AQUILA, INC.
CASE NO. EF-2003-0465
DATA REQUEST NO. OPC-5012

COPY

DATE OF REQUEST: August 21, 2003

DATE RECEIVED: August 21, 2003

DATE DUE: September 10, 2003

REQUESTOR: Douglas E. Micheel

QUESTION:

Please provide any and all written, electronic or any other form of information provided by Aquila to financial analysts regarding Aquila's financial plan. (Schedule RD-1 Direct Testimony of Rick Dobson.)

RESPONSE: Please see attachments. Although there were no "collateral specific" presentations made to analysts, the financial plan is mentioned in the following presentations.

ATTACHMENT: Attached analyst presentations.

ANSWERED BY:

Neala Clark

SIGNATURE OF RESPONDENT

FILED
DEC 0 5 2003
Missouri Public Service Commission

Exhibit No. 51
Case No(s). EF-2003-0465
Date 10-21-03 **Rptr** KF

SEP 0 8 2003

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Annual Shareholders Meeting
June 4, 2003

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Forward-Looking Statements

- The statements made with respect to Aquila's earnings and outlook for the future contain some forward-looking information. Naturally, all forward-looking statements involve risk and uncertainty, and actual results or events could be materially different. Although Aquila believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved.

- In light of these risks, uncertainties, and assumptions, the forward-looking events discussed might not occur. Please review the company's quarterly report on Form 10Q for first quarter 2003 and the 2002 annual report on Form 10-K for important factors that could cause results to differ materially from those in any such forward-looking statements.

- Information in these archived materials may not be current and may be superseded by more recent information published by Aquila.

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Key Messages

Repositioning as a Domestic Utility:

- Restructuring Effort: Update on results
- Financial Review: 2002 & Q1 2003 performance
- Ongoing Business: Strengthen core utility operations
- Rebuilding Investor Confidence
- Outlook: Challenges remain through 2004

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Repositioning Plan Results

Ongoing Business:

2002

- ✓ Implemented state-based utility structure
- ✓ Reduced overhead; eliminated non-core services

1Q '03 / 2Q '03

- ✓ Implemented Everest restricted-growth strategy
- ✓ Equitably settled several rate initiatives
- ✓ Filed for commission approval to grant security

Future Actions

- Streamline & improve processes
- Enhance customer service
- Pursue appropriate rate relief

2002 → 1Q '03 → 2Q '03 → Future Actions

Restructuring Effort:

2002

- ✓ Exited trading & marketing
- ✓ Implemented significant cost reductions
- ✓ Suspended the dividend
- ✓ Engaged independent financial advisors
- ✓ Deliberate "quiet" period
- ✓ Evaluated structural & financial options

1Q '03 / 2Q '03

- ✓ Began discussions with regulators
- ✓ Initiated discussions with lenders
- ✓ Completed new money refinancing deal
- ✓ Closed $1.3 billion in asset sales
- ✓ Reduced $1 billion in liabilities
- ✓ Signed $.5 billion sale agreement for Australian investments
- ✓ Signed Midlands sale agreement
- ✓ Terminated Acadia toll

Future Actions

- Complete trade book wind down
- Restructure tolls
- Continue asset sales program:
  - Canada
  - IPP's
- Improve liquidity & reduce debt further
- Cooperate with investigations

Repositioning as a domestic utility

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Restructuring Progress

2002 | 1Q '03 | 2Q '03 | Future Actions

Restructuring Effort:

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Executing against restructuring plan

Forward-Looking Guidance

- No earnings guidance
- Expectations:
  - Losses in 2003 & 2004 as we execute on restructuring effort
  - Additional asset sales; impairments possible
  - Continued earnings volatility

Timing of restructuring impacts earnings predictability

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2002 & Q1 EBIT by Business Segment

