## Notice of Ex Parte Contact

TO: Data Center All Parties in Case No. EM-2007-0374 ER-2007-0004

FROM: Commissioner Connie Murray Commissioner Steve Gaw Commissioner Robert Clayton Commissioner Lin Appling



DATE: May 9, 2007

On May 9, 2007 we received the attached anonymous information regarding Aquila in an envelope with Pirate Capital, LLC as the return address. The Commission is currently considering some of the issues discussed in this document in case **EM-2007-0374 and ER-2007-0004** which are contested cases. In contested cases, the Commission is bound by the same *ex parte* rule as a court of law.

Although communications from members of the public and other government officials are always welcome, those communications must be made known to all parties to a contested case so that those parties have the opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the Commission.

Therefore, I submit this report pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Commissioners Executive Director Secretary/Chief Regulatory Law Judge General Counsel

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SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY PIRATE CAPITAL, THOMAS R. HUDSON JR. (MANAGER OF PIRATE CAPITAL) AND THE FUNDS (AS DEFINED BELOW) FROM THE STOCKHOLDERS OF AQUILA FOR USE AT ITS STOCKHOLDERS MEETING WHEN AND IF THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION, INCLUDING INFORMATION RELATING TO PIRATE CAPITAL, MR. HUDSON AND THE FUNDS IN CONNECTION WITH ANY SUCH PROXY SOLICITATION. WHEN AND IF COMPLETED, A DEFINITIVE PROXY STATEMENT, