant

43 389,000 Land and Land Rights \$ 213,180 \$ 0 0.6300 \$ 0 P-39 \$ 1,343

44 390,001 Structures and Improvements 6,021,911 0 0.6300 0 P-40 37,938

45 391,001 Office Furniture and Equipment 38,137 0 0.6300 0 P-41 240

46 391,003 Computer Hardware 176,852 0 0.6300 0 P-42 1,114

47 391,004 Computer Software 2,937 0 0.6300 0 P-43 19

48 391,011 Office Machines 137,041 0 0.6300 0 P-44 863

49 392,003 Transportation Equip - Light Truck 211,612 0 0.6300 0 P-46 1,333

50 392,004 Transportation Equip - Medium Truck 343,361 0 0.6300 0 P-47 2,163

51 392,005 Transportation Equip - Heavy Truck 229,662 0 0.6300 0 P-48 1,447

52 396,006 Transportation Equip - Trailers 180,150 0 0.6300 0 P-49 1,135

53 393,000 Stores Equipment 5,253 0 0.6300 0 P-50 33

54 394,000 Tools, Shop & Garage Equipment 72,513 0 0.6300 0 P-51 457

55 396,002 Power Operated Equip - Long Life 348,908 0 0.6300 0 P-53 2,198

56 397,000 Communications Equipment 667,873 0 0.6300 0 P-54 4,208

57 398,000 Miscellaneous Equipment 20,762 0 0.6300 0 P-55 131

58 Total \$ 8,670,152 \$ 0 0 \$ 54,622

L&P Portion of Aquila Common Plant

59 391,001 Office Furniture & Equipment \$ 896 \$ 0 100.0000 \$ 0 P-56 \$ 896

60 391,003 Computer Hardware 1,893 0 100.0000 0 P-57 1,893

61 391,004 Computer Software 10,835 0 100.0000 0 P-58 10,835

62 397,000 Communications Equipment 4,000 0 100.0000 0 P-59 4,000

63 Total \$ 17,624 \$ 0 0 \$ 17,624

64 Total Plant in Service \$ 97,454,997 \$ 0 0 \$ 9,266,943

Accounting Schedule: 4

Miller

17:15 12/09/2003

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Total Plant

Adj		Total Co	Mo Juris
No	Description	Adjustment	Adjustment

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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	\$ 24,036	0.0000	\$ 0
2	311.000	Structures & Improvements	784,612	2.2200	17,418
3	312.000	Boiler Plant Equipment	4,864,752	4.7600	231,562
4	314.000	Turbogenerator Units	17,346	4.5500	789
5	315.000	Accessory Electric Equipment	62,686	2.6300	1,649
6	316.000	Miscellaneous Power Plant Equipment	19,023	2.8600	544
7		Total	\$ 5,772,455		\$ 251,962
Steam Production Plant					
8	310.000	Land & Land Rights	\$ 11,524	0.0000	\$ 0
9	311.000	Structures & Improvements	64,204	2.2200	1,425
10	312.000	Boiler Plant Equipment	267,625	2.2200	5,941
11	315.000	Accessory Electric Equipment	270,852	2.6300	7,123
12		Total	\$ 614,205		\$ 14,489
Distribution Plant					
13	375.000	Industrial Steam - Distr. Strt&Impr	\$ 75,947	2.2200	\$ 1,686
14	376.000	Industrial Steam Mains	1,491,076	2.2700	33,847
15	379.000	Indust Steam-City Gate Mea/Reg	585,299	2.2700	13,286
16	380.000	Industrial Steam Services	101,492	2.2700	2,304
17	381.000	Industrial Steam Meters	290,942	4.0000	11,638
18		Total	\$ 2,544,756		\$ 62,761

