

Exhibit No.:

Issues: Accounting Record
Keeping

Witness: Beverlee R. Agut

Sponsoring Party: Aquila Networks-MPS

Case No.: ER-2004-0034 &
[REDACTED]

FILED^A

MAY 03 2004

Missouri Public
Service Commission

Before the Public Service Commission
of the State of Missouri

Rebuttal Testimony

of

Beverlee R. Agut

Exhibit No. 1018
Case No(s) ER-2004-0034
Date 3-1-04 Rptr TR

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FINANCIAL ACCOUNTING REPORTS.....1

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
REBUTTAL TESTIMONY OF BEVERLEE R. AGUT
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS [REDACTED]
CASE NOS. ER-2004-0034 [REDACTED]**

1 Q. Please state your name and business address.

2 A. My name is Beverlee R. Agut and my business address is 10700 East 350 Highway,
3 Kansas City, Missouri 64138.

4 Q. Are you the same Beverlee R. Agut who sponsored direct testimony in this proceeding
5 before the Missouri Public Service Commission ("Commission")?

6 A. Yes.

7 Q. What is the purpose of your rebuttal testimony in this proceeding?

8 A. The purpose of my testimony is to respond to allegations made by witness Ted Robertson
9 for the Office of the Public Counsel ("OPC") regarding the financial accounting reports
10 of Aquila ("Company").

11 **FINANCIAL ACCOUNTING REPORTS**

12 Q. What are the specific issues raised by Mr. Robertson that you are addressing?

13 A. I will specifically be addressing Mr. Robertson claims that:

14 1. The Company has been unable to produce a usable monthly detailed general
15 ledger report.

16 2. Reliance on utility employees for access to financial data hinders an audit.

17 3. The Company's financial accounting system has not been set up to focus on
18 regulated utility accounting information.

1 Q. Has Mr. Robertson raised these issues before in prior Aquila rate cases?

2 A. Yes, and it is extremely frustrating that he keeps continues to raise the same issues without
3 offering any specific evidence or constructive ideas for improvement.

4 Q. What efforts has the Company made to ensure that all external parties were provided with
5 general ledger information they required to conduct an independent audit?

6 A. As part of the pre-hearing conference in Missouri Public Service's ("MPS") last rate case
7 No. ER-2001-672, I met with Messrs. Steve Traxler of the Commission Staff ("Staff")
8 and Ted Robertson of the OPC to define what they would consider a "usable" general
9 ledger report. Based on their definitions, new general ledger reports were created as part
10 of the Stipulation and Agreement for MPS [REDACTED]

11 A. MPS [REDACTED] division-specific ledgers on a Federal Energy Regulatory Commission
12 ("FERC") account basis that include both direct and allocated costs by resource code;

13 B. MPS [REDACTED] division-specific ledgers on a FERC account basis that reflect only
14 direct charges to the divisions by resource code;

15 C. MPS [REDACTED] division-specific ledgers on a FERC account basis that reflect only
16 costs allocated to the divisions by resource code;

17 D. Plant and Depreciation Reserve ledgers for the MPS and SJLP divisions that show
18 beginning month balances, additions, and retirements, and ending month balances;

19 E. UtiliCorp (now Aquila) Enterprise Support Function ("ESF") and Intercompany
20 Business Unit ("IBU") department costs allocated to the MPS [REDACTED] divisions on
21 a resource code basis; and

1 F. ESF and IBU department costs, by resource code, which are not subject to allocation
2 to the MPS [REDACTED] divisions. These non-allocated costs are also known as corporate
3 retained costs.

4 These reports were provided to Staff and OPC in response to data information requests in
5 this proceeding. Two meetings were subsequently held with both parties—once on
6 August 16, 2002, and again on May 15, 2003, whereby the new reports were presented
7 and explained. Neither party provided any written, formal comments regarding these
8 reports nor asked for any modifications to the reports. It appears the Staff was able to use
9 these general ledger reports along with supplemental information to create a
10 comprehensive revenue requirement calculation including proposed adjustments in this
11 proceeding. Since August 16, 2002, including the audit timeframe for this case, Mr.
12 Robertson has never provided any formal comments or suggestions for improvements or
13 modifications of the reports nor has he requested any additional general ledger reports. I
14 was very surprised to learn that he had again filed testimony on this subject in this
15 proceeding.

16 Q. Since filing his direct testimony in this proceeding, has Mr. Robertson provided any
17 specific details regarding the type of reporting format he requires?

18 A. In response to a recent Aquila data request, Mr. Robertson provided a representative design
19 for a general ledger report that he desires.

20 Q. What is Mr. Robertson's definition of a general ledger?

1 A. On page 5 of Mr. Robertson's direct testimony, he describes a general ledger as
2 containing "detailed" source transactions for financial data containing a complete
3 descriptive listing of all vendors and/or charges and their associated costs.