($ Millions)	Full Year 2002	Q1 2003	Q1 2002	Q1 Variance
1) Global Networks Group:				
2) Domestic Networks	$ 125.8	$75.0	$ 45.0	$ 30.0
3) Quanta	(699.3)	(.2)	8.1	(8.3)
4) Communications	(256.1)	(4.2)	(7.0)	2.8
5) International Networks	(70.1)	10.6	33.6	(23.0)
6) Total Global Networks	(899.7)	81.2	79.7	1.5
7) Total Merchant Services	(671.0)	(101.3)	23.7	(125.0)
8) Corporate and Other	(37.7)	(1.1)	(16.7)	15.6
9) Total EBIT	$(1,608.4)	$(21.2)	$ 86.7	$ (107.9)
10) Interest Expense	249.5	65.1	48.6	(16.5)
11) Income Tax Benefit	(135.1)	(34.4)	(1.9)	32.5
12) Earnings (Loss) from Continuing Operations	$(1,722.8)	$(51.9)	$ 40.0	$ (91.9)

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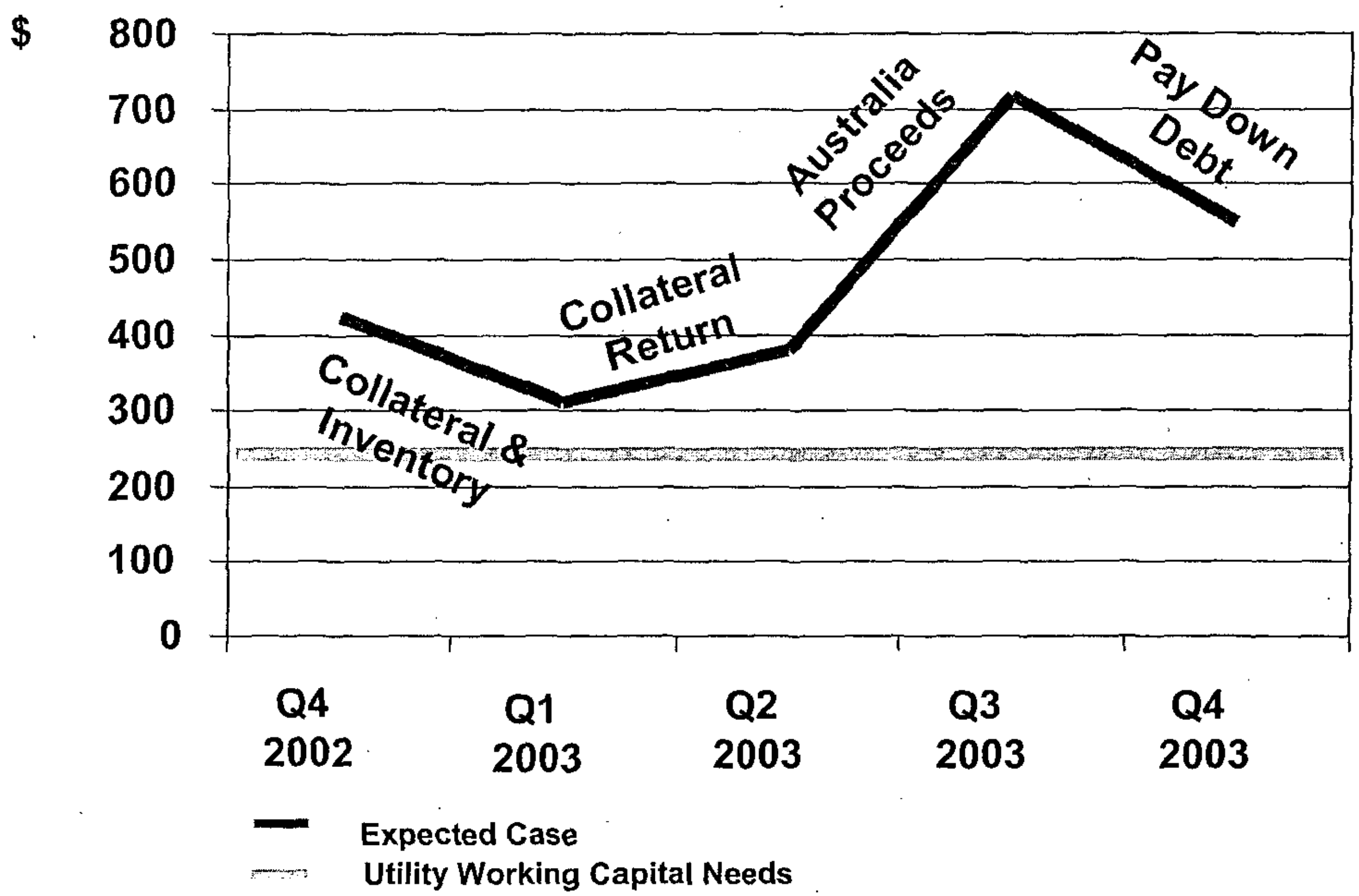
Estimated Liquidity