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
	(A)		(B)	(C)	(D)
General Plant					
19	389.000	Land & Land Rights	\$ 0	0.0000	\$ 0
20	390.000	Structures & Improvements	0	2.2200	0
21	391.001	Office Furniture & Equipment	0	4.5500	0
22	391.001	Office Furn & Equip - Lake Rd	35,539	4.5500	1,617
23	391.003	General Plant Computer Hardware	0	14.2900	0
24	391.003	Gen Plt-Computer Hardware - Lake Rd	32,040	14.2900	4,579
25	391.004	General Computer Software	0	14.2900	0
26	391.004	Gen Plt Comp Software - Lake Rd	8,956	14.2900	1,280
27	392.002	Transportation Equip. - Cars	1,414	0.0000	0
28	392.003	Transportation Equip. - Light Truck	10,197	0.0000	0
29	392.004	Transportation Equip. Med Truck	1,534	0.0000	0
30	392.005	Transportation Equip. - Heavy Truck	11,826	0.0000	0
31	393.000	Stores Equipment - General Electric	0	3.7000	0
32	393.000	Stores Equipment - Lake Road	71	3.7000	3
33	394.000	Tools/Shop & Garage Equip - Elec	0	3.7000	0
34	394.000	Tools/Shop/Garage Equip - Lake Rd	36,850	3.7000	1,363
35	395.000	Laboratory Equip - L&P Common	0	3.4500	0
36	395.000	Laboratory Equipment - Lake Rd	30,309	3.4500	1,046
37	396.000	Power Operated Equip-Lake Rd	84,305	0.0000	0
38	397.000	Communication Equipment - Common	0	3.4500	0
39	397.000	Communication Equip - Lake Rd	9,377	3.4500	324
40	398.000	Miscellaneous Equipment - Gen Elect	0	4.3500	0
41	398.001	Miscellaneous Equipment - Lake Rd	863	4.3500	38
42		Total	\$ 263,281		\$ 10,250

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
L&P Common General Plant					
43	389.000	Land and Land Rights	\$ 1,343	0.0000	\$ 0
44	390.001	Structures and Improvements	37,938	2.2200	842
45	391.001	Office Furniture and Equipment	240	4.5500	11
46	391.003	Computer Hardware	1,114	14.2900	159
47	391.004	Computer Software	19	14.2900	3
48	391.011	Office Machines	863	14.2900	123
49	392.003	Transportation Equip - Light Truck	1,333	0.0000	0
50	392.004	Transportation Equip - Medium Truck	2,163	0.0000	0
51	392.005	Transportation Equip - Heavy Truck	1,447	0.0000	0
52	396.006	Transportation Equip - Trailers	1,135	0.0000	0
53	393.000	Stores Equipment	33	3.7000	1
54	394.000	Tools, Shop & Garage Equipment	457	3.7000	17
55	396.002	Power Operated Equip - Long Life	2,198	0.0000	0
56	397.000	Communications Equipment	4,208	3.4500	145
57	398.000	Miscellaneous Equipment	131	4.3500	6
58		Total	\$ 54,622		\$ 1,307
L&P Portion of Aquila Common Plant					
59	391.001	Office Furniture & Equipment	\$ 896	4.5500	\$ 41
60	391.003	Computer Hardware	1,893	14.2900	271
61	391.004	Computer Software	10,835	14.2900	1,548
62	397.000	Communications Equipment	4,000	3.4500	138
63		Total	\$ 17,624		\$ 1,998
64		Total Depreciation Expense	\$ 9,266,943		\$ 342,767

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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	\$ 4,508,558	\$ 0	7.2000	0 R-1	\$ 324,616
2	312.000	Boiler Plant Equipment - Lake Rd	26,898,333	0	10.9300	0 R-2	2,939,988
3	314.000	Turbogenerator Units	8,005,311	0	0.1400	0 R-3	11,207
4	315.000	Accessory Electric Equip - Lake Rd	2,482,636	0	2.2000	0 R-4	54,618
5	316.000	Misc'l Power Plant Equip - Lake Rd	172,291	0	8.8700	0 R-5	15,282
6		Total	\$ 42,067,129	\$ 0		\$ 0	\$ 3,345,711
Steam Production Plant							
7	311.000	Structures & Improvements	\$ (15,651)	\$ 0	100.0000	0 R-6	\$ (15,651)
8	312.000	Boiler Plant Equipment	59,864	0	100.0000	0 R-7	59,864
9	315.000	Accessory Electric Equipment	140,005	0	100.0000	0 R-8	140,005
10		Total	\$ 184,218	\$ 0		\$ 0	\$ 184,218
Distribution Plant							
11	375.000	Industrial Steam - Distr. Str&Impr	\$ 27,924	\$ 0	100.0000	0 R-9	\$ 27,924
12	376.000	Industrial Steam Mains	750,804	0	100.0000	0 R-10	750,804
13	379.000	Industrial Steam-City Gate Mea/Reg	284,290	0	100.0000	0 R-11	284,290
14	380.000	Industrial Steam Services	76,467	0	100.0000	0 R-12	76,467
15	381.000	Industrial Steam Meters	127,076	0	100.0000	0 R-13	127,076
16		Total	\$ 1,266,561	\$ 0		\$ 0	\$ 1,266,561