4 Q. Do you agree with Mr. Robertson's general ledger definition?

5 A. No. In reality, large corporations, such as Aquila, post summarized "batch" transactions to
6 their ledger. An example of a batch posting would be payroll postings. Aquila employees
7 are paid on a bi-weekly basis. The bi-weekly payrolls are posted to the ledger in a
8 summarized or "batch" type mode. This type of posting then would not allow anyone
9 examining the payroll posting to be able to obtain the payments made to any one individual
10 employee. For confidentiality reasons, one could see the benefits to posting payroll in a
11 batch mode. It is common for the details to actually be held in the subsidiary ledgers, or in
12 Aquila's case, the subsidiary system modules. The details, i.e., payments to individual
13 employees, for batch payroll postings can be derived from the Payroll system. This is true
14 for all other types of batch postings such as Accounts Payable (vendor specific details),
15 Accounts Receivable (customer specific details), Project Costing, Fixed Assets, Inventory,
16 etc. Therefore, the general ledger is synonymous with its name as it contains "general"
17 financial data, not detailed financial data.

18 Q. Were any reports provided in this case in support of these detailed subsidiary systems?

19 A. The OPC never issued any data requests for detailed reports. However, we did respond to
20 Staff data requests for detailed information. We provided information to the Staff of
21 detailed Payroll transactions by employee by pay date (MPSC-75.3), detailed Accounts
22 Payable transactions by vendor by date for corporate overhead allocations (MPSC-219),

1 and detailed transactions by employee, by vendor, by business purpose for corporate
2 employee business expenses (MPSC-219).

3 Q. Did the prior MPS general ledger system perform batch processing and postings?

4 A. Yes it did.

5 Q. What other utility companies utilize batch transaction posting to their ledgers?

6 A. I contacted accounting personnel at The Empire District Electric Company, Ameren,
7 Missouri Gas Energy, and Kansas City Power & Light Company. All of these utility
8 companies utilize batch transaction postings to their general ledgers. In addition, the prior
9 St. Joseph Light & Power Company general ledger utilized batch transaction postings.

10 Q. Has Aquila provided a monthly general ledger report to the OPC that is different than the
11 reports listed in the Stipulation and Agreement of Case No. ER-2001-672?

12 A. Yes. In the last MPS rate case (No. ER-2001-672), a general ledger report was prepared
13 and presented to the OPC. The report was voluminous and consisted of approximately 20
14 boxes of paper. It contained exactly the information as processed in the ledger. It is my
15 understanding, the OPC found this report unusable, and hence, it was not created again
16 during the course of the audit in the current case. A sample of this report is attached to
17 my rebuttal testimony and labeled Rebuttal Schedule BRA-1, FERC Trial Balance
18 Activity Report, internally named "GLS1515". In lieu of this report, we created new
19 standard reports as listed in Case No. ER-2001-672's Stipulation and Agreement. Several
20 of the new standard general ledger reports were attached to my direct testimony in this
21 proceeding listed as Schedules BRA-1 through BRA-8.

1 Q. Earlier you mentioned that Mr. Robertson provided a sample general ledger report in
2 response to a recent Aquila data request. How does the recently defined report differ
3 from the report attached and designated Rebuttal Schedule BRA-1?

4 A. I have attached a copy of Mr. Robertson's response, designated Rebuttal Schedule BRA-2.
5 When I compared the GLS1515 report with the one Mr. Robertson created, the only
6 apparent changes that would be required based upon our financial accounting system's
7 general ledger fields are listed below. Since our general ledger posts in a batch mode, the
8 invoice specific information is not contained in the general ledger, but rather in the
9 subsidiary Accounts Payable system.

- 10 1. Remove supplementary coding information. Specifically, delete code block columns
11 labeled for Process ("Proc"), Resource Code ("Resrc"), Source Department ("Dept"),
12 Charge to Department ("Chrg Dept"), Product ("Product"), and Affiliate ("Affl").
- 13 2. Add an additional column for Journal Line Description (the field that holds the voucher
14 number and vendor name).
- 15 3. If possible, combine the debit and credit amounts into one column whereby debit
16 equals positive amount and credit would be prefaced with a negative ("-") sign. This
17 change would merely be for visual purposes.

18 Although these changes could be made to the GLS1515 report, it would still not decrease
19 the number of lines in the report, i.e., we would still be back to the 20 boxes of paper. In
20 lieu of 20 boxes of paper, the data could be provided electronically in the form of a flat
21 file. This is the format chosen by the IRS, to which we provide information on an annual
22 basis. They then load the flat file into their own audit software.

1 Q. Has the FERC Trial Balance Activity Report, GLS1515, Rebuttal Schedule BRA-1, been
2 utilized by any other regulatory body?

3 A. Yes, this general ledger report was utilized by the Michigan Public Service Commission
4 Staff in their audit of our recent Michigan rate increase application approved March 12,
5 2003. I would like to add that the Michigan Commission Staff also conducted their entire
6 financial audit off-site by utilization of this general ledger report and additional information
7 provided by employees through data information requests, including requests for additional
8 financial data detail.

9 Q. On page 5 of his direct testimony, Mr. Robertson states that sole reliance on utility
10 employees for access to financial data seriously hinders an audit. Do you agree?

11 A. I do not agree with Mr. Robertson. It is common for employees to provide additional
12 detailed financial information and analysis in support of its financial reports during the
13 context of an audit. During 2002 and 2003, Aquila was involved with numerous external
14 auditors representing the FERC, IRS, and KPMG. None of these external audit groups
15 identified material weaknesses in internal controls relating to the financial reports,
16 accounting system, or additional financial detail provided by Aquila employees.