($ Millions)



Liquidity needed for restructuring effort

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Repositioning Plan Results

Ongoing Business:

✓ Implemented state-based utility structure

✓ Reduced overhead; eliminated non-core services

✓ Implemented Everest restricted-growth strategy

✓ Equitably settled several rate initiatives

✓ Filed for commission approval to grant security

- Streamline & improve processes
- Enhance customer service
- Pursue appropriate rate relief

2002 | **1Q '03** | **2Q '03** | **Future Actions**

Focusing on utility performance

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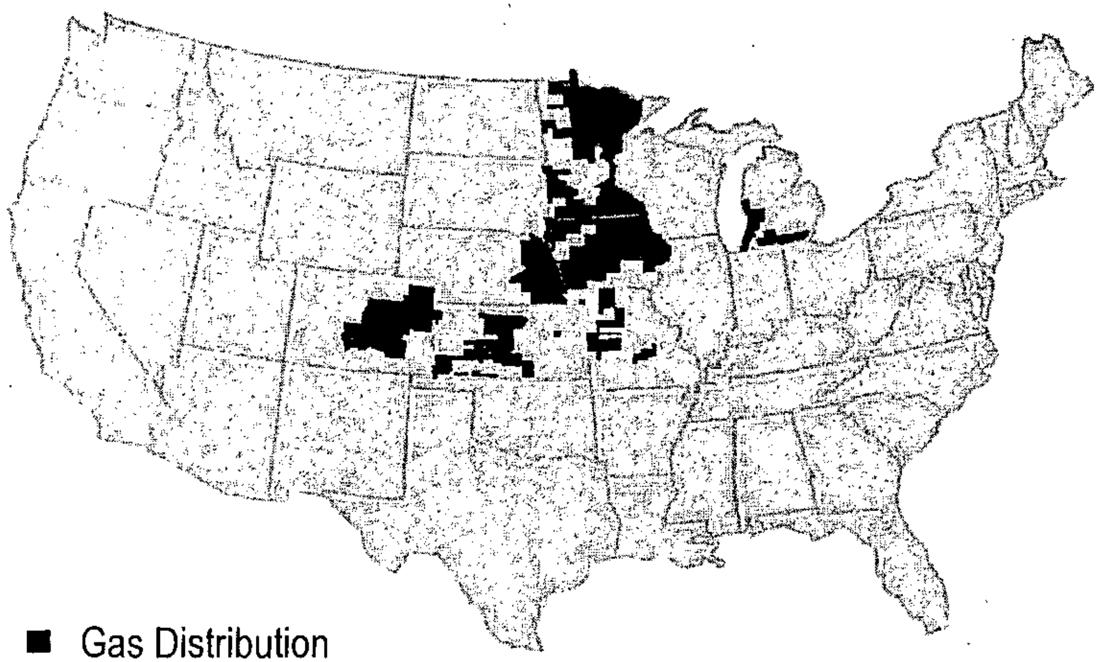
The Road Ahead: A Domestic Utility Company



- Gas Distribution
- Electricity Distribution
- Combination Gas & Electric

Diversification:

Gas Customers

- **Michigan: 158,000**
- **Nebraska: 189,000**
- **Colorado: 52,000**
- **Iowa: 144,000**
- **Kansas: 104,000**
- **Minnesota: 191,000**
- **Missouri: 53,000**

Electric Customers

- **Colorado: 87,000**
- **Kansas: 69,000**
- **Missouri: 282,000**

NETWORKS

✓ **7 states**
✓ **Gas Customers: 891,000**
✓ **Electric Customers: 438,000**
✓ **On-system appliance repair business**

Diversification mitigates utility risks

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Strong Utility Performance Measures

Overall customer satisfaction rating	94%

Electric Measures	12-Month Average	SW Power Pool Benchmark	USA Average Benchmark
CAIDI (outage minutes/# outages)	67.8 minutes	93.6 minutes	104.4 minutes
SAIFI (# outages/# customers)	1.25	1.46	1.29
SAIDI (outage minutes/# customers)	84.5 minutes	136.8 minutes	132.6 minutes

Maintaining a customer service focus

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Diversification Minimizes Customer Risk

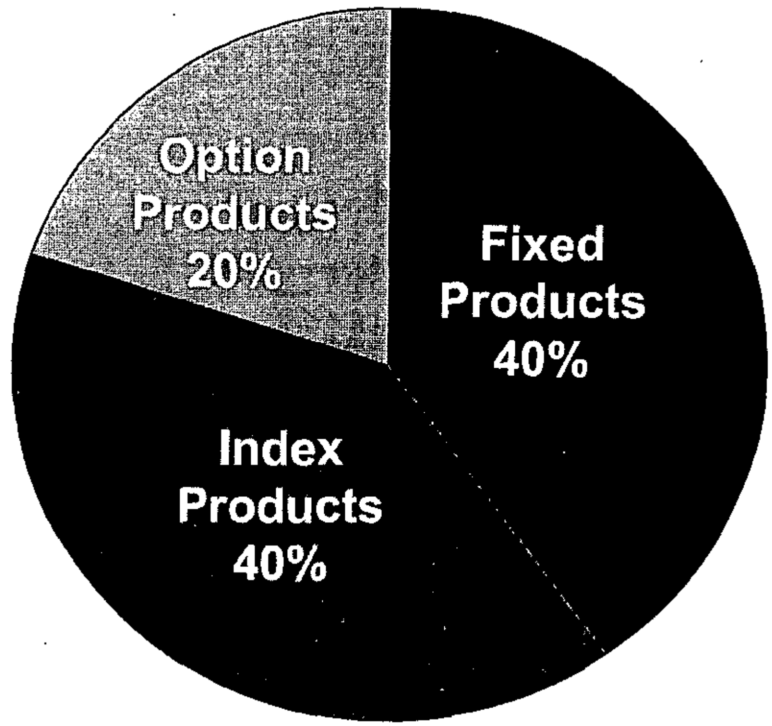
Objectives:

- Assure reliability
- Mitigate volatility
- Provide reasonable price
- Ensure cost recovery

Result:

- Customers saved over $50 million or 12% of market gas costs for the 11/02 – 3/03 time period

Typical Gas Portfolio Mix



Portfolio approach delivered significant customer savings

Rebuilding Investor Confidence

Strong corporate governance platform:

- Updated governance principles to match new standards
- Expanded code of ethics for senior financial officers
- Addition of new independent director, exceeding independence requirements
- Established Corporate Governance/Nominating Committee
- Selected lead independent director: Herman Cain
- Improved business code of conduct
- Launched governance website - April 15th
- Appointed a Chief Compliance Officer

Ensuring shareholder interests are served

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Outlook: Challenges Remain Through 2004

Areas of Focus:

- **Commitment to shareholders**
- **Continue restructuring plan**
  - Restructure tolls
  - Sell assets
  - Utilize liquidity to strengthen balance sheet
- **Cooperate with ongoing regulatory investigations**
- **Strengthen inherent value of core utility operations**
  - Maintain high level of customer service
  - Gain regulatory approval to secure assets
  - Pursue appropriate rate relief

