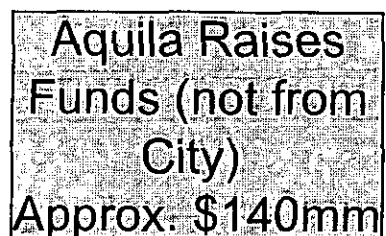
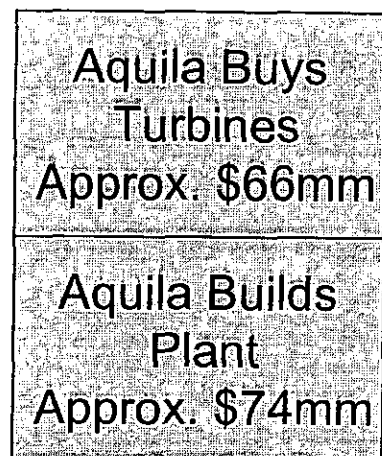


# Simplified View of South Harper Chapter 100 Financing Structure

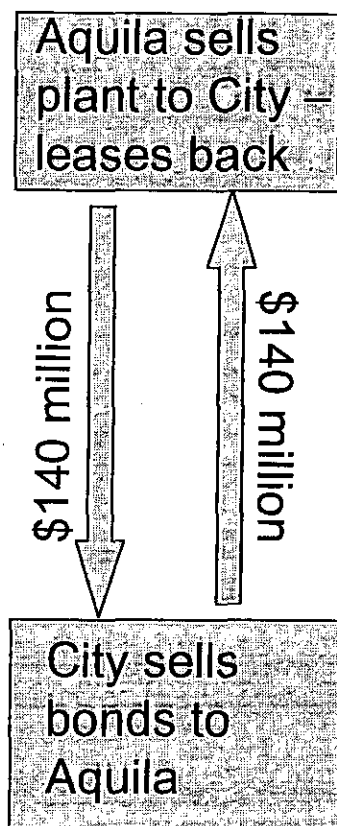
## Accounting Records\*



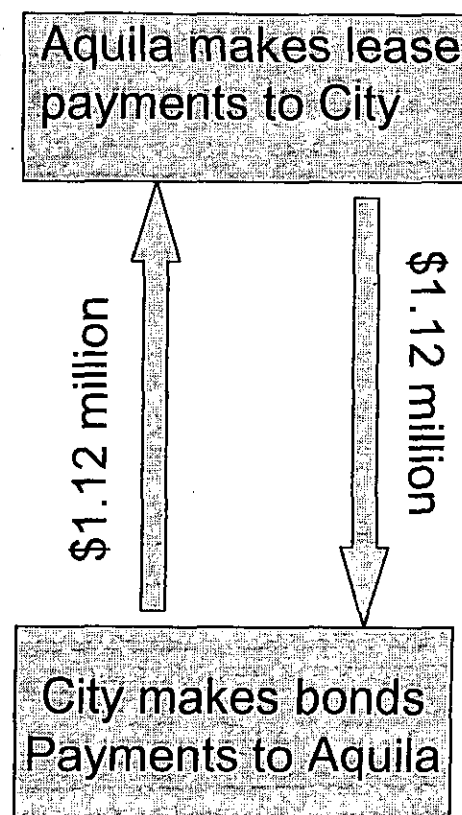
\*Approximate \$140 million asset on books of Aquila Networks

## Chapter 100 Legal Transactions\*\*

### Initial Transaction



### Annual Transaction



\*\*No cash changes hands and no accounting entries are recorded as a result of these transactions necessary for legal compliance

## Result

Treated as owned by Aquila on books in accordance with GAAP

Customers save about \$18 million over life of plant through low PILOT payments

Exhibit No. 2  
Case No(s) EO-2005-0156  
Date 12/5/05 Rptr MSK

# Simplified View of South Harper Chapter 100 Financing Structure

## Accounting Records\*

Aquila Buys  
Turbines  
Approx. \$66mm

Aquila Builds  
Plant  
Approx. \$74mm

Aquila Raises  
Funds (not from  
City)  
Approx. \$140mm

\*Approximate \$140 million asset on books of Aquila Networks

## Chapter 100 Legal Transactions\*\*

### Initial Transaction

Aquila sells  
plant to City –  
leases back

\$140 million

\$140 million

City sells  
bonds to  
Aquila

### Annual Transaction

Aquila makes lease  
payments to City

\$1.12 million

\$1.12 million

City makes bonds  
Payments to Aquila

\*\*No cash changes hands and no accounting entries are recorded as a result of these transactions necessary for legal compliance

## Result

Treated as owned by Aquila on books in accordance with GAAP

Customers save about \$18 million over life of plant through low PILOT payments

DEC 19 2005

Missouri Public  
Service Commission

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