17 Q. Did Aquila take any additional measures to ensure the auditors' independence in this
18 case?

19 A. On October 6, 2003, Aquila developed a new financial accounting screen through our
20 PeopleSoft software which allowed electronic computer on-line access viewing to all
21 income statement related financial accounting transactions for its enterprise support
22 function, networks headquarters, MPS, [REDACTED] operations. This on-line access also

1 included detail for all employee business expenses and all accounts payable transactions
2 (actual invoice showing vendor, transaction date, business purpose). It allowed the auditor
3 to selectively view smaller amounts of data at a time based on the auditor's selection
4 criteria. The access was made available twenty-four hours a day, seven days a week, to both
5 the Staff and OPC auditors at our Raytown facility.

6 Q. You previously stated that this on-line viewing access was restricted to your Raytown
7 facility. Why couldn't this access be granted to others off-site, for example in Jefferson
8 City?

9 A. It is currently against Company policy to allow access to Company systems/resources
10 from non-Aquila computers. Specifically, this addresses the virus protection that is
11 maintained on these computers and the technical support of the computers should there be
12 a problem. We are compelled to secure our data by various government agencies to
13 prevent tampering. Broader external access would require technical evaluation and
14 security assessment. In addition, we may need to acquire additional physical resources to
15 accomplish off-site access or enter into a contract with a third party to provide technical
16 support to the computers in the city in which they are located.

17 Q. Does Aquila's financial accounting system take into consideration regulatory accounting
18 requirements?

19 A. Aquila's financial accounting system was designed with specific regulatory accounting
20 requirements in mind for the seven-state operating area to which Aquila provides natural
21 gas and electricity. I believe Mr. Robertson is confused about the complexity of Aquila's
22 financial accounting system. He states that it was designed with the non-regulated business

1 in mind and not the regulated utility business. In fact, the complexities are due to Aquila's
2 seven-state **regulated utility** service area, not the straightforward needs of its non-regulated
3 operations. Specifically, Aquila has developed a complex allocations process that records
4 in its general ledger allocations associated with corporate overheads as well as utility
5 allocations (electric, gas, industrial steam, and non-regulated appliance repair). We utilize
6 approximately 22 different allocation drivers for allocating corporate overheads. Although
7 it has been implied that most overheads are allocated based on the Massachusetts Formula
8 (net plant, gross margin, and payroll charged to expense), this statement is in fact false.
9 Only 27% of costs are allocated on the generic Massachusetts Formula. The remaining
10 overhead costs are allocated on 21 other specific drivers, for example, number of paychecks
11 issued, number of journal line transactions, number of customers, net energy sales, gross
12 property, number of computers supported, right-of-way projects by state, Mw capacity,
13 employee headcount, etc. To the best of my knowledge, I do not know of any other utility
14 in the state of Missouri that performs as complex of an allocations process or utilizes as
15 many specific cost allocation drivers compared to Aquila. This process was designed with
16 specific regulated utility requirements of equity and fairness in mind for distributing
17 overhead costs to our seven state service area. This complex allocations process was
18 implemented in 1997 and is detailed in Aquila's Cost Allocation Manual ("CAM") which is
19 filed annually with each of Aquila's state Commissions including Missouri. Certainly, a
20 non-regulated business would have no need of such a complex allocations process.

21 Q. Are there any other areas of your financial accounting system specifically designed for a
22 regulated utility?

1 A. Yes. Since utilities are capital-intensive in nature and have specific accounting guidelines
2 for self-constructed plant assets, Aquila has complex project costing and asset
3 management systems to track these assets. The Accounting requirements for these assets
4 are defined in Section 18 of the Code of Federal Regulations, Part 101 (Electric Plant
5 Instructions) and Part 201 (Gas Plant Instructions). Again, the non-regulated merchant
6 trading business has absolutely no need for these complex accounting systems.

7 Q. On page 8 of his direct testimony, Mr. Robertson states that the Company's accounting
8 system is complicated and unhelpful to regulated auditors. How do you respond?

9 A. The accounting system is complicated not due to any requirements of our non-regulated
10 businesses, but rather due to the accounting rule complexities in the Code of Federal
11 Regulations for public utilities as well as the regulatory requirements for seven different
12 state jurisdictions. Aquila has interacted with numerous external financial audit entities,
13 and none have determined any material weaknesses in our accounting system or financial
14 reports.

15 Q. Does this conclude your rebuttal testimony?

16 A. Yes.

Report ID: GLS1515
 Bus. Unit: MGD MGD Energy Delivery
 Currency Code: USD

PeopleSoft GL
 FERC TRIAL BALANCE ACTIVITY REPORT
 For Fiscal Year: 2000 Period: 1 to 12 (incl adj)

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Acct	Jrnl Date	Jrnl ID	Seq Line	Proc	Rsrc Dept	Chrg Dept	Prod	Alloc Project	Acct	Affl	Jrnl Hdr Descr	Debit	Credit	Balance
894000	12/31/2000	ABIS130001	2585	135	1499 5883	5883	960		402000		ABC IS 960 No Cust T	0.00	706.52	
	12/31/2000	ABIS130001	2586	135	1821 5885	5885	103		402000		ABC IS 960 No Cust T	700.80	0.00	
	12/31/2000	ABIS130001	2588	135	1821 5885	5885	960		402000		ABC IS 960 No Cust T	0.00	796.13	
	12/31/2000	ABIS130001	2589	135	1822 5885	5885	103		402000		ABC IS 960 No Cust T	125.72	0.00	
	12/31/2000	ABIS130001	2591	135	1822 5885	5885	960		402000		ABC IS 960 No Cust T	0.00	142.82	
	12/31/2000	ABIS130001	2592	135	1899 5881	5881	103		402000		ABC IS 960 No Cust T	1,879.02	0.00	
	12/31/2000	ABIS130001	2594	135	1899 5881	5881	960		402000		ABC IS 960 No Cust T	0.00	2,134.63	
	12/31/2000	ABIS130001	2595	282	1001 5700	5880	103	359	402000		ABC IS 960 No Cust T	204.20	0.00	
	12/31/2000	ABIS130001	2597	282	1001 5700	5880	960	359	402000		ABC IS 960 No Cust T	0.00	231.98	
	12/31/2000	ABIS130001	2607	282	9103 5700	5880	103	359	402000		ABC IS 960 No Cust T	26.55	0.00	
	12/31/2000	ABIS130001	2609	282	9103 5700	5880	960	359	402000		ABC IS 960 No Cust T	0.00	30.16	
	12/31/2000	ABIS130001	2616	282	9112 5700	5880	103	359	402000		ABC IS 960 No Cust T	27.77	0.00	
	12/31/2000	ABIS130001	2618	282	9112 5700	5880	960	359	402000		ABC IS 960 No Cust T	0.00	31.55	
	12/31/2000	ABIS130001	2626	532	1104 5882	5882	103		402000		ABC IS 960 No Cust T	126.45	0.00	
	12/31/2000	IBU27C0001	86	135	1000 5495	5434	103	358	402000		UED Gas Telecom - MI	63.18	0.00	
	12/31/2000	IBU27C0001	87	135	1002 5495	5434	103	358	402000		UED Gas Telecom - MI	547.56	0.00	
	12/31/2000	IBU27C0001	88	135	1405 5495	5434	103	358	402000		UED Gas Telecom - MI	6.00	0.00	
	12/31/2000	IBU27C0001	89	135	9004 5495	5434	103	358	402000		UED Gas Telecom - MI	0.00	58.70	
	12/31/2000	IBU27C0001	92	135	9103 5495	5434	103	358	402000		UED Gas Telecom - MI	79.40	0.00	
	12/31/2000	IBU27C0001	94	135	9113 5495	5434	103	358	402000		UED Gas Telecom - MI	1.10	0.00	
	12/31/2000	IBU33A0001	315	282	1001 5700	5880	960	359	402000		UED Customer Care VP	231.98	0.00	
	12/31/2000	IBU33A0001	319	282	9103 5700	5880	960	359	402000		UED Customer Care VP	30.16	0.00	
	12/31/2000	IBU33A0001	322	282	9112 5700	5880	960	359	402000		UED Customer Care VP	31.55	0.00	
	12/31/2000	5001101	19	490	1821 2301	6144	103		402000		December FERC Deriva	875.00	0.00	
	12/31/2000	5001101	21	490	1408 2300	6144	103		402000		December FERC Deriva	906.72	0.00	

894000 Total Activity:
 Ending Balance:

532,296.1
 532,296.1

895000 Beginning Balance:

0.0

02/03/2000	PRLD700002	867	555	9103 5432	5432	103			402000		Compensated Absences	7.20	0.00	
02/04/2000	PAY0341215	943	555	1002 5432	5432	103			402000		TIME & ATTEND UCU	55.35	0.00	
02/18/2000	PAY0492358	888	555	1002 5427	5427	103			402000		TIME & ATTEND UCU	182.04	0.00	
02/18/2000	PAY0492358	869	555	1002 5432	5432	103			402000		TIME & ATTEND UCU	927.50	0.00	
02/18/2000	PAY0492358	890	555	1002 5885	5885	103			402000		TIME & ATTEND UCU	143.36	0.00	
02/18/2000	PAY0492358	891	555	9004 5432	5432	103			402000		TIME & ATTEND UCU	23.95	0.00	
02/21/2000	PRLD700002	811	555	9103 5427	5427	103			402000		Compensated Absences	23.67	0.00	
02/21/2000	PRLD700002	812	555	9103 5432	5432	103			402000		Compensated Absences	120.58	0.00	
02/21/2000	PRLD700002	813	555	9103 5885	5885	103			402000		Compensated Absences	18.64	0.00	
03/04/2000	PAY0702342	845	555	1002 5432	5432	103			402000		TIME & ATTEND UCU	332.10	0.00	
03/04/2000	PAY0702342	846	555	9004 5432	5432	103			402000		TIME & ATTEND UCU	989.18	0.00	
03/07/2000	INVT051937	15	555	1100 5565	5432	103			402000		Inventory Transactio	79.84	0.00	
03/07/2000	MTLD200001	6	555	9002 5565	5432	103			402000		Materials Loading St	27.95	0.00	
03/13/2000	PRLD700002	775	555	9103 5432	5432	103			402000		Compensated Absences	43.17	0.00	
03/17/2000	PAY0772354	833	555	1002 5432	5432	103			402000		TIME & ATTEND UCU	789.03	0.00	
03/17/2000	PAY0772354	834	555	9004 5432	5432	103			402000		TIME & ATTEND UCU	755.78	0.00	
03/20/2000	PRLD700002	789	555	9103 5432	5432	103			402000		Compensated Absences	102.57	0.00	

