

Name of Respondent Aquila, Inc. d/b/a Aquila Networks - MGU		This Report Is: This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item  (a)	Total  (b)	Electric  (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	278,518,286		
4	Property Under Capital Leases	0		
5	Plant Purchased or Sold	0		
6	Completed Construction not Classified	1,388,886		
7	Experimental Plant Unclassified	0		
8	TOTAL (Enter Total of lines 3 thru 7)	279,907,172		
9	Leased to Others	0		
10	Held for Future Use	0		
11	Construction Work in Progress	1,468,940		
12	Acquisition Adjustments	34,546,115		
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	315,922,227		
14	Accum. Prov. for Depr., Amort., & Depl.	151,208,054		
15	Net Utility Plant (Enter Total of line 13 less 14)	164,714,173		
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	131,165,117		
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights	0		
20	Amort. of Underground Storage Land and Land Rights	0		
21	Amort. of Other Utility Plant	2,098,150		
22	TOTAL In Service (Enter Total of lines 18 thru 21)	133,263,267		
23	Leased to Others			
24	Depreciation	0		
25	Amortization and Depletion	0		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0		
27	Held for Future Use			
28	Depreciation	0		
29	Amortization	0		
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)	0		
31	Abandonment of Leases (Natural Gas)	0		
32	Amort. of Plant Acquisition Adj.	17,944,787		
33	TOTAL Accumulated provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	151,208,054		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
278,518,286					3
0					4
0					5
1,388,886					6
0					7
279,907,172					8
0					9
0					10
1,468,940					11
34,546,115					12
315,922,227					13
151,208,054					14
164,714,173					15
					16
					17
131,165,117					18
0					19
0					20
2,098,150					21
133,263,267					22
					23
0					24
0					25
0					26
					27
0					28
0					29
0					30
0					31
17,944,787					32
151,208,054					33

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**GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)**

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Acct 101, Gas Plant in Service (Classified), this schedule includes Account 102, Gas Plant Purchased or Sold; Acct 103, Experimental Gas Plant Unclassified; and Account 106, Completed Construction Not Classified - Gas.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries

for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior year's tentative account distributions of these amounts.

Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1. Intangible Plant		
2	301	Organization	0	
3	302	Franchises and Consents	22,656	
4	303	Miscellaneous Intangible Plant	0	
5		TOTAL Intangible Plant	22,656	0
6		2. Production Plant		
7		Manufactured Gas Production Plant		
8	304.1	Land	0	
9	304.2	Land Rights	0	
10	305	Structures and Improvements	0	
11	306	Boiler Plant Equipment	0	
12	307	Other Power Equipment	0	
13	308	Coke Ovens	0	
14	309	Producer Gas Equipment	0	
15	310	Water Gas Generating Equipment	0	
16	311	Liquefied Petroleum Gas Equipment	0	
17	312	Oil Gas Generating Equipment	0	
18	313	Generating Equipment-Other Processes	0	
19	314	Coal, Coke and Ash Handling Equipment	0	
20	315	Catalytic Cracking Equipment	0	
21	316	Other Reforming Equipment	0	
22	317	Purification Equipment	0	
23	318	Residual Refining Equipment	0	
24	319	Gas Mixing Equipment	0	
25	320	Other Equipment	0	
26		TOTAL Manufactured Gas Production Plant	0	0

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**GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)**

Careful observation of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classification.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					1
			0	301	2
			22,656	302	3
			0	303	4
0	0	0	22,656		5
					6
					7
			0	304.1	8
			0	304.2	9
			0	305	10
			0	306	11
			0	307	12
			0	308	13
			0	309	14
			0	310	15
			0	311	16
			0	312	17
			0	313	18
			0	314	19
			0	315	20
			0	316	21
			0	317	22
			0	318	23
			0	319	24
			0	320	25
0	0	0	0		26

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
27		Natural Gas Production & Gathering Plant		
28	325.1	Producing Lands	0	
29	325.2	Producing Leaseholds	0	
30	325.3	Gas Rights	0	
31	325.4	Rights-of-Way	0	
32	325.5	Other Land	35,093	
33	325.6	Other Land Rights	0	
34	326	Gas Well Structures	0	
35	327	Field Compressor Station Structures	0	
36	328	Field Measuring and Regulating Station Structures	0	
37	329	Other Structures	51,679	
38	330	Producing Gas Wells-Well Construction	0	
39	331	Producing Gas Wells-Well Equipment	5,149	
40	332	Field Lines	41,943	
41	333	Field Compressor Station Equipment	115,824	
42	334	Field Measuring and Regulating Station Equipment	2,051	
43	335	Drilling and Cleaning Equipment	0	
44	336	Purification Equipment	22,055	
45	337	Other Equipment	9,961	
46	338	Unsuccessful Exploration & Development Costs	0	
47		TOTAL Production and Gathering Plant	283,755	0
48		Products Extraction Plant		
49	340.1	Land	0	
50	340.2	Land Rights	0	
51	341	Structures and Improvements	0	
52	342	Extraction and Refining Equipment	0	
53	343	Pipe Lines	0	
54	344	Extracted Products Storage Equipment	0	
55	345	Compressor Equipment	0	
56	346	Gas Measuring and Regulating Equipment	0	
57	347	Other Equipment	0	
58		TOTAL Products Extraction Plant	0	0
59		TOTAL Natural Gas Production Plant	283,755	0
60		SNG Production Plant (Submit Supplemental Statement)	0	
61		TOTAL Production Plant	283,755	0
62		3. Natural Gas Storage and Processing Plant		
63		Underground Storage Plant		
64	350.1	Land	8,312	

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.		
					27		
			0	325.1	28		
			0	325.2	29		
			0	325.3	30		
			0	325.4	31		
			35,093	325.5	32		
			0	325.6	33		
			0	326	34		
			0	327	35		
			0	328	36		
			51,679	329	37		
			0	330	38		
			5,149	331	39		
			41,943	332	40		
			115,824	333	41		
			2,051	334	42		
			0	335	43		
			22,055	336	44		
			9,961	337	45		
			0	338	46		
0	0	0	283,755		47		
					48		
			0	340.1	49		
			0	340.2	50		
			0	341	51		
			0	342	52		
			0	343	53		
			0	344	54		
			0	345	55		
			0	346	56		
			0	347	57		
0	0	0	0		58		
0	0	0	283,755		59		
			0		60		
0	0	0	283,755		61		
					62		
					63		
			8,312	350.1	64		



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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
65	350.2	Rights-of-Way	2,455	
66	351	Structures and Improvements	276,491	
67	352	Wells	2,470,587	
68	352.1	Storage Leaseholds and Rights	1,666,933	
69	352.2	Reservoirs	95,267	
70	352.3	Non-recoverable Natural Gas	4,840,502	
71	353	Lines	897,299	
72	354	Compressor Station Equipment	1,589,750	74,952
73	355	Measuring and Regulating Equipment	673,287	
74	356	Purification Equipment	575,216	3,354
75	357	Other Equipment	18,594	
76	358	Gas in Underground Storage-Noncurrent	0	
77		TOTAL Underground Storage-Noncurrent	13,114,693	78,306
78		Other Storage Plant		
79	360.1	Land	0	
80	360.2	Land Rights	0	
81	361	Structures and Improvements	0	
82	362	Gas Holders	0	
83	363	Purification Equipment	0	
84	363.1	Liquefaction Equipment	0	
85	363.2	Vaporizing Equipment	0	
86	363.3	Compressor Equipment	0	
87	363.4	Measuring and Regulating Equipment	0	
88	363.5	Other Equipment	0	
89		TOTAL Other Storage Plant	0	0
90		Base Load Liquefied NG Terminating and Processing Plant		
91	364.1	Land	0	
92	364.1a	Land Rights	0	
93	364.2	Structures and Improvements	0	
94	364.3	LNG Processing Terminal Equipment	0	
95	364.4	LNG Transportation Equipment	0	
96	364.5	Measuring and Regulating Equipment	0	
97	364.6	Compressor Station Equipment	0	
98	364.7	Communication Equipment	0	
99	364.8	Other Equipment	0	
100		TOTAL Base Load LNG Terminating and Processing Plant	0	0
101				
102		TOTAL Natural Gas Storage and Processing Plant	13,114,693	78,306