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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	\$ 2,175,043	\$ 0	0.0000	0 R-14	\$ 0
18	391.001	Office Furniture & Equipment	116,147	0	0.0000	0 R-15	0
19	391.001	Office Furniture & Equip - Lake Rd	116,147	0	8.4330	0 R-16	9,795
20	391.003	General Plant Computer Hardware	(34,494)	0	0.0000	0 R-17	0
21	391.003	Gen Plt Computer Hardware - Lake Rd	31,668	0	8.4330	0 R-18	2,671
22	391.004	General Computer Software	324,776	0	0.0000	0 R-19	0
23	391.004	Gen Plt Computer Software - Lake Rd	50,037	0	8.4330	0 R-20	4,220
24	392.000	Transportation Equipment - Cars	16,766	0	8.4330	0 R-21	1,414
25	392.003	Transportation Equip - Light Truck	95,446	0	8.4330	0 R-22	8,049
26	392.004	Transprotation Equip - Med Truck	160,740	0	0.8158	0 R-23	1,311
27	392.005	Transportation Equip. - Heavy Truck	821,250	0	1.0790	0 R-24	8,861
28	393.000	Stores Equipment - General Electric	126,900	0	0.0000	0 R-25	0
29	393.000	Stores Equipment - Lake Rd	188	0	8.4330	0 R-26	16
30	394.000	Tools/Shop & Garage Equip-Elect	549,986	0	0.0000	0 R-27	0
31	394.000	Tools/Shop & Garage Equip-Lake Rd	254,890	0	8.4330	0 R-28	21,495
32	395.000	Laboratory Equipment-L&P Common	165,008	0	0.0000	0 R-29	0
33	395.000	Laboratory Equip - Lake Rd	186,241	0	8.4330	0 R-30	15,706
34	396.000	Power Operated Equip-Lake Rd	267,797	0	8.4330	0 R-31	22,583
35	397.000	Communication Equipment - Common	1,188,995	0	0.0000	0 R-32	0
36	398.001	Miscl Equipment - Lake Rd	3,439	0	8.4330	0 R-33	290
37	398.000	Miscellaneous Equipment - Gen Elect	36,656	0	0.0000	0 R-34	0
38		Total	\$ 6,653,626	\$ 0		\$ 0	\$ 96,411

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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							
39	390.001	Structures & Improvements	\$ 3,121,101	\$ 0	0.6300	\$ 0 R-35	\$ 19,663
40	391.001	Office Furniture & Equipment	(275,186)	0	0.6300	0 R-36	(1,734)
41	391.003	Computer Hardware	63,363	0	0.6300	0 R-37	399
42	391.004	Computer Software	2,975	0	0.6300	0 R-38	19
43	391.011	Office Machines	61,806	0	0.6300	0 R-39	389
44	392.001	Transportation Equip - Light Trucks	73,659	0	0.6300	0 R-40	464
45	392.004	Transportation Equip - Med Trucks	319,466	0	0.6300	0 R-41	2,013
46	392.005	Transportation Equip - Heavy Trucks	106,773	0	0.6300	0 R-42	673
47	392.006	Transportation Equip - Trailers	181,879	0	0.6300	0 R-43	1,146
48	393.000	Stores Equipment	3,154	0	0.6300	0 R-44	20
49	394.000	tools, Shop & Garage Equipment	36,186	0	0.6300	0 R-45	228
50	396.002	Power Operated Equip - Long Life	160,131	0	0.6300	0 R-46	1,009
51	397.000	Communications Equipment	275,927	0	0.6300	0 R-47	1,738
52	398.000	Miscellaneous Equipment	(2,185)	0	0.6300	0 R-48	(14)
53		Total	\$ 4,129,049	\$ 0		\$ 0	\$ 26,013
L&P Portion Of Aquila Common Plant							
54	391.001	Office Furniture & Equipment	\$ 125	\$ 0	100.0000	\$ 0 R-49	\$ 125
55	391.003	Computer Hardware	841	0	100.0000	0 R-50	841
56	391.004	Computer Software	2,275	1,359	100.0000	0 R-51	3,634
57	397.000	Communications Equipment	317	0	100.0000	0 R-52	317
58		Total	\$ 3,558	\$ 1,359		\$ 0	\$ 4,917
59		Total Depreciation Reserve	\$ 54,304,141	\$ 1,359		\$ 0	\$ 4,923,831

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Depreciation Reserve

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Computer Software	R-51	\$ 1,359	