Report ID: SLS1515
 Bus. Unit: MGD MGU Energy Delivery
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PeopleSoft GL
 FERC TRIAL BALANCE ACTIVITY REPORT
 For Fiscal Year: 2000 Period: 1 to 12 (incl adj)

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Acct	Jrnl Date	Jrnl_ID	Seq Line	Proc	Resrc	Dept	Chrg Dept	Prod	Alloc	Project	Acct	Affl	Jrnl_Hdr_Descr	Debit	Credit	Balance
895000	03/31/2000	PAY0902339	916	555	1002	5427	5427	103			402000		TIME & ATTEND UCU	73.08	0.00	
	03/31/2000	PAY0902339	917	555	1002	5432	5432	103			402000		TIME & ATTEND UCU	55.35	0.00	
	03/31/2000	PAY0902339	918	555	9004	5432	5432	103			402000		TIME & ATTEND UCU	7.15	0.00	
	03/31/2000	PRLD700002	785	555	9103	5427	5427	103			402000		Compensated Absences	9.50	0.00	
	03/31/2000	PRLD700002	786	555	9103	5432	5432	103			402000		Compensated Absences	7.20	0.00	
	04/12/2000	APAC054460	353	555	1899	5430	5430	103			402000		AP Accruals	64.05	0.00	
	04/12/2000	APAC054460	365	555	1199	5430	5430	103			402000		AP Accruals	50.61	0.00	
	04/12/2000	APAC054460	405	555	1899	5430	5430	103			402000		AP Accruals	195.27	0.00	
	04/12/2000	APAC054460	553	555	1199	5430	5430	103			402000		AP Accruals	0.80	0.00	
	04/12/2000	APAC054460	555	555	1199	5430	5430	103			402000		AP Accruals	6.03	0.00	
	04/12/2000	APAC054460	657	555	1899	5430	5430	103			402000		AP Accruals	5.91	0.00	
	04/12/2000	APAC054460	659	555	1899	5430	5430	103			402000		AP Accruals	3.13	0.00	
	04/12/2000	APAC054460	661	555	1899	5430	5430	103			402000		AP Accruals	31.50	0.00	
	04/12/2000	APAC054460	695	555	1104	5885	5885	103			402000		AP Accruals	341.13	0.00	
	04/28/2000	PAY1182331	983	555	1000	5885	5885	103			402000		TIME & ATTEND UCU	27.74	0.00	
	04/28/2000	PRLD700002	869	555	9103	5885	5885	103			402000		Compensated Absences	3.61	0.00	
	05/02/2000	APAC056100	17	555	1199	5565	5881	103			402000		AP Accruals	722.41	0.00	
	05/12/2000	PAY1370028	1015	555	1002	5885	5885	103			402000		TIME & ATTEND UCU	277.44	0.00	
	05/16/2000	PRLD700002	921	555	9103	5885	5885	103			402000		Compensated Absences	36.07	0.00	
	05/23/2000	APAC057864	21	555	1104	5885	5885	103			402000		AP Accruals	457.67	0.00	
	05/23/2000	APAC057864	23	555	1104	5885	5885	103			402000		AP Accruals	311.26	0.00	
	05/26/2000	PAY1480009	997	555	1002	5430	5430	103			402000		TIME & ATTEND UCU	58.05	0.00	
	05/26/2000	PAY1480009	998	555	9004	5430	5430	103			402000		TIME & ATTEND UCU	34.10	0.00	
	05/31/2000	PRLD700002	905	555	9103	5430	5430	103			402000		Compensated Absences	7.55	0.00	
	06/09/2000	PAY1620014	1040	555	1000	5885	5885	103			402000		TIME & ATTEND UCU	22.19	0.00	
	06/13/2000	PRLD700002	887	555	9103	5885	5885	103			402000		Compensated Absences	2.88	0.00	
	09/01/2000	PAY2452309	1013	555	1001	5429	5429	103			402000		TIME & ATTEND UCU	114.35	0.00	
	09/05/2000	PRLD400001	318	555	9112	5429	5429	103			402000		Non-union Incentive	16.81	0.00	
	09/05/2000	PRLD700001	887	555	9103	5429	5429	103			402000		Compensated Absences	14.87	0.00	
	09/15/2000	PAY2600800	977	555	1002	5427	5427	103			402000		TIME & ATTEND UCU	38.24	0.00	
	09/15/2000	PAY2600800	978	555	1002	5430	5430	103			402000		TIME & ATTEND UCU	154.80	0.00	
	09/15/2000	PAY2600800	979	555	9004	5427	5427	103			402000		TIME & ATTEND UCU	602.14	0.00	
	09/18/2000	PRLD300001	247	555	9111	5427	5427	103			402000		Non-Productive Time	0.19	0.00	
	09/18/2000	PRLD300001	248	555	9111	5430	5430	103			402000		Non-Productive Time	0.77	0.00	
	09/18/2000	PRLD700001	829	555	9103	5427	5427	103			402000		Compensated Absences	4.97	0.00	
	09/18/2000	PRLD700001	830	555	9103	5430	5430	103			402000		Compensated Absences	20.12	0.00	
	11/10/2000	PAY3182321	1123	555	1000	5431	5431	103			402000		TIME & ATTEND UCU	56.70	0.00	
	11/10/2000	PAY3182321	1124	555	1002	5431	5431	103			402000		TIME & ATTEND UCU	855.45	0.00	
	11/10/2000	PAY3182321	1125	555	9004	5431	5431	103			402000		TIME & ATTEND UCU	192.07	0.00	
	11/16/2000	PRLD300001	279	555	9111	5431	5431	103			402000		Non-Productive Time	8.55	0.00	
	11/16/2000	PRLD700001	945	555	9103	5431	5431	103			402000		Compensated Absences	118.58	0.00	
	11/24/2000	PAY3330020	958	555	1000	5431	5431	103			402000		TIME & ATTEND UCU	56.70	0.00	
	11/24/2000	PAY3330020	959	555	1002	5431	5431	103			402000		TIME & ATTEND UCU	342.90	0.00	
	11/24/2000	PAY3330020	960	555	9004	5431	5431	103			402000		TIME & ATTEND UCU	49.36	0.00	
	11/28/2000	PRLD300001	231	555	9111	5431	5431	103			402000		Non-Productive Time	3.43	0.00	
	11/28/2000	PRLD700001	865	555	9103	5431	5431	103			402000		Compensated Absences	51.95	0.00	
	12/15/2000	PAY3542325	1041	555	1002	5427	5427	103			402000		TIME & ATTEND UCU	31.00	0.00	
	12/15/2000	PAY3542325	1042	555	1002	5430	5430	103			402000		TIME & ATTEND UCU	58.05	0.00	
	12/15/2000	PAY3542325	1043	555	9004	5430	5430	103			402000		TIME & ATTEND UCU	0.00	15.50	
	12/20/2000	PRLD300001	236	555	9111	5427	5427	103			402000		Non-Productive Time	0.31	0.00	

