

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Aquila, Inc. d/b/a	)	
Aquila Networks - L&P and Aquila	)	Case No. GR-2004-0072
Networks - MPS to Implement a	)	
General Rate Increase in Natural Gas Rates	)	

**PROPOSED LIST OF ISSUES,  
ORDER OF WITNESSES AND ORDER OF CROSS**

Comes now Aquila, Inc., d/b/a Aquila Networks - MPS and Aquila Networks - L&P (“Aquila” or “Company”), on behalf of the parties (the Commission Staff, Office of the Public Counsel, Sedalia Industrial Energy Users’ Association, Department of Natural Resources and the City of Kansas City), and, as the Proposed List of Issues, Order of Witnesses and Order of Cross, states as follows to the Missouri Public Service Commission (“Commission”):

1. The Commission’s order adopting procedural schedule directed that the parties file the List of Issues, Order of Witnesses and Order of Cross-Examination on February 2, 2004. Aquila later moved the Commission to revise the procedural schedule such that the List of Issues would be due on March 9, 2004, a week before the statements of position. The Commission granted this motion by order dated February 2, 2004.

2. Commission Rule 4 CSR 240-2.080(21) provides a detailed, specific format for a list of issues. The parties are unable to comply with the requirements of Commission Rule 4 CSR 240-2.080(21); however, input has been solicited from all of the parties in preparing the list of issues presented. Therefore, Aquila requests, pursuant to 4 CSR 240.2.025, that, for good cause, the Commission waive the requirements of 4 CSR 240-2.080(21).

3. The parties have assembled the following statement of the issues to be heard, order

of issues, list of witnesses, order of witnesses and order of cross-examination. The listing of issues below is not to be considered as an agreement by any party that any particular listed issue is, in fact, a valid or relevant issue. Indeed, in the subsequent filing of position statements, some parties may state that they consider a particular listed issue to not be, or no longer be, a valid issue. This “non-binding” listing of issues is not to be construed as impairing any party’s ability to argue about any of these issues or related matters, or to restrict the scope of its response to arguments made by other parties.

**LIST OF ISSUES**

	MPS		L&P	
	Gas		Gas	
<b>Rate of Return</b>				
Return on Equity	X		X	
Capital Structure	X		X	
<b>Rate Base</b>				
Cash Working Capital - Revenue Lag, Expense Lead	X		X	
Amortization of Accounting Authority Orders	X		X	
Deferred Income Tax – AAO	X			
Prepaid Pension Asset	X		X	
20 <sup>th</sup> West Ninth Street Building	X		X	
<b>Revenue Issues</b>				
Customer Growth Adjustments	X		X	
Weather Normalization Adjustment	X		X	
Service Fees	X		X	
- What are the appropriate connection and reconnection charge?				
- What is the appropriate collection fee?				
- Should the Company be allowed to increase its special meter reading charge to its MPS customers and initiate this fee to its L&P customers?				
- What should the late payment charge be?				

<b>Expense Issues</b>				
Manufactured Gas Plant Remediation Costs	X			
20 <sup>th</sup> West Ninth Street Building	X		X	
Pension Expense and Prepaid Pension Asset Amortization	X		X	
Bad Debt Expense	X		X	
Interest on Accounts Receivable-CWC	X		X	
Property Taxes	X		X	
April 1, 2004 Payroll Increase	X		X	
Cost of Removal	X		X	
Depreciation Expense	X		X	
Incentive Compensation	X		X	
State Based Restructuring Costs - Severance Costs	X		X	
Corporate Restructuring Costs - Labor and Non-Labor	X		X	
Amortization of Accounting Authority Orders	X			
Corporate Restructuring Costs	X		X	
Annualization of Non-Payroll Expense	X		X	
Insurance (Injuries and damages)	X		X	
Straight Line Tax Depreciation	X		X	
Maintenance Normalization	X		X	
Employee Medical	X		X	
<b>Other Issues</b>				
Service Quality & Reliability	X		X	
Eastern System Sale Issues	X			
Accounting Record-Keeping - Should Aquila be required to maintain a detailed general ledger, for its regulated Missouri utilities, that is similar in nature, appearance and content as that previously maintained by the regulated utility divisions prior to Aquila's subsequent change over to its relatively new PeopleSoft Accounting System?	X		X	
Low-Income Customer Weatherization and Assistance Programs - Should an amount for low-income customer weatherization and assistance programs be included in cost of service? If so, what amount should be included?	X		X	

Energy Efficiency Services To Residential and Commercial Customers - Should an amount for energy efficiency services to residential and commercial customers be included in cost of service? If so, what amount should be included?	X		X	
<b>Rate Design</b>				
Class Cost of Service	X		X	
Customer Charge/ Commodity Charge	X		X	

**CALENDAR OF ISSUES; ORDER OF WITNESSES**

The parties have also assembled the following schedule of events. In the event too much time has been allotted for an issue, the parties anticipate that subsequent issues would be taken up earlier than scheduled, with the exception of the issues of rate of return and depreciation which, to accommodate certain witnesses, are scheduled on specific days of the scheduled hearings. In particular as to these issues, but also as to other issues, including those that may arise in surrebuttal, the parties may request slight changes as to the times at which issues are taken up in order to accommodate the availability of witnesses.