1. To adjust depreciation reserve to reflect the write-off of general plant. (Traxler)		\$ 1,359	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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	\$ 2,667,387	41.0054	44.1400	(3.1346)	(0.008588)	\$ (22,908)
2	Federal Income Taxes Withheld	71,334	41.0054	16.2733	24.7321	0.067759	4,834
3	State Income Taxes Withheld	20,230	41.0054	18.4940	22.5114	0.061675	1,248
4	FICA Taxes Withheld - Employee	35,109	41.0054	16.2689	24.7365	0.067771	2,379
5	Net Payroll	333,962	41.0054	13.3844	27.6210	0.075674	25,272
6	Accrued Vacation	12,997	41.0054	365.0000	(323.9946)	(0.887656)	(11,537)
7	Purchased Gas	2,523,726	41.0054	37.6600	3.3454	0.009165	23,130
8	Purchased Oil	0	41.0054	47.3700	(6.3646)	(0.017437)	0
9	Injuries & Damages	3,843	41.0054	388.0000	(346.9946)	(0.950670)	(3,653)
10	Purchased Power	0	41.0054	45.2600	(4.2546)	(0.011656)	0
11	Lake Road - Coal & Freight	1,908,162	41.0054	25.0000	16.0054	0.043850	83,673
12		0	41.0054	0.0000	41.0054	0.112344	0
13		0	41.0054	0.0000	41.0054	0.112344	0
14	Pension Fund Payment	1,018	41.0054	90.0000	(48.9946)	(0.134232)	(137)
15	Lease Payments	0	41.0054	67.3200	(26.3146)	(0.072095)	0
16	Total Operation and Maintenance Expense	\$ 7,577,768					\$ 102,301
Taxes							
17	Ad Valorem/Property Taxes	\$ 154,027	41.0054	193.0000	(151.9946)	(0.416424)	\$ (64,141)
18	FICA Taxes - Employer's	35,109	41.0054	16.2689	24.7365	0.067771	2,379
19	Unemployment Taxes (FUTA & SUTA)	789	41.0054	87.7299	(46.7245)	(0.128012)	(101)
20	Corporate Franchise Taxes	0	41.0054	(78.0000)	119.0054	0.326042	0
21	City Franchise Taxes	76,874	41.0054	46.9038	(5.8984)	(0.016160)	(1,242)
22	Sales Taxes and Use Taxes	75,088	41.0054	4.3800	36.6254	0.100344	7,535
23	Total Taxes	\$ 341,887					\$ (55,570)
24	Total Cash Working Capital Req						\$ 46,731

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

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	\$ 6,641,575	\$ 282,899	100.0000	\$ 0 S-1	\$ 6,924,474
2	450.000	Forfeited Discounts	7,438	0	100.0000	0 S-2	7,438
3		Rent From Steam Property	0	0	100.0000	0 S-3	0
4	495.000	Other Steam Revenues	0	0	100.0000	0 S-4	0
5		Total	\$ 6,649,013	\$ 282,899		\$ 0	\$ 6,931,912