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PeopleSoft GL

FERC TRIAL BALANCE ACTIVITY REPORT
For Fiscal Year: 2000 Period: 1 to 12 (incl adj)

Page No. 7724
Run Date 03/30/21
Run Time 10:10:44

Report ID: GLS1515
Bus. Unit: MGD NGU Energy Delivery
Currency Code: USD

Acct	Jrnl Date	Jrnl ID	Seq Line	Proc	Resrc Dept	Chrg Dept	Prod	Alloc Project	Acct	Affi	Jrnl_Hdr_Descr	Debit	Credit	Balance
895000	12/20/2000	PRLD300001	237	555	9111 5430	5430	103		402000		Non-Productive Time	0.58	0.00	
	12/20/2000	PRLD700001	887	555	9103 5427	5427	103		402000		Compensated Absences	4.03	0.00	
	12/20/2000	PRLD700001	888	555	9103 5430	5430	103		402000		Compensated Absences	7.55	0.00	
895000	Total Activity:													10,222.1
	Ending Balance:													10,222.1

901000 Beginning Balance: 0.0

01/03/2000	APAC047749	33	600	1202	5880	5880	960		401700		AP Accruals	109.88	0.00	
01/07/2000	APAC047946	163	600	1203	6057	6057	960		401700		AP Accruals	6.68	0.00	
01/07/2000	APAC047946	221	600	1203	5882	5882	960		401700		AP Accruals	61.84	0.00	
01/07/2000	PAY0172317	857	600	1000	5431	5431	103		401700		TIME & ATTEND UCU	26.87	0.00	
01/07/2000	PAY0172317	858	600	1001	5881	5881	103		401700		TIME & ATTEND UCU	387.47	0.00	
01/07/2000	PAY0172317	859	600	1001	5883	5883	960		401700		TIME & ATTEND UCU	450.45	0.00	
01/07/2000	PAY0172317	860	600	1002	5431	5431	103		401700		TIME & ATTEND UCU	192.13	0.00	
01/07/2000	PAY0172317	861	600	1002	5431	5881	103		401700		TIME & ATTEND UCU	161.19	0.00	
01/07/2000	PAY0172317	862	600	1006	5883	5883	960		401700		TIME & ATTEND UCU	113.85	0.00	
01/07/2000	PAY0172317	863	600	1002	5431	5431	103	58210319	401700		TIME & ATTEND UCU	483.57	0.00	
01/07/2000	PAY0172317	864	600	1002	5431	5432	103	58210419	401700		TIME & ATTEND UCU	116.42	0.00	
01/07/2000	PAY0172317	865	600	1002	5431	5432	103	58210519	401700		TIME & ATTEND UCU	116.42	0.00	
01/18/2000	PRLD400001	225	600	9112	5881	5881	103		401700		Non-union Incentive	56.96	0.00	
01/18/2000	PRLD400001	226	600	9112	5883	5883	960		401700		Non-union Incentive	66.22	0.00	
01/18/2000	PRLD700001	562	600	9103	5431	5431	103		401700		Compensated Absences	28.47	0.00	
01/18/2000	PRLD700001	563	600	9103	5431	5431	103	58210319	401700		Compensated Absences	62.86	0.00	
01/18/2000	PRLD700001	564	600	9103	5431	5432	103	58210419	401700		Compensated Absences	15.13	0.00	
01/18/2000	PRLD700001	565	600	9103	5431	5432	103	58210519	401700		Compensated Absences	15.13	0.00	
01/18/2000	PRLD700001	566	600	9103	5431	5881	103		401700		Compensated Absences	20.95	0.00	
01/18/2000	PRLD700001	567	600	9103	5881	5881	103		401700		Compensated Absences	58.37	0.00	
01/18/2000	PRLD700001	568	600	9103	5883	5883	960		401700		Compensated Absences	73.36	0.00	
01/20/2000	APAC048815	243	600	1202	5882	5882	960		401700		AP Accruals	616.70	0.00	
01/21/2000	PAY0280049	983	600	1000	5431	5431	103		401700		TIME & ATTEND UCU	53.73	0.00	
01/21/2000	PAY0280049	984	600	1001	5881	5881	103		401700		TIME & ATTEND UCU	110.70	0.00	
01/21/2000	PAY0280049	985	600	1001	5883	5883	960		401700		TIME & ATTEND UCU	1,082.95	0.00	
01/21/2000	PAY0280049	986	600	1002	5431	5431	103		401700		TIME & ATTEND UCU	179.10	0.00	