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
			2,455	350.2	65
			276,491	351	66
			2,470,587	352	67
			1,666,933	352.1	68
			95,267	352.2	69
			4,840,502	352.3	70
			897,299	353	71
22,248			1,642,454	354	72
			673,287	355	73
			578,570	356	74
			18,594	357	75
			0	358	76
22,248	0	0	13,170,751		77
					78
			0	360.1	79
			0	360.2	80
			0	361	81
			0	362	82
			0	363	83
			0	363.1	84
			0	363.2	85
			0	363.3	86
			0	363.4	87
			0	363.5	88
0	0	0	0		89
					90
			0	364.1	91
			0	364.1a	92
			0	364.2	93
			0	364.3	94
			0	364.4	95
			0	364.5	96
			0	364.6	97
			0	364.7	98
			0	364.8	99
0	0	0	0		100
					101
22,248	0	0	13,170,751		102



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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
103		4. Transmission Plant		
104	365.1	Land	50,782	
105	365.2	Land Rights	726,824	
106	365.3	Rights-of-Way	0	
107	366	Structures and Improvements	78,258	
108	367	Mains	28,549,804	10,427
109	368	Compressor Station Equipment	0	
110	369	Measuring and Regulating Station Equipment	4,724,319	7,778
111	370	Communication Equipment	0	
112	371	Other Equipment	0	
113		TOTAL Transmission Plant	34,129,987	18,205
114		5. Distribution Plant		
115	374.1	Land	72,127	
116	374.2	Land Rights	16,716	
117	375	Structures and Improvements	305,659	9,234
118	376	Mains	91,582,902	3,096,825
119	377	Compressor Station Equipment	763	9,234
120	378	Measuring and Regulating Station Equip.-General	5,102,138	319,205
121	379	Measuring and Regulating Station Equip.-City Gate	7,247	
122	380	Services	46,170,117	2,126,670
123	381	Meters	13,264,305	515,019
124	382	Meter Installations	8,000,209	(42)
125	383	House Regulators	11,463,761	981,816
126	384	House Regulator Installations	0	
127	385	Industrial Measuring and Regulating Station Equip.	5,956,752	225,679
128	386	Other Property on Customer's Premises	0	
129	387	Other Equipment	2,962	130,872
130		TOTAL Distribution Plant	181,945,658	7,414,512
131		6. General Plant		
132	389.1	Land	1,268,106	(234)
133	389.2	Land Rights	0	
134	390	Structures and Improvements	14,914,217	1,079
135	391	Office Furniture and Equipment	18,623,311	294,801
136	391.1	Computers and Computer Related Equipment	0	
137	392	Transportation Equipment	1,781	
138	393	Stores Equipment	20,419	
139	394	Tools, Shop and Garage Equipment	2,119,132	17,232
140	395	Laboratory Equipment	88,264	17,128

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)									
Retirements  (d)		Adjustments  (e)		Transfers  (f)		Balance at End of Year (g)		Acct. No.	Line No.
									103
						50,782		365.1	104
						726,824		365.2	105
						0		365.3	106
						78,258		366	107
175						28,560,056		367	108
						0		368	109
						4,732,097		369	110
						0		370	111
						0		371	112
175		0		0		34,148,017			113
									114
5,000						67,127		374.1	115
						16,716		374.2	116
						314,893		375	117
94,097		157,077				94,742,707		376	118
						9,997		377	119
16,410		7,589				5,412,522		378	120
						7,247		379	121
75,769		91,462				48,312,480		380	122
152,698		24,182				13,650,808		381	123
						8,000,167		382	124
67,707		50,141				12,428,011		383	125
						0		384	126
		8,285				6,190,716		385	127
						0		386	128
						133,834		387	129
411,681		338,736		0		189,287,225			130
									131
		5,596				1,273,468		389.1	132
						0		389.2	133
		594,372				15,509,668		390	134
		769,854				19,687,966		391	135
						0		391.1	136
		(1,781)				0		392	137
						20,419		393	138
		4,287				2,140,651		394	139
		517				105,909		395	140

