

The minority owners of 9.5 million ownership units have also notified us that they intend to exercise their option to sell their ownership units to us at fair market value (market-based put rights). We have recorded a reserve of \$2.8 million in connection with the sale of Everest Connections for this potential obligation. These minority owners have been unwilling to accept our fair market value analysis which was based on the auction results and ultimate sale price of Everest. They have filed suit against us with respect to our disputes involving both the target-based put rights and the market-based put rights.

### Capital Expenditures

We estimate future cash requirements for capital expenditures for property, plant and equipment additions will be as follows:

<i>In millions</i>	Actual	Estimated Future Cash Requirements		
	2006	2007	2008	2009
Electric Utilities	\$130.6	\$284.5	\$409.2	\$362.0
Gas Utilities	33.2	46.5	43.7	41.8
Corporate and Other	12.0	10.7	8.3	6.6
Total Continuing Operations	175.8	341.7	461.2	410.4
Discontinued Operations	36.3	-	-	-
<b>Total capital expenditures</b>	<b>\$212.1</b>	<b>\$341.7</b>	<b>\$461.2</b>	<b>\$410.4</b>

### Iatan 2

Our power supply plan indicates the need for additional base-load capacity in Missouri after 2009. KCPL is developing Iatan 2, an 850 MW coal-fired electric generating facility which is planned for commercial operation in 2010. Effective June 12, 2006, we entered into the Iatan Unit 2 and Common Facilities Ownership Agreement (the Ownership Agreement) with KCPL, The Empire District Electric Company, Kansas Electric Power Cooperative, Inc., and Missouri Joint Municipal Electric Utility Commission. The Ownership Agreement provides for the construction, ownership and operation of Iatan 2 adjacent to the existing Iatan electric generation station located in Platte County, Missouri. We will own an 18% undivided interest in Iatan 2, which will be constructed and operated by KCPL. We will reimburse KCPL for our pro rata share of the construction, operating and maintenance costs of, and will be entitled to the energy from our pro rata share of, Iatan 2 generating capacity. The capital requirements included in the table above for this participation, including AFUDC, are estimated as follows: 2007 - \$92.7 million, 2008 - \$138.2 million, and 2009 - \$78.7 million.

### Environmental Capital Expenditures

The EPA finalized several Clean Air Act regulations such as CAIR, BART and the CAMR regulations in 2005 that would affect our coal-fired power plants by requiring reductions in emissions of SO<sub>2</sub>, NO<sub>x</sub> and mercury. We completed engineering studies in 2006 that evaluated costs and likely controls for compliance with CAIR, BART and CAMR. For our Missouri electric operations, we estimate that probable capital expenditures through 2009 will be approximately \$215.2 million based on engineering bids received in 2006. Costs have been increasing due to a number of factors including higher material prices and a shortage of labor needed in the power sector. At this point we are not able to reasonably estimate if additional costs may be incurred. If our Kansas electric utility is not sold, our total estimated probable capital expenditures would be approximately \$242 million. We believe these costs would likely be allowed for recovery in future rate cases.

### Combustion Turbine

We filed an Integrated Resource Plan with the Missouri Commission in February 2007 which included the construction of a combustion turbine plant between 2008 and 2010. The estimated