

COPY

**AQUILA, INC.**  
**CASE NO. EF-2003-0465**  
**DATA REQUEST NO. OPC-1004**

**DATE OF REQUEST:** May 14, 2003

**DATE RECEIVED:** May 14, 2003

**DATE DUE:** June 3, 2003

**REQUESTOR:** Ted Robertson

**QUESTION:**

Please provide copies of all data request/interrogatory questions received from the state of Colorado regulatory staff(s), and all other intervenors in Colorado, regarding Aquila's reorganization activities, and the encumbrance of Colorado assets. This is a continuing data request; please update your response on a weekly basis.

**RESPONSE:** Please find attached questions from the state of Colorado

**ATTACHMENT:** Colorado Data Request

**ANSWERED BY:** Mark Reed

Regarding section 11, page 6 of the application:

1. Please describe how securing a working capital facility will contribute to the provision of reliable service in Colorado.
2. Please describe how not approving this application would be detrimental to the provision of reliable service in Colorado.

Application -- Section 11 -- Page 6 -- Last Paragraph and Page 7 -- Beginning of First Paragraph

"While it has been several years since Aquila pledged its assets to obtain additional debt capital, Mr. Dobson's testimony and the supporting exhibits (Exhibit A) demonstrate that the use of secured loans is common among utilities, and the amount of the Company's secured loan is consistent with the amount of secured loans of other utilities. As explained by Mr. Dobson's testimony and exhibits, pledging utility assets does not increase the risk to ratepayers, as a utility's assets are always available to debtors. The act of securing debt with utility assets is primarily a tool to improve the position of lenders over general creditors. Thus, it is important to the issuers of debt, but does not increase the risk for the ratepayers.

As the attached testimony by Jon Empson (Exhibit B) explains, to assure that ratepayers are not harmed as a result of Aquila's current conditions, the plan contains the following provisions: ..."

3. Based upon the above excerpt please explain why Mr. Dobson, in his Exhibit B, offers a plan to assure that ratepayers are not harmed.

Application Section 14 -- Page 9 -- Third line

"Third, it is only fair that, since the working capital is needed to support the day-to-day operations of all Aquila's utility operations, then all of Aquila's assets should be part of the pool."

- 4.: Please define the "day-to-day operations of all of Aquila's utility operations" as it is used above."
5. Please explain how the "working capital is needed to support the "day-to-day operations of all of Aquila's utility operations."

General:

6. Please describe the relationship between successful refinancing and Aquila's ability to maintain or improve its service or facilities.
7. Please describe the relationship between approval of this application by the Commission and Aquila's ability to maintain or improve its service or facilities.