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)				
Line No.	Acct. No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
141	396	Power Operated Equipment	1,183,411	
142	397	Communication Equipment	3,048,126	12,530
143	398	Miscellaneous Equipment	41,591	
144		SUBTOTAL (Lines 132 thru 143)	41,308,358	342,536
145	399	Other Tangible Property	0	
146		TOTAL General Plant	41,308,358	342,536
147		TOTAL (Accounts 101 and 106)	270,805,107	7,853,559
148	101.1	Property Under Capital Leases	0	
149	102	Gas Plant Purchased (See Instruction 8)	0	
150	(Less) 102	Gas Plant Sold (See Instruction 8)	0	
151	103	Experimental Gas Plant Unclassified	0	
152		TOTAL GAS PLANT IN SERVICE	270,805,107	7,853,559

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GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)(Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
55,552			1,127,859	396	141
	21,227		3,081,883	397	142
	5,354		46,945	398	143
55,552	1,399,426	0	42,994,768		144
			0	399	145
55,552	1,399,426	0	42,994,768		146
489,656	1,738,162	0	279,907,172		147
			0	101.1	148
			0	102	149
			0	(Less) 102	150
			0	103	151
489,656	1,738,162	0	279,907,172		152

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CONSTRUCTION WORK IN PROGRESS -- GAS (Account 107)				
<p>1. Report below descriptions and balances at end of year of projects in process of construction (107).      Development, and Demonstration (See Account 107 of the Uniform System of Accounts).</p> <p>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,      3. Minor projects (less than \$500,000) may be grouped.</p>				
Line No.	Description of Project (a)	Construction Work in Progress - Gas (Account 107) (b)	Additional Cost of Project (c)	
1	Replace computer hardware and software	609,300		
2				
3	Minor projects	859,640		
4				
5				
6				
7				
8				
9				
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42				
43	TOTAL	1,468,940	0	

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### CONSTRUCTION OVERHEADS-GAS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.

2. On page 218 furnish information concerning construction overheads.

3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page

218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.

4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Administrative and General Expense	161,439	
2	Allowance for Funds Used During Construction	43,217	
3	Employee Pension and Benefits Capitalized	586,055	
4	Construction Overhead Clearing - Field Engineering	1,278,028	
5			
6			
7	Total Cost of Construction (exclusive of overhead charges)		4,815,000
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10			
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45			
46	TOTAL	2,068,739	4,815,000



Name of Respondent Aquila, Inc. d/b/a Aquila Networks - MGU	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2004	Year of Report Dec. 31, 2004
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### GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the U.S. of A.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

#### Administrative and General Transferred Credit

1. (a) Overheads capitalized consists of administrative, engineering, and clerical salaries and related expenses charged to Accounts 920 an 921, Administrative and General Expenses, property taxes and an applicable portion of the injuries and damages insurance, which are incurred in connection with construction matters.
- (b) The amount charged to construction work in progress is based on a study made to determine the portion of such expenses properly charged to construction.
- (c) Overheads are charged directly to individual work orders. A monthly overhead distribution is made to each individual work order on the basis of current charges to the total of all individual work order current charges.
- (d) Generally, there is no difference made in percentages for different types of construction.
- (e) Overheads are indirectly assigned.

#### Employees' Pensions and Benefits Capitalized

- (f) Employees' Pensions and Benefits Capitalized is based on direct charges to construction payroll. Such amount is distributed monthly to construction work orders on the basis of total direct construction payroll charges during the month. The total charges incurred for pensions and benefits are distributed over total company payroll.

#### Construction Overhead - Personnel

- (g) Total charges to this account represent payroll, personal expenses, and transportation expenses incurred by personnel, other than regular construction crews in connection with construction activities, which for practical reasons are not chargeable direct to a specific construction work order. The total charges for each month are distributed to construction work orders on the basis of total direct company payroll charges and contract labor charges during the month.