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
Operation & Maintenance Expense							
6	730.100	Steam Expense Transfer - Fuel	\$ 3,827,696	\$ 1,403,337	100.0000	\$ 0 S-5	\$ 5,231,033
7	730.200	Steam Expense Transfer - Operations	752,947	955,736	100.0000	0 S-6	1,708,683
8	730.300	Steam Expense Transfer - Maint	59,674	0	100.0000	0 S-7	59,674
9	760.100	Operation Supervision & Engineering	125,979	0	100.0000	0 S-8	125,979
10	761.000	Mains/Services	0	0	100.0000	0 S-9	0
11	765.000	Maint Supervision & Engineering	0	0	100.0000	0 S-10	0
12	767.000	Maintenance of Lines	0	0	100.0000	0 S-11	0
13	768.000	Maintenance of Meters	0	0	100.0000	0 S-12	0
14	901.000	Supervision - Customer Accounts	131,881	(1,322)	0.0000	0 S-13	0
15	902.000	Meter Reading Expense	498,154	16,210	0.0000	0 S-14	0
16	903.000	Customer Records & Collections	927,780	(8,315)	0.0000	0 S-15	0
17	904.000	Uncollectible Accounts	634,955	15	0.0000	0 S-16	0
18	905.000	Misc'l Customer Accts Expense	3	0	0.0000	0 S-17	0
19	907.000	Supervision - Customer Services	88,771	1,871	0.0000	0 S-18	0
20	909.000	Information & Instructional Adver	173,181	(31,049)	0.0000	0 S-19	0
21	910.000	Misc'l Customer Serv & Info Expense	12,131	141	0.0000	0 S-20	0
22	911.000	Supervision - Sales	12,389	1,399	0.0000	0 S-21	0
23	912.000	Demonstration/Selling Expenses	20,355	(1,394)	0.0000	0 S-22	0
24	913.000	Advertising Expenses	55,375	(33,021)	0.0000	0 S-23	0
25	916.000	Miscellaneous Sales Expense	183,371	255	0.0000	0 S-24	0
26	920.000	Administrative/General Salaries	2,612,355	(208,756)	2.6300	0 S-25	63,215
27	921.000	Office Supplies & Expenses	3,045,111	(1,109,234)	2.3500	0 S-26	45,493
28	922.000	Admin Expense Transferred-Credit	(421,679)	24,615	3.3400	0 S-27	(13,262)
29	923.000	Outside Services	1,148,960	(188,076)	2.9300	0 S-28	28,154
30	924.000	Property Insurance	318,138	956,953	10.8600	0 S-29	138,475
31	925.000	Injuries & Damages	231,975	891,806	1.0800	0 S-30	12,137
32	926.000	Employee Pension/Benefits	(1,228,237)	3,342,456	2.6400	111,341 S-31	167,156
33	927.000	Franchise Requirements	0	0	3.0200	0 S-32	0
34	928.000	Regulatory Commission Expense	334,181	(58,449)	3.0200	1,023 S-33	9,350
35	929.000	Duplicate Charges - Credit	(210,109)	0	7.3200	0 S-34	(15,380)
36	930.100	General Advertising Expenses	0	0	2.1600	0 S-35	0
37	930.200	Miscellaneous General Expenses	192,337	(92,416)	2.1600	0 S-36	2,158
38	931.000	Rents - General	72,522	(11,159)	2.7300	0 S-37	1,675
39	935.000	Maintenance of General Plant	169,333	(12,418)	8.4300	0 S-38	13,228
40		Total	\$ 13,769,529	\$ 5,839,185		\$ 112,364	\$ 7,577,768

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Depreciation Expense							
41		Depreciation Expense	\$ 13,336,915	\$ 0	0.6300	\$ 258,744 S-39	\$ 342,767
42	404.000	Amortization of Limited Term Plant	51,567	0	0.6300	0 S-40	325
43	404.300	Amortization of Limited Term Plant	3,634	0	0.6300	0 S-41	23
44	405.000	Amortization of Other Plant	2,247	24,382	0.6300	0 S-42	168
45		Cost of Removal/Salvage	0	0	0.6300	0 S-43	0
46		Total	\$ 13,394,363	\$ 24,382		\$ 258,744	\$ 343,283
Other Operating Expenses							
47	408.000	Taxes Other Than Income Taxes	\$ 4,877,231	\$ (289,083)	3.7500	\$ 0 S-44	\$ 172,056
48		Total	\$ 4,877,231	\$ (289,083)		\$ 0	\$ 172,056
49		Total Operating Expenses	\$ 32,041,123	\$ 5,574,484		\$ 371,108	\$ 8,093,107
50		Net Income Before Taxes	\$ (25,392,110)	\$ (5,291,585)		\$ (371,108)	\$ (1,161,195)
Current Income Taxes							
51		Current Income Taxes	\$ 2,415,194	\$ 0	5.0000	\$ (120,760) S-45	\$ 0
52		Total	\$ 2,415,194	\$ 0		\$ (120,760)	\$ 0
Deferred Income Taxes							
53	410.100	Deferred Income Taxes	\$ 4,702,697	\$ 0	2.1630	\$ (101,719) S-46	\$ 0
54	411.100	Amort. of Excess Deferred Inc Taxes	(6,010,724)	6,010,724	100.0000	0 S-47	0
55	411.400	Investment Tax Credit	(399,516)	0	2.1630	0 S-48	(8,642)
56		Total	\$ (1,707,543)	\$ 6,010,724		\$ (101,719)	\$ (8,642)
57		Total Income Taxes	\$ 707,651	\$ 6,010,724		\$ (222,479)	\$ (8,642)
58		Net Operating Income	\$ (26,099,761)	\$ (11,302,309)		\$ (148,629)	\$ (1,152,553)