Volatile earnings expected; focused on cash & ongoing business

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Annual Shareholder Meeting
June 4, 2003

Questions & Answers

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Annual Shareholder Meeting
June 4, 2003

Supplemental Slides

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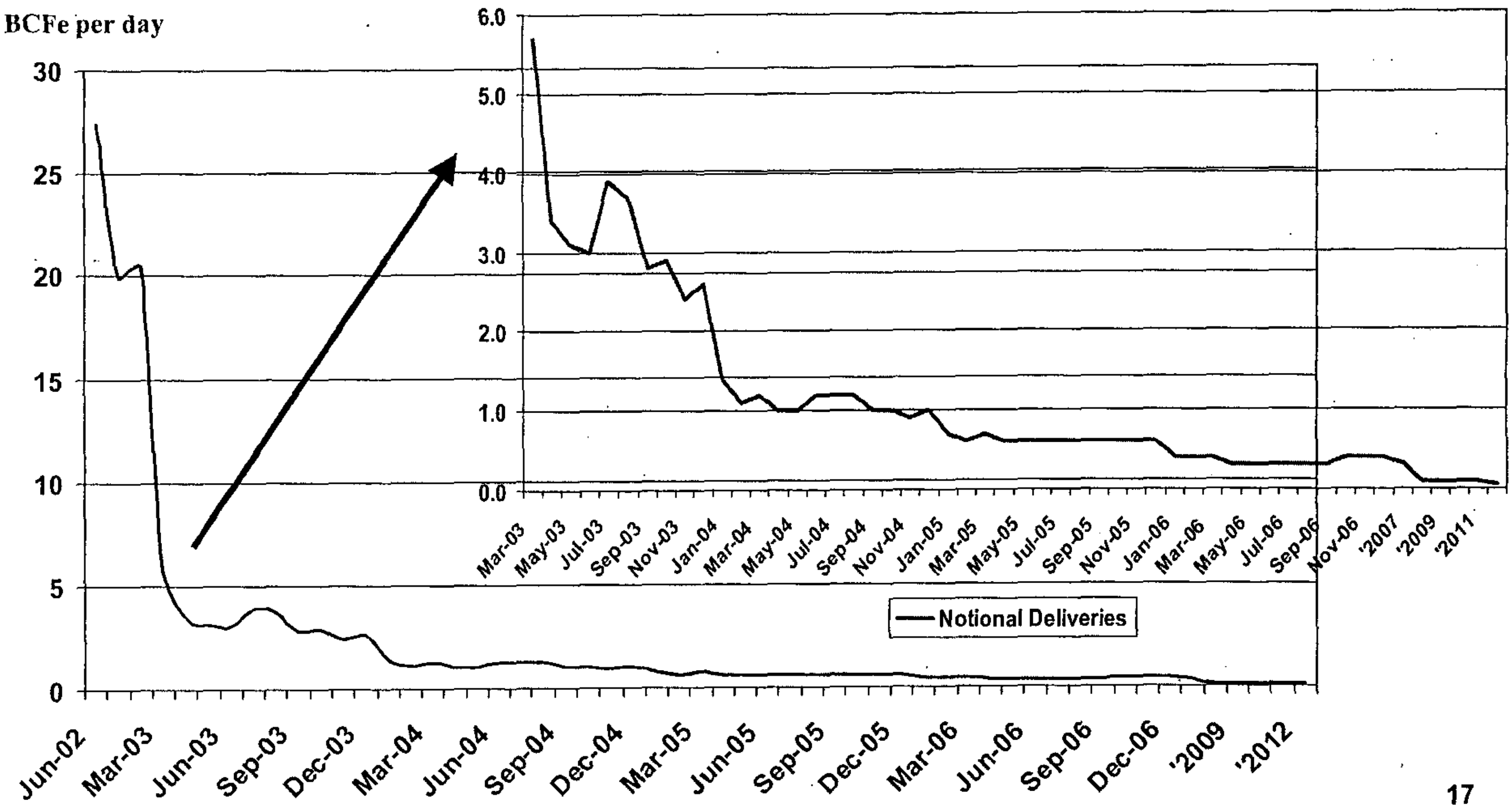
Trade Book Winding Down