Name of Respondent Aquila, Inc. d/b/a Michigan Gas Utilities		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004	
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT <i>(Account 108 &amp; 110)</i>					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
SECTION A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	123,023,216	123,023,216		
2	Depreciation Prov. for Year, Charged to				
3	(403) Depreciation Expense	8,580,548	8,580,548		
4	(403.1) Deprec. and Depletion Exp.	0			
5	(413) Exp. of Gas Plt Leased to Others	0			
6	Transportation Expenses - Clearing	68,453	68,453		
7	Other Clearing Accounts	0			
8	Other Accounts (Specify):				
9		0			
10	TOTAL Deprec. Prov. for Year <i>(Enter Total of lines 3 thru 9)</i>	8,649,001	8,649,001		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	484,656	484,656		
13	Cost of Removal	299,370	299,370		
14	Salvage (Credit)	(12,876)	(12,876)		
15	TOTAL Net Chrgs. for Plant Ret. <i>(Enter Enter Total of lines 12 thru 14)</i>	771,150	771,150		
16	Other Debit or Credit Items (Describe):				
17	Transfers/adjustments/allocation changes	264,050	264,050		
18		0			
19	Balance End of Year <i>(Enter Totals of lines 1, 10, 15 &amp; 16)</i>	131,165,117	131,165,117		
Section B. Balances at End of Year According to Functional Classifications					
20	Production- Manufactured Gas	0			
21	Production and Gathering - Natural Gas	165,830	165,830		
22	Products Extraction - Natural Gas	0			
23	Underground Gas Storage	3,731,387	3,731,387		
24	Other Storage Plant	0			
25	Base Load LNG Terminating & Proc. Plant	0			
26	Transmission	20,175,944	20,175,944		
27	Distribution	92,617,493	92,617,493		
28	General	14,474,463	14,474,463		
29	TOTAL <i>(Enter Total of lines 20 thru 28)</i>	131,165,117	131,165,117		

Name of Respondent Aquila, Inc. d/b/a Aquila Networks - MGU	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004			
<b>GAS STORED (ACCOUNT 117, 164.1, 164.2 AND 164.3)</b>						
<p>1. If during the year adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.</p> <p>2. Give in a footnote a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.</p> <p>3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock", or restoration of previous encroachment, including brief particulars of any such accounting during the year.</p> <p>4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.</p> <p>5. Report pressure base of gas volumes as 14.73 psia at 60 F.</p>						
Line No.	Description (a)	Noncurrent (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.2) (d)	LNG (Account 164.3) (e)	Total (f)
1	Balance at Beginning of Year		27,230,708			27,230,708
2	Gas Delivered to Storage (contra Account)		39,990,518			39,990,518
3	Gas Withdrawn from Storage (contra Account)		30,884,060			30,884,060
4	Other Debits or Credits (Net)		318,461			318,461
5	Balance at End of Year		36,655,627			36,655,627
6	Mcf		6,147,498			6,147,498
7	Amount Per Mcf		5.96			5.96
8	State basis of segregation of inventory between current and noncurrent portions:					

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**NONUTILITY PROPERTY (Account 121)**

1. Give a brief description and state the location of non-utility property included in Account 121.
2. Designate with an asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, *Nonutility Property*. These items are separate and dis-

tinct from those allowed to be grouped under instruction No. 5.

5. Minor items (5% of the balance at the end of the year, for account 121) may be grouped.

6. Natural gas companies which have oil property should report such property by State, classified as to (a) oil lands and land rights, (b) oil wells, and (c) other oil property. Gasoline plants & other plants for the recovery of products from natural gas are classifiable as gas plant and should be reported as such and not shown as *Nonutility Property*.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Land costs of a 40 acre parcel of land in Calhoun County,	15,480	0	15,480
2	Michigan associated with Campbell storage field. Pursuant			
3	to the Order issued in rate case U-9781, by the Michigan			
4	Public Service Commission on April 30, 1991, MGU			
5	transferred the cost of the land to account 121 "Non-Utility			
6	Property".			
7				
8	Office Furniture	2,766	0	2,766
9				
10				
11	Allocated Common Corporate Shared Assets	0	0	0
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	<b>TOTAL</b>	<b>18,246</b>	<b>0</b>	<b>18,246</b>