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment

	Industrial Sales S-1	\$ 282,899	

1.	To adjust test year revenue to reflect the annualization of rate switching. (Pyatte)	\$ 438,998	
2.	To adjust test year revenue to reflect the large customer annualization. (Pyatte)	\$ (156,099)	

	Steam Expense Transfer - Fuel S-5	\$ 1,403,337	

1.	To adjust test year expense to reflect the Staff's annualization of the fuel expense transfer to Steam expenses. (Vesely)	\$ 1,403,337	

	Steam Expense Transfer - Operations S-6	\$ 955,736	

1.	Toa adjust test year expense to reflect the annualization of the steam transfer credit from L&P Elect. (Traxler)	\$ 955,736	

	Supervision - Customer Accounts S-13	\$ (1,322)	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 4,655	
2.	To adjust test year expense to reflect the disallowance of advertising expenses. (Miller)	\$ (216)	

Aquila, Inc. Dba Aquila Networks L&P - Steam
Case: HR-04-024
12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
3. To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (1,139)	
4. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (1,209)	
5. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (3,413)	

Meter Reading Expense S-14	\$ 16,210	

1. To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 21,551	
2. To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (5,272)	
3. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (18)	
4. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (51)	

Customer Records & Collections S-15	\$ (8,315)	

1. To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 27,352	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
2.	To include in the cost of service interest costs associated with the sale of accounts receivables. (Preston)	\$ 17,971	
3.	To adjust test year expense to reflect the annualization of postage expense. (Preston)	\$ 7,922	
4.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (6,691)	
5.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (14,354)	
6.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (40,515)	

	Uncollectible Accounts S-16	\$ 15	

1.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ 4	
2.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ 11	

	Supervision - Customer Services S-18	\$ 1,871	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 3,938	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
2.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (963)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (289)	
4.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (815)	

	Information & Instructional Adver S-19	\$ (31,049)	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 5,114	
2.	To adjust test year expense to reflect the disallowance of advertising expenses. (Miller)	\$ (29,266)	
3.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (1,251)	
4.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (1,477)	
5.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (4,169)	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment

	Miscl Customer Serv & Info Expense S-20	\$ 141	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 525	
2.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (128)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (67)	
4.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (189)	

	Supervision - Sales S-21	\$ 1,399	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 737	
2.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (180)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ 220	
4.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ 622	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Demonstration/Selling Expenses	S-22	\$ (1,394)

1. To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$	736
2. To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$	(180)
3. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$	(510)
4. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$	(1,440)

Advertising Expenses	S-23	\$ (33,021)

1. To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$	155
2. To adjust test year expense to reflect the disallowance of advertising expenses. (Miller)	\$	(31,364)
3. To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$	(38)
4. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$	(464)

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
5.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (1,310)	

	Miscellaneous Sales Expense S-24	\$ 255	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 5,317	
2.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (1,301)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (984)	
4.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (2,777)	

	Administrative/General Salaries S-25	\$ (208,756)	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 106,191	
2.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (25,976)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (2,935)	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
4.	To remove corporate allocated restructuring costs (CS-10) included in per book expense. (Hyneman)	\$ (277,751)	
5.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (8,285)	

	Office Supplies & Expenses S-26	\$ (1,109,234)	

1.	To adjust test year expense to reflect the annualization of postage expense. (Preston)	\$ 1,427	
2.	To adjust test year expense to refelect the disallowance of Dues and Donations expense. (Miller)	\$ (25,637)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (85,443)	
4.	To adjust test year expense to eliminate interest charged to this account by corporate. (Hyneman)	\$ (15,991)	
5.	To remove corporate allocated restructuring costs (CS-10) included in per book expense. (Hyneman)	\$ (5,413)	
6.	To remove corporate allocated TransUCU costs (CS-56) included in per book expense. (Hyneman)	\$ (237,971)	
7.	To remove corporate allocated prior period payroll cost (CS-83) from test year expense. (Hyneman)	\$ (499,039)	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
8.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (241,167)	

	Admin Expense Transferred-Credit S-27	\$ 24,615	

1.	To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 33	
2.	To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (8)	
3.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ 6,433	
4.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ 18,157	

	Outside Services S-28	\$ (188,076)	

1.	To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (41,646)	
2.	To remove corporate allocated restructuring costs (CS-10) included in per book expense. (Hyneman)	\$ (28,882)	
3.	To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (117,548)	

Aquila, Inc. Dba Aquila Networks L&P - Steam
 Case: HR-04-024
 12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	MO Juris Adjustment