- Managing legacy book to minimize collateral calls and maximize cash flow
- Transacting to optimize current long power position; no speculative trading



Refinancing Completed: Uncertainty Removed

Strong market demand:

- Executed an institutional term loan
- Refinancing addressed domestic bank debt & construction project financings
- Covenants allow flexibility to execute restructuring plan

Refinancing was a key component of financial stability

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Capital Structure

($ Millions)	Actual as of 3/31/03	Actual as of 12/31/02
Short-Term Debt	$661	$832
Long-Term Debt	2,401	2,398
Shareholders' Equity	1,612	1,608
Total Capitalization	$4,674	$4,838
Debt/Total Capitalization	65.5%	66.8%

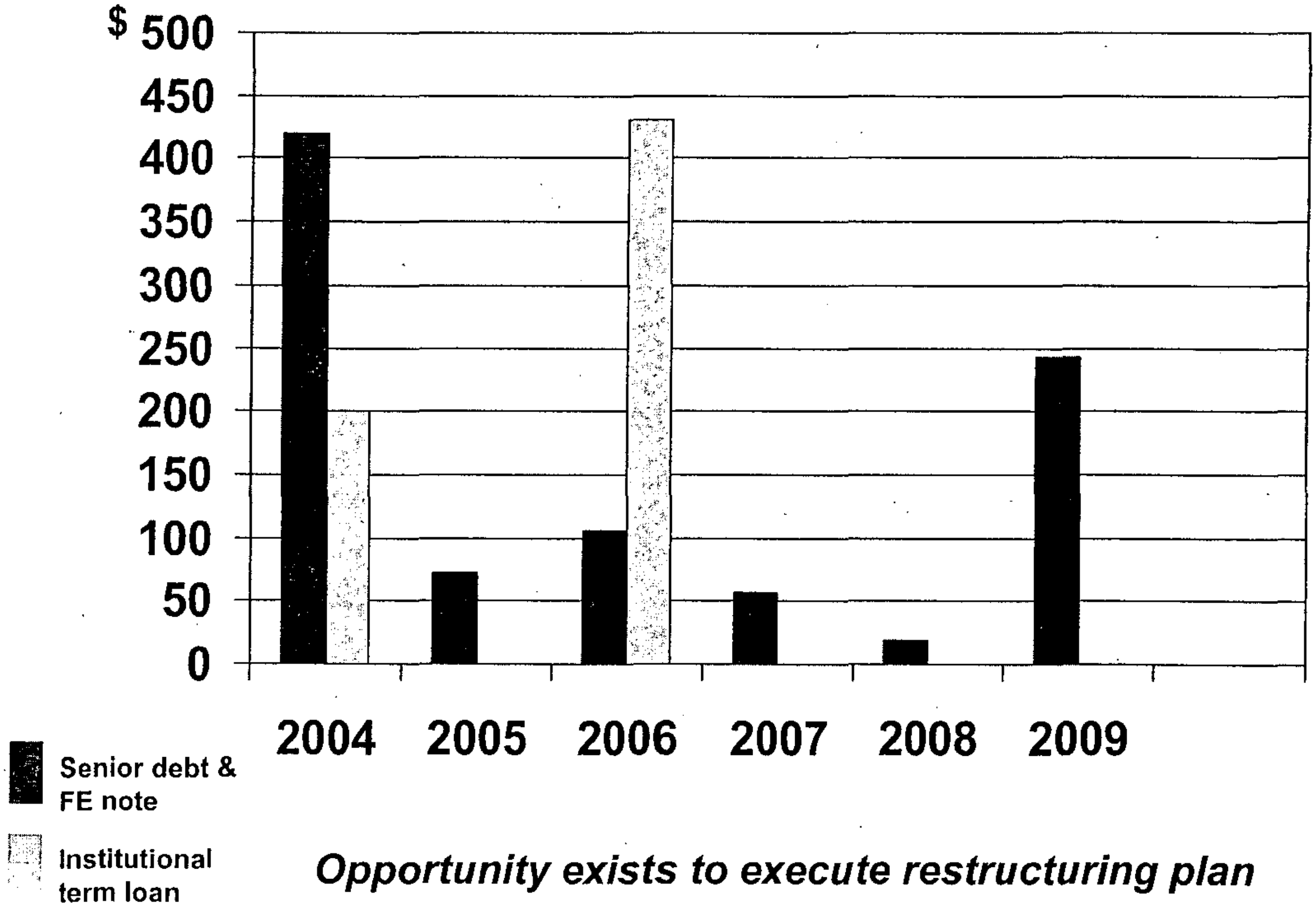
Term Loan Debt Covenants:

- 2003 75/25 Debt to Equity
- 2004 70/30 Debt to Equity

Loan covenants provide flexibility to continue restructuring

Scheduled Debt Maturities

($ Millions)



Opportunity exists to execute restructuring plan

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Asset Sales

DESCRIPTION	CASH PROCEEDS
Asset Sales Closed:	**$'s Millions**
Aquila Gas Pipeline	$ 263
Lockport	38
New Zealand (net of taxes)	387
Hole House Storage	37
Quanta	82
Mallon & Other Assets	56
Katy Storage	160
AECC	259
Subtotal	$1,282
Asset Sales Signed:	
Australia	$ 445
Midlands	45
Total Asset Sales	$1,772

DESCRIPTION	REDUCED LIABILITIES
Liabilities Reduced:	**$'s Millions**
Revolver	$ 270
Midlands Bridge	194
Australian Debt	163
New Zealand (Debt & DB)	168
Synthetic Leases	132
Canada	40
Release of Lodi Guarantee	60
Total Reductions	$1,027

Potential Use of Australian & Midlands Proceeds:

- 364-Day Term Loan
- 2004 Maturities
- Other Debt Reduction

Asset sales strengthen balance sheet

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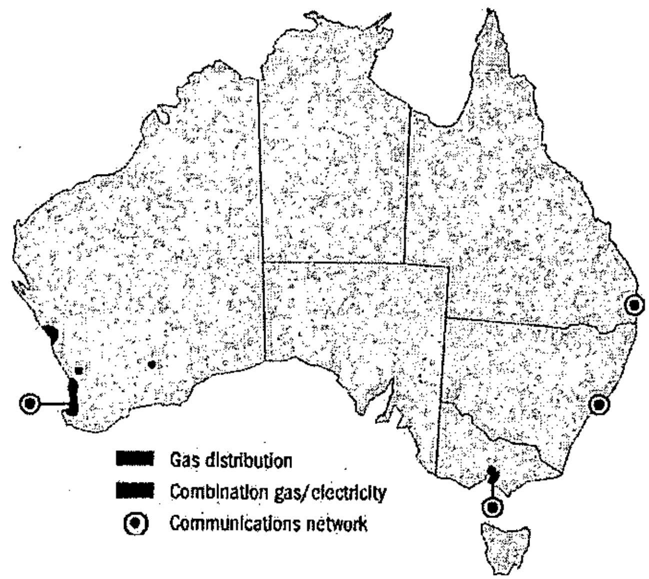
Australia Sale

- Terms:
  - Total proceeds of US$589 million before tax; US$445 million after tax
  - Proceeds expected in 3rd Quarter
  - UE requires shareholder vote - set for July
  - Currency risk hedged
- Properties:
  - United Energy ~ 34% interest
  - AlintaGas ~ 22.5% interest
  - Multinet Gas ~ 22.5% interest



Sale to yield significant net proceeds

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Terminated Acadia Toll

- Terms:
  - $105.5 million fee paid to terminate tolling agreement
  - Returns $45 million from Aquila collateral posting
  - Net cash outflow of $60.5 million
- Benefit:
  - Removes remaining obligation of $834 million over the life of the toll, approximately $43 million annually

