

AQUILA, INC.
CASE NO. EF-2003-0465
DATA REQUEST NO. MPSC-5003

DATE OF REQUEST: June 25, 2003
DATE RECEIVED: June 25, 2003
DATE DUE: July 15, 2003
REQUESTOR: Dave Sommerer

QUESTION:

- A. Please indicate, by state, whether a provision for carrying cost exists with regard to purchased gas cost collections. Please provide a copy of the provision that authorizes such treatment for each state.
- B. Please indicate the regulatory treatment of natural gas inventory, by state, for each local gas distribution company operated by Aquila. Please provide copies of the most recently filed ratebase amounts for gas inventory from the various state rate cases.
- C. Please indicate the regulatory treatment of natural gas inventory, by state, for each electric company operated by Aquila. Please provide copies of the most recently filed ratebase amounts for gas inventory from the various state rate cases.

RESPONSE:

- A. Missouri, Colorado and Michigan all have carrying cost provisions. The Missouri Carrying Cost provisions are set forth in Sheet No. 36 of Aquila's Missouri Gas Tariff, which Aquila trusts is already available to the Staff. Colorado and Michigan are attached.
- B. Gas in Underground Storage is a rate base item. Balances are attached.
- C. Aquila has investments in electric properties in Missouri, Kansas and Colorado. Gas is bought on a daily basis, therefore no gas inventory is included in ratebase for any of our electric jurisdictions.

It should be noted that Aquila is not proposing rate recovery for the balances included in the working capital study; only the ability to pledge certain assets in order to provide access to the necessary cash on a short-term basis. The working capital study was conducted to determine the maximum single peak day need to ensure sufficient cash would be available for daily liquidity purposes. Rate relief for items included in the working capital study are normally determined through a lead lag study or a calculation of certain rate base items which are calculated on an average number of days or an average for the year, not a single peak day need.

ATTACHMENT: Gas rate case rate base pages are attached (hard copy).

ANSWERED BY: Steve Jurek