**Monday, March 29, 2004**

Entries of Appearance and Marking of Exhibits

Opening Statements

Aquila

Staff

The Office of the Public Counsel

Sedalia Industrial Energy Users' Association ("SIEU")

The Missouri Department of Natural Resources

The City of Kansas City, Missouri

Cornerstone Energy

Order of Issues and Witnesses

Rate of Return/Capital Structure  
Company (Don Murry, John Reed)  
Staff (David Murray)

**Tuesday, March 30, 2004**

Weatherization Programs, Energy Efficiency Programs & Low-Income Programs

Company (Matthew Daunis)  
City of Kansas City (Robert T. Jackson)  
Missouri DNR (Anita C. Randolph)  
Staff (Anne Ross)  
OPC (Barbara A. Meisenheimer)

Service Quality & Reliability

Company (Tracy Petersen)  
Staff (Lisa A. Kremer, James L. Ketter)

Payroll (Incentive Pay, Union Increase)

Company (Richard Petersen)  
Staff (Dana E. Eaves)

Interest on Accounts Receivable-CWC

Company (Tracy Petersen)  
Staff (Lesley R. Preston)

Depreciation/Cost of Removal

Company (Ronald White, Larry Mulligan)  
Staff (Cary G. Featherstone, Rosella L. Schad)

**Wednesday, March 31, 2004**

Bad Debt Expense (Uncollectibles)

Company (Harold Mikkelsen)  
Staff (William Harris)

Property Taxes

Company (Richard Petersen)  
Staff (Trisha Miller)

Amortization of Accounting Authority Orders

Company (Joseph M. Bahr)  
Staff (Trisha D. Miller)  
OPC (Ted Robertson)

Employee Medical  
Company (Harold Mikkelsen)  
Staff (Dana Eaves)

Maintenance Normalization  
Company (Richard Petersen)  
Staff (Lesley R. Preston)

Accounting Record-Keeping  
Company (Beverlee R. Agut)  
OPC (Ted Robertson)

**Thursday, April 1, 2004**

Pension - FAS 87  
Company (Joseph M. Bahr)  
Staff (Steve Traxler)

Corporate Restructuring (Labor and Non-Labor)  
Company (Jon Empson)  
Staff (Charles Hyneman)  
OPC (James Dittmer)

20<sup>th</sup> West Ninth Street Building  
Company (Jon Empson)  
OPC (James Dittmer)

Eastern System Sale  
Company (Steven M. Jurek)  
Staff (Phil Williams, Janis Fischer)  
OPC (Barbara A. Meisenheimer)

**Friday, April 2, 2004**

Rate Design (Class Cost of Service, Customer Charge/ Commodity Charge)  
Company (Thomas Sullivan)  
Staff (Thomas Imhoff)  
OPC (James Busch, Barbara A. Meisenheimer)  
SIEUA (Maurice Brubaker)

Customer Growth Adjustments  
Company (Thomas Sullivan)  
Staff (Amanda McMellen, Hong Hu)

Severance

Company (Richard Petersen)  
Staff (Charles R. Hyneman)

Straight Line Tax Depreciation

Company (Joseph Bahr)  
Staff (Steve Traxler)

**Order of Cross-Examination:**

For Aquila witnesses, cross will be by Cornerstone Energy; City of Kansas City, Missouri; Missouri Department of Natural Resources; SIEU; Public Counsel; then Staff.

For Staff witnesses, cross will be by Cornerstone Energy; City of Kansas City, Missouri; Missouri Department of Natural Resources; SIEU; Public Counsel; then Aquila.

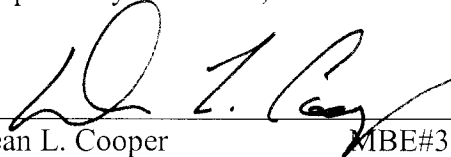
For Public Counsel witnesses, cross will be by Cornerstone Energy; Missouri Department of Natural Resources; City of Kansas City, Missouri; SIEU; Staff; then Aquila.

For SIEU witnesses, cross will be by Cornerstone Energy; Missouri Department of Natural Resources; City of Kansas City, Missouri; Public Counsel; Staff; then Aquila.

For Missouri Department of Natural Resources witnesses, cross will be by Cornerstone Energy; City of Kansas City, Missouri; Public Counsel; SIEU; Staff; then Aquila.

For City of Kansas City, Missouri witnesses, cross will be by Cornerstone Energy; Missouri Department of Natural Resources; Public Counsel; SIEU; Staff; then Aquila.

Respectfully submitted,



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AQUILA NETWORKS - L&P

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was hand-delivered, or sent by electronic mail, on March \_\_\_\_\_, 2004, to the following:

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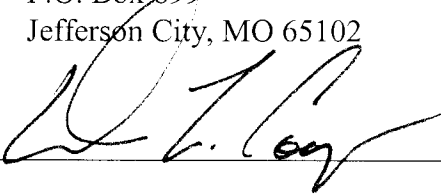
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