

**AQUILA, INC. /GXP MERGER
CASE NO. EM-2007-0374
MISSOURI PUBLIC SERVICE COMMISSION
DATA REQUEST NO. MPSC-0297**

FILED
December 12, 2007
Data Center
Missouri Public
Service Commission

DATE OF REQUEST: September 4, 2007
DATE RECEIVED: September 4, 2007
DATE DUE: September 12, 2007
REQUESTOR: Bob Schallenberg

REQUEST:

Please identify any Aquila acquisition of utility property in which Aquila requested recovery of its transaction costs. In each case that Aquila requested recovery of its acquisition costs, please indicate whether recovery was granted.

RESPONSE:

Electric States

In Missouri, Aquila has requested the following in the listed rate case dockets:

- ER-93-37 Acquisition premium was requested, but denied by MPSC.
- ER-97-394 No acquisition costs requested.
- ER-01-672 No acquisition costs requested.
- ER-2004-0034 Requested transition and transaction costs. Stipulated case with no guidance on issue. (St. Joseph Light & Power acquisition)
- ER-2005-0436 Requested transition and transaction costs. Transition costs were granted recovery. (St. Joseph Light & Power acquisition)
- ER-2007-0004 Requested transition costs. Recovery granted of transition costs. (St. Joseph Light & Power acquisition)

In Colorado, Aquila has requested the following in the listed rate case dockets:

- 02S-594E Acquisition premium requested. No recovery granted. (Centel acquisition)
- 04S-035E No acquisition premium requested.

Gas States

For Aquila gas states, Nebraska has allowed partial recovery of acquisition premiums. Nebraska is divided into three General Service Rate Areas. The treatment of the premium associated with Aquila's purchase of Minnegasco's Nebraska properties is as follows. Note that Rate Area treatment was based on negotiations with individual towns and preceded the establishment of the Nebraska Public Service Commission:

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Rate Area 1: The allowed rate increase in the case following the acquisition was based on a negotiated settlement. Rate Area 1 did not address the treatment of the unamortized balance in rate base or the amortization of the balance in the finding of fact and conclusion.

Rate Area 2: Allowed recovery of the full amortization of the premium in the cost of service over 20 years and one-third of the acquisition premium paid to Minnegasco for Rate Area 2 assets to be included in rate base.

Rate Area 3: Allowed recovery of the full amortization of the premium in the in cost of service over 10 years; unamortized balance of the premium not allowed in rate base.

ATTACHMENTS: None

ANSWERED BY:

Rich Petersen, Gas Regulatory Accounting
Ron Klote, Electric Regulatory Accounting

DATE ANSWERED: September 10, 2007