Continued execution on restructuring effort

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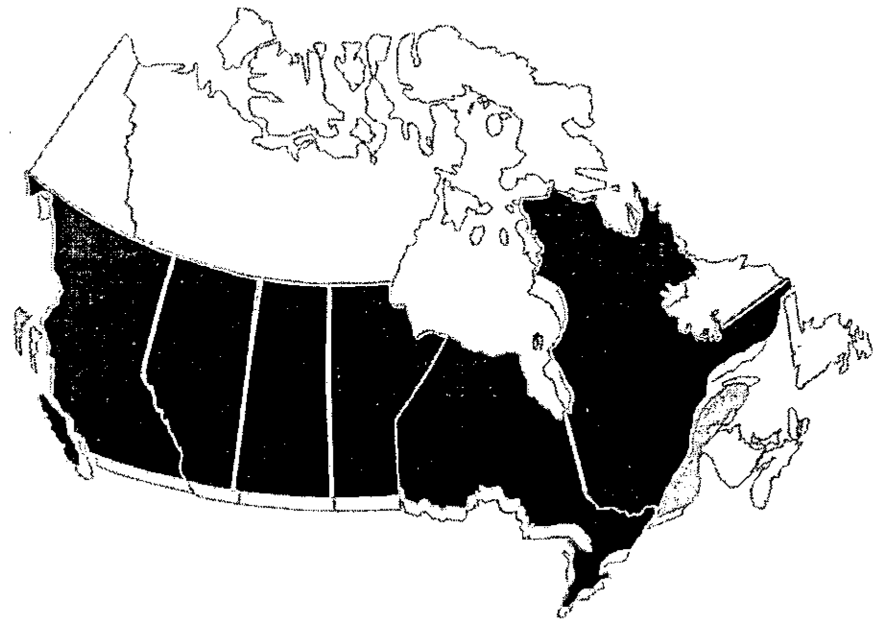
Canadian Networks – Sale Candidate



Canada:

<u>Alberta</u>

- Acquired from TransAlta for US$480 million in 2000
- Sold retail business for US$75 million
- Rate base of approximately US$339 million
- 390,000 customers; 58,894 miles of distribution lines

<u>British Columbia</u>

- Rate base of approximately US$279 million
- 93,000 customers; 212 MW of hydro generation; 4,243 miles of T&D lines

Opportunity for additional asset sales

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Regulated Domestic Networks

Gas	Customers	% BCF Residential	Fuel Cost Adjustment
Michigan	157,900	42%	✓
Nebraska	189,000	35%	✓
Colorado	52,600	69%	✓
Iowa	144,100	43%	✓
Kansas	103,600	27%	✓
Minnesota	190,500	23%	✓
Missouri	52,900	38%	✓

Electric	Customers	% MWh Residential	Fuel Cost Adjustment	MW Owned/Leased
Colorado	87,100	31%	50%	102
Kansas	68,500	19%	100%	383 / 172 (2)
Missouri	282,300	41%	Minimal (1)	1,435

(1) Legislation pending to allow purchased power and fuel cost pass through

(2) 8% leased interest in Jeffrey Energy Center

Diversity and balance in the domestic network

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Recent Utility Rate Case Activity

State	Date	Requested	Status
Minnesota	8/2000	$ 9.8 MM	$ 5.7 MM (pending)
Iowa	6/2002	$ 9.3 MM	$ 4.3 MM (settlement)
Michigan	8/2002	$14.3 MM	$ 9.1 MM (settlement)
Colorado	10/2002	$23.4 MM	$16.0 MM (pending)
Nebraska	Planned		

Achieving equitable rate settlements

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Utility Asset Collateral Application Status

State	Filed	Noticed	Intervention	Hearing
Colorado	April 30	May 5	May 15	June 17
Iowa	April 30	May 2	May 15	June 30
Kansas (1)	April 30	May 7	---	---
Minnesota	April 30	---	---	---
Missouri	April 30	---	---	---

(1) Pre-hearing conference held May 16

Seeking regulatory approval to secure assets