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF  
NONUTILITY PROPERTY (Account 122)**

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	0
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	
4	(418) Nonoperating Rental Income	
5	Other Accounts (Specify): Account 417	
6	Account 416	
7	<b>TOTAL Accruals for Year (Enter Total of lines 3 thru 6)</b>	<b>0</b>
8	Net Charges for Plant Retired	
9	Book Cost of Plant Retired	0
10	Cost of Removal	
11	Salvage (Credit)	0
12	<b>TOTAL Net Charges (Enter Total of lines 9 thru 11)</b>	<b>0</b>
13	Other Debit or Credit items (Describe):	
14	Misc Transfers from UCU and common shared corporate assets allocations	0
15	<b>Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)</b>	<b>0</b>

Name of Respondent Aquila, Inc. d/b/a Aquila Networks - MGU	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2004	Year of Report Dec. 31, 2004
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### GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS

1. Report below the information called for concerning gas prepayments as defined in the text of Account 165, Prepayments. (Report advances on page 229.)

2. If any prepayment at beginning of year (or incurred during year) was cancelled, forfeited, or applied to another

purpose, state in a footnote gas volume and dollar amount, period when such prepayment was incurred, and accounting disposition of payment amount. Give a concise explanation of circumstances causing forfeiture or other disposition of the prepayment.

Line No.	Name of Vendor (Designate associated companies with an asterisk) (a)	Seller FERC Rate Schedule No. (b)	BALANCE BEGINNING OF YEAR	
			Mcf (14.73 psia at 60 F) (c)	Amount (d)
1	Various		(2,030)	(3,168)
3				
4				
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7				
8				
9				
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42	TOTAL		(2,030)	(3,168)

Name of Respondent Aquila, Inc. d/b/a Aquila Networks - MGU	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
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**GAS PREPAYMENTS UNDER PURCHASE AGREEMENTS (Continued)**

3. If for any reason a take or pay situation is in controversy, list in the columns below the amount of those prepayment claims which have not been paid, together with footnote notation that the amount is in controversy (and any explanation the respondent chooses to make).

4. If any prepayment was determined other than by reference to amounts per Mcf or demand-commodity factors, furnish in a footnote a concise explanation of basis of computation.

BALANCE END OF YEAR		PREPAYMENTS IN CURRENT YEAR			Make-up Period expiration date	Line No.
Mcf (14.73 psia at 60 F) (e)	Amount (f)	Cents per Mcf (g)	Mcf (14.73 psia at 60 F) (h)	Percent of Year's required take (i)		
-	-	0.00	-			1
						2
						3
						4
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-	-		-			42



Name of Respondent Aquila, Inc. d/b/a Aquila Networks-MGU	This Report Is: (1) X An Original (2) A Resubmission	Date of Report: (Mo, Da, Yr)	Year of Report Dec. 31, 2004
<b>NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET</b>			
Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees		included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).	
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)	-	-
2	Customer Accounts Receivable (Account 142)	15,246,435	17,422,237
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	2,146,823	2,176,994
4	<b>TOTAL</b>	<b>17,393,258</b>	<b>19,599,231</b>
5	Less: Accumulated Provision for Uncollectible Accounts - Cr. (Account 144)	(305,340)	(476,499)
6	<b>TOTAL, Less Accumulated Provision for Uncollectible Accounts</b>	<b>17,087,918</b>	<b>19,122,732</b>
7			
8			
9			
10			
11			
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13			
14			

<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR. (Account 144)</b>						
1. Report below the information called for concerning this accumulated provision. 2. Explain any important adjustments of subaccounts. 3. Entries with respect to officers and employees shall not include items for utility services.						
Line No.	Item (a)	Utility Customers (b)	Merchandise, Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year	284,548	20,792	-	-	305,340
2	Prov. for uncollectibles for current year	2,141,419	5,001	-	-	2,146,420
3	Accounts written off	(1,952,556)	(22,705)	-	-	(1,975,261)
4	Coll. of accounts written off	-	-	-	-	-
5	Adjustments (explain):	-	-	-	-	-
6	Balance end of Year	473,411	3,088	-	-	476,499
7						
8						
9						
10						
11						

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### MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material. Nonmajor companies may report total on line 4.