01/21/2000	PAY0280049	987	600	1002	5431	5881	103		401700		TIME & ATTEND UCU	268.65	0.00	
01/21/2000	PAY0280049	988	600	1002	5882	5882	960		401700		TIME & ATTEND UCU	967.68	0.00	
01/21/2000	PAY0280049	989	600	1006	5883	5883	960		401700		TIME & ATTEND UCU	142.31	0.00	
01/21/2000	PAY0280049	990	600	1002	5431	5431	103	58210319	401700		TIME & ATTEND UCU	626.85	0.00	
01/21/2000	PAY0280049	991	600	1002	5431	5432	103	58210419	401700		TIME & ATTEND UCU	179.10	0.00	
01/21/2000	PAY0280049	992	600	1002	5431	5432	103	58210519	401700		TIME & ATTEND UCU	179.10	0.00	
01/29/2000	PRLD400001	265	600	9112	5881	5881	103		401700		Non-union Incentive	16.27	0.00	
01/29/2000	PRLD400001	266	600	9112	5883	5883	960		401700		Non-union Incentive	159.19	0.00	
01/29/2000	PRLD700001	707	600	9103	5431	5431	103		401700		Compensated Absences	30.27	0.00	
01/29/2000	PRLD700001	708	600	9103	5431	5431	103	58210319	401700		Compensated Absences	81.49	0.00	
01/29/2000	PRLD700001	709	600	9103	5431	5432	103	58210419	401700		Compensated Absences	23.28	0.00	
01/29/2000	PRLD700001	710	600	9103	5431	5432	103	58210519	401700		Compensated Absences	23.28	0.00	
01/29/2000	PRLD700001	711	600	9103	5431	5881	103		401700		Compensated Absences	34.92	0.00	

AQUILA, INC.
CASE NO. ER-2004-0034
DATA REQUEST NO. ILA-0008
TO MISSOURI OFFICE OF THE PUBLIC COUNSEL

DATE OF REQUEST: December 11, 2003
DATE DUE: January 12, 2004
REQUESTOR: Bev Agut
BRIEF DESCRIPTION: Accounting Record-Keeping

QUESTION:

A. Does the OPC have any specific issues regarding the level of detail captured in Aquila's current financial accounting system or are the issues outlined in the direct testimony of Ted Robertson solely related to reporting format? If the issues pertain to the level of detail captured in the financial accounting system, please state specifically what Mr. Robertson believes should be changed?

B. Is there a general ledger detail reporting format used by any other regulated utility in the state of Missouri that meets Mr. Robertson's approval or audit needs? If so, please provide the name of the utility or utilities, the financial accounting software utilized, and a sample of the general ledger reporting format. Note: It is understood that the financial information of another utility is considered highly confidential. However, a "mock" reporting format can be created utilizing column header, row descriptions, journal descriptions, etc. that are generic in nature.

RESPONSE:

A. OPC's primary concern, at this time, is the reporting format. However, if it is determined that the Company's accounting systems do not capture the data necessary to develop and create a detailed general ledger for the Missouri regulated operations, then data capture issues should also be addressed.

B. It is OPC's understanding that most, if not all, Missouri regulated utilities of any size (e.g., Ameren, Missouri Gas Energy, Missouri Water Company, Southwestern Bell Telephone Company, etc.), excepting Aquila, produce some form of a detailed general ledger. The accounting software programs utilized by the utilities are diverse. Please see the attached representation of a detailed general ledger currently in use by a large Missouri regulated utility.