Property Insurance	S-29	\$ 956,953

1. To adjust test year expense to reflect the annualization of Insurance premiums. (Miller)	\$	956,953

Injuries & Damages	S-30	\$ 891,806

1. To adjust test year expense to annualize the Injuries and Damages costs. (Miller)	\$	208,380
2. To adjust test year expense to reflect the annualization of Insurance premiums. (Miller)	\$	703,870
3. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$	(5,348)
4. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$	(15,096)

Employee Pension/Benefits	S-31	\$ 3,342,456 \$ 111,341

1. To adjust test year expense to reflect the annualization of the employer's share of health, dental and vision expense. (Eaves)	\$	(42,091)
2. To adjust test year expense to relect the disallowance of Dues and Donations expense. (Miller)	\$	(15)

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
3. To adjust test year pension expense to reflect the ERISA contribution for pension cost. (Traxler)	\$ 4,144,725	
4. To adjust test year expense to reflect the amortization of the prepaid pension assets. (Traxler)		\$ 111,341
5. To adjust test year expense to reflect the annualization of the employer ESOP expense. (Eaves)	\$ (4,552)	
6. To adjust test year expense to reflect the annualization of the employer's share of 401K Expense. (Eaves)	\$ (12,755)	
7. To adjust test year expense to remove the over accrual of medical, dental and vision insurance expense. (Eaves)	\$ (354,115)	
8. To adjust test year pensions and benefits expense to remove the corporate allocated charges for Aquila's Supplemental Executive Retirement Program (SERP). (Hyneman)	\$ (147,031)	
9. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (26,898)	
10. To remove corporate allocated restructuring costs (CS-10) included in per book expense. (Hyneman)	\$ (126,426)	
11. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (75,920)	
12. To adjust test year expense to reflect the annualization of 2003 OPEB costs. (Traxler)	\$ (12,466)	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Regulatory Commission Expense S-33	\$ (58,449)	\$ 1,023

1. To adjust test year expense to reflect the annulaization of the PSC assessment. (Miller)		\$ 1,023
2. To adjust test year expense to reflect the annualizationo of the rate case expense. (Miller)	\$ (58,826)	
3. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ 99	
4. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ 278	

Miscellaneous General Expenses S-36	\$ (92,416)	

1. To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 613	
2. To adjust test year expense to refelect the disallowance of Dues and Donations expense. (Miller)	\$ (76,907)	
3. To adjust test year expense to reflect the disallowance of advertising expenses. (Miller)	\$ (94)	
4. To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (150)	

Aquila, Inc. DbA Aquila Networks L&P - Steam
 Case: HR-04-024
 12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
5. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (4,154)	
6. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (11,724)	

Rents - General S-37	\$ (11,159)	

1. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (2,919)	
2. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (8,240)	

Maintenance of General Plant S-38	\$ (12,418)	

1. To adjust test year expense to reflect the annualization of payroll at Sept. 30, 2003. (Eaves)	\$ 1,652	
2. To adjust test year payroll expense to remove cost associated with the corporate financial restructuring. (Eaves)	\$ (404)	
3. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$ (3,575)	
4. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ (10,091)	

Aquila, Inc. Dba Aquila Networks L&P - Steam
 Case: HR-04-024
 12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

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

Amortization of Other Plant	S-42	\$ 24,382
-----------------------------	------	-----------

1. To reflect cost of removal expenditures and salvage proceeds on an ongoing normalized level. (Featherstone)	\$	24,382
---	----	--------

Taxes Other Than Income Taxes	S-44	\$ (289,083)
-------------------------------	------	--------------

1. To adjust test year expense to reflect the annualization of FICA taxes associated with the annualized payroll at Sept. 30, 2003. (Eaves)	\$	(53,343)
--	----	----------

2. To adjust test year expense to reflect the annulaization of the Medicare portion of FICA taxes associated with annualized payroll at Sept. 30, 2003. (Eaves)	\$	(26,466)
--	----	----------

3. To adjust test expense to reflect the annualization of FUTA taxes associated with the annualized payroll at Sept. 30, 2003. (Eaves)	\$	(2,802)
---	----	---------

4. To adjust test year expense to reflect the annualization of MO SUTA taxes associated with annualized payroll at Sept. 30, 2003. (Eaves)	\$	2,592
---	----	-------

5. To adjust test year expense to reflect the annualization of property taxes. (Miller)	\$	(194,110)
--	----	-----------

6. To adjust test year expense to reflect Staff's elimination of corporate restructuring costs. (Hyneman)	\$	3,885
--	----	-------