2. Give an explanation of important inventory adjustments during the year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expense, clearing accounts, plant, etc.) affected-debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)	-	-	
2	Fuel Stock Expenses Undistributed (Account 152)	-	25	
3	Residuals and Extracted Products (Account 153)	-	-	
4	Plant Materials and Operating Supplies (Account 154)	-	-	
5	Assigned to - Construction (Estimated)	245,220	285,902	Gas Operations
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	32	27	Gas Operations
8	Transmission Plant (Estimated)	3,857	3,219	Gas Operations
9	Distribution Plant (Estimated)	20,563	17,844	Gas Operations
10	Assigned to - Other	-	-	Miscellaneous
11	TOTAL Account 154 <i>(Enter Total of lines 5 thru 10)</i>	269,672	306,992	
12	Merchandise (Account 155)	-	-	Gas Operations
13	Other Materials and Supplies (Account 156)	-	-	Gas Operations
14	Nuclear Materials Held for Sale (Account 157)			
	<i>(Not applicable to Gas Utilities)</i>			
15	Stores Expense Undistributed (Account 163)			
16	Electric	-	-	
17	Gas	158,858	228,615	Gas Operations
18	Other	-	-	
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	428,530	535,632	

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PREPAYMENTS (Account 165)							
1. Report below the particulars (details) on each prepayment.				2. Report all payments for undelivered gas on line 5 and complete pages 226 to 227 showing particulars (details) for gas prepayments.			
Line No.	Nature of Prepayment (a)					Balance at end of Year (In Dollars) (b)	
1	Prepaid Insurance					185,701	
2	Prepaid Rents					-	
3	Prepaid Taxes					-	
4	Prepaid Pension					11,841,913	
5	Gas Prepayments					-	
6	Miscellaneous Prepayments:					11,222	
7	TOTAL					12,038,836	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)							
Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year	
				Account Charged (d)	Amount (e)	(f)	
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9	TOTAL					0	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year	
				Account Charged (d)	Amount (e)	(f)	
10	NONE						
11							
12							
13							
14							
15							
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29							
30	TOTAL					0	

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**OTHER REGULATORY ASSETS (Account 182.3)**

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).  
2. For regulatory assets being amortized, show period of amortization in column (a).  
3. Minor items (amounts less than \$50,000) may be grouped by classes.  
4. Give the number and name of the account(s) where each amount is recorded.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1	Michigan Rate Case				
2	(03/03 - 02/06 amort period)		928	131,232	\$ 164,041
3					
4	Deferred Environmental Costs	727,869	various	1,421,521	\$ 5,049,273
5					
6	FAS 109				\$ 611,000
7					
8	Asset Retirement Obligations-FAS 143	2,073	904		\$ 21,316
9					
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43					
44	TOTAL	\$ 729,942		\$ 1,552,753	\$ 5,845,630

Name of Respondent Aquila, Inc. d/b/a Aquila Networks-MGU		This Report is: (1) X An Original (2) A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report Dec. 31, 2004	
OTHER DEFERRED DEBITS (Account 186)							
1. Report below the particulars (details) called for concerning miscellaneous deferred debits.				of amortization in column (a).			
2. For any deferred debit being amortized, show period				3. Minor items (less than \$50,000) may be grouped by classes.			
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits ©	CREDITS		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	Transition Obligation - FAS 106	\$ 279,543		926	\$ 31,068	\$ 248,475	
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44							
45							
46							
47	Misc Work in Progress					\$0	
48	DEFERRED REGULATORY COMM. EXPENSES (SEE PAGES 350-351)						
49	TOTAL	\$ 279,543	\$ -		\$ 31,068	\$ 248,475	