ATTACHMENT:

Attachment to DR ILA0008.xls



Attachment to DR
ILA 0008.xls

ANSWERED BY: Ted Robertson

SCHEDULE BRA-2

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Representative Detailed General Ledger Example:

<u>Co.</u>	<u>Main</u>	<u>Sub</u>	<u>Source Cd.</u>	<u>Reference</u>	<u>FY</u>	<u>Period</u>	<u>Amount</u>	<u>Vendor#</u>	<u>Vendor Name</u>	<u>Inv. #/P.O. #/Item Code</u>	<u>Inv. Date</u>
1	8700	0	Allocated	Clearing	2003	1	147.97	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8700	0	Allocated	Loading	2003	1	205.09	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8710	0	Allocated	Clearing	2003	1	197.50	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8710	0	Allocated	Loading	2003	1	237.53	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Clearing	2003	1	7.60	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Clearing	2003	1	153.34	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Clearing	2003	1	35.29	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Clearing	2003	1	183.89	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Clearing	2003	1	1,600.33	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Clearing	2003	1	191.59	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Clearing	2003	1	762.66	n/a	Vehicle Clearing	Vehicle Clearing	n/a
1	8740	0	Allocated	Loading	2003	1	208.56	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	307.20	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	9.14	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	184.42	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	2,241.66	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	42.44	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	1,057.09	n/a	Non-productive Time Load	Non-productive Time Load	n/a
1	8740	0	Allocated	Loading	2003	1	23.89	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Loading	2003	1	68.11	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Loading	2003	1	14.03	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Loading	2003	1	37.98	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Loading	2003	1	21.20	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Loading	2003	1	84.74	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Loading	2003	1	60.08	n/a	Stores Load	Stores Load	n/a
1	8740	0	Allocated	Clearing	2003	1	50.93	n/a	Vehicle Clearing	Vehicle Clearing	n/a

<u>Co.</u>	<u>Main</u>	<u>Sub</u>	<u>Source Cd.</u>	<u>Reference</u>	<u>FY</u>	<u>Period</u>	<u>Amount</u>	<u>Vendor#</u>	<u>Vendor Name</u>	<u>Inv. #/P.O. #/Item Code</u>	<u>Inv. Date</u>
1	9210	9000	A/P	2320	2003	1	2.24	10819	Pinkerton Security	156405	06/02/2002
1	9210	9000	A/P	2320	2003	1	88.19	5313	Southwestern Bell Co.	1986888	06/02/2002
1	9210	9000	A/P	2320	2003	1	595.24	5313	Southwestern Bell Co.	1969206	06/18/2002
1	9210	9000	A/P	2320	2003	1	99.61	5313	Southwestern Bell Co.	1164797	06/27/2002
1	9210	9000	A/P	2320	2003	1	166.57	10819	Pinkerton Security	166797	06/14/2002

1	9230	7000	A/P	2320	2003	1	418.50	3590	Brydon Attorneys	166468	06/29/2002
1	9230	7000	A/P	2320	2003	1	447.74	9743	England Attorneys	166758	06/29/2002
1	9230	7000	A/P	2320	2003	1	5,414.15	18211	Coffman Attorneys	166508	06/29/2002
1	9230	7000	A/P	2320	2003	1	1,875.00	17841	Joe Stokes	1655	06/29/2002
1	9230	7000	A/P	2320	2003	1	255.00	17841	Joe Stokes	1656	06/02/2002
1	9230	7000	A/P	2320	2003	1	130.00	17841	Joe Stokes	1657	06/18/2002
1	9230	7000	A/P	2320	2003	1	115.00	17841	Joe Stokes	1568	06/27/2002
1	9230	7000	A/P	2320	2003	1	730.00	17841	Joe Stokes	1568	07/02/2002
1	9230	7000	A/P	2320	2003	1	370.00	17841	Joe Stokes	6116	07/18/2002
1	9230	7000	A/P	2320	2003	1	220.00	17841	Joe Stokes	6516	07/29/2002
1	9250	1000	A/P	2320	2003	1	3,220.00	10875	Stay's Engineering Inc.	55510	07/01/2002
1	9250	1000	A/P	2320	2003	1	100.00	5696	Health Council	556660	07/18/2002
1	9250	1000	A/P	2320	2003	1	498.00	5696	Health Council	554894	07/29/2002
1	9250	1000	A/P	2320	2003	1	125.00	2751	American Distribution Co.	1668840	07/14/2002
1	9250	1000	A/P	2320	2003	1	800.00	10903	Cole County	55198	07/01/2002
1	9250	1000	A/P	2320	2003	1	92.21	6010	Northern Optical Lab, Inc.	558161	06/18/2002
1	9250	1000	A/P	2320	2003	1	211.10	6010	Northern Optical Lab, Inc.	155987	06/27/2002
1	9250	1000	A/P	2320	2003	1	188.96	6010	Northern Optical Lab, Inc.	191566	07/02/2002
1	9250	1000	A/P	2320	2003	1	183.62	6010	Northern Optical Lab, Inc.	166680	07/18/2002
1	9250	1000	A/P	2320	2003	1	171.25	6010	Northern Optical Lab, Inc.	166884	07/29/2002
1	9260	1010	A/P	2320	2003	1	16,650.00	9816	401K Savings Plan	546000	07/02/2002
1	9260	1010	A/P	2320	2003	1	16,650.00	9816	401K Savings Plan	566600	07/18/2002
1	9260	4000	A/P	2320	2003	1	989.58	5648	Behavioral Health	564899	07/22/2002
1	9260	4000	A/P	2320	2003	1	1,205.00	7475	Roger Rich	556660	07/07/2002
1	9260	5000	A/P	2320	2003	1	2,251.00	9916	401K Def. Comp.	5556661	07/02/2002
1	9260	5000	A/P	2320	2003	1	2,264.00	9916	401K Def. Comp.	5540006	07/18/2002

