

1 credit downgrades and reduction in its stock
2 value?

3 MR. DOBSON: Yes.

4 MR. ROBERTSON: Okay. The next question
5 has to do with the new 364-day bridge loan,
6 and basically this series of questions is
7 just to try to get this part of the loan or
8 this loan agreement out of the picture
9 altogether and by that, let me say this: The
10 loan is not a player in the question of
11 commission approval of collateral except that
12 certain collateral for this loan is also
13 collateral for the 430 million-dollar term
14 loan and letter of credit facility?

15 MR. DOBSON: Correct.

16 MR. ROBERTSON: And that the bridge
17 loan, it was borrowed by the Australian
18 affiliate and it was secured by certain
19 capital stock of the UtiliCorp Asia, UtiliCo
20 Canada, MPS Company, and a couple IPPs?

21 MR. DOBSON: Correct.

22 MR. ROBERTSON: Okay. And can you
23 explain to me as far as the IPPs are
24 concerned, they seem to be collateral for
25 both the bridge loan and the

1 MR. DOBSON: We had an interest rate
2 swap -- are you talking about the breakage?

3 MR. ROBERTSON: All you called it, you
4 called it an interest rate swap in your
5 response to the DR, and it didn't identify
6 what that was. You said you used the money,
7 the proceeds to retire non-regulated
8 obligations for two synthetic leases and an
9 interest rate swap, in addition to a
10 non-regulated power tolling agreement.

11 MR. DOBSON: I do recall now. What we
12 did is we had also hedged the interest rate
13 related to those peaker debt with an interest
14 rate swap. That swap was out of the money by
15 the tune of about 17.8 million, I think, and
16 we also had to pay that off too.

17 MR. ROBERTSON: Okay. That's great. I
18 just want it clarified that that 364-day
19 bridge loan has nothing to do with the
20 request or application that you're seeking
21 from the commission in this state.

22 MR. DOBSON: That's correct.

23 MR. ROBERTSON: Other than the IPPs have
24 some collateral implications.

25 MR. DOBSON: That's correct.