Aquila, Inc. Dba Aquila Networks L&P - Steam
 Case: HR-04-024
 12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
7. To reflect non-labor corporate costs at August factors (CS-16A). (Hyneman)	\$ 10,964	
8. To adjust test year expense to reflect Company adjustment CS-10. (Hyneman)	\$ (29,803)	

Amort. of Excess Deferred Inc Taxes S-47	\$ 6,010,724	

1. To adjust test year expense to reflect Staff's annualization of the Amort. of Excess Deferred Inc. Taxes. (Harris)	\$ 6,010,724	

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Income Tax

Line	Test Year	7.97% Return	8.15% Return	8.32% Return	
(A)	(B)	(C)	(D)	(E)	
1	Net Income Before Taxes (Sch 9)	\$ (1,161,195)	\$ 541,253	\$ 558,911	\$ 575,584

Add to Net Income Before Taxes					
2	Book Depreciation Expense	\$ 343,283	\$ 343,283	\$ 343,283	\$ 343,283
3	Total	\$ 343,283	\$ 343,283	\$ 343,283	\$ 343,283
Subtr from Net Income Before Taxes					
4	Interest Expense 4.9200 %	\$ 279,380	\$ 279,380	\$ 279,380	\$ 279,380
5	Straight Line Tax Depreciation	335,010	335,010	335,010	335,010
6	Tax Depreciation Over St/Line Tax	0	0	0	0
7	Total	\$ 614,390	\$ 614,390	\$ 614,390	\$ 614,390

8	Net Taxable Income	\$ (1,432,302)	\$ 270,146	\$ 287,804	\$ 304,477

Provision for Federal Income Tax					
9	Net Taxable Income	\$ (1,432,302)	\$ 270,146	\$ 287,804	\$ 304,477
10	Deduct Missouri Income Tax 100.0 %	\$ 0	\$ 14,289	\$ 15,189	\$ 16,038
11	Deduct City Income Tax	0	0	0	0
12	Federal Taxable Income	(1,432,302)	255,857	272,615	288,439
13	Total Federal Tax	\$ 0	\$ 83,034	\$ 89,570	\$ 95,741
Provision for Missouri Income Tax					
14	Net Taxable Income	\$ (1,432,302)	\$ 270,146	\$ 287,804	\$ 304,477
15	Deduct Federal Income Tax 50.0 %	\$ 0	\$ 41,517	\$ 44,785	\$ 47,871
16	Deduct City Income Tax	0	0	0	0
17	Missouri Taxable Income	(1,432,302)	228,629	243,019	256,607
18	Total Missouri Tax	\$ 0	\$ 14,289	\$ 15,189	\$ 16,038

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

Case: HR-04-024

12 Mo's Ended 12-31-2002 - Updated For Known & Meas 9-30-03

Income Tax

Line	Test Year	7.97% Return	8.15% Return	8.32% Return	
(A)	(B)	(C)	(D)	(E)	
Provision for City Income Tax					
19	Net Taxable Income	\$ (1,432,302)	\$ 270,146	\$ 287,804	\$ 304,477
20	Deduct Federal Income Tax	\$ 0	\$ 83,034	\$ 89,570	\$ 95,741
21	Deduct Missouri Income Tax	0	14,289	15,189	16,038
22	City Taxable Income	(1,432,302)	172,823	183,045	192,698
<hr/>					
23	Total City Tax	\$ 0	\$ 0	\$ 0	\$ 0
Summary of Provision for Income Tax					
24	Federal Income Tax	\$ 0	\$ 83,034	\$ 89,570	\$ 95,741
25	Missouri Income Tax	0	14,289	15,189	16,038
26	City Income Tax	0	0	0	0
<hr/>					
27	Total	\$ 0	\$ 97,323	\$ 104,759	\$ 111,779
Deferred Income Taxes					
28	Deferred Investment Tax Credit	\$ 0	\$ 0	\$ 0	\$ 0
29	Deferred Repair Allowance	0	0	0	0
30	Deferred Tax Depreciation	0	0	0	0
31	Amort of Deferred Tax Depreciation	0	0	0	0
32	Amort of Repair Allowance	0	0	0	0
33	Amort of Deferred ITC	0	0	0	0
34	Deferred Unbilled	0	0	0	0
<hr/>					
35	Total	\$ 0	\$ 0	\$ 0	\$ 0
<hr/>					
36	Total Income Tax	\$ 0	\$ 97,323	\$ 104,759	\$ 111,779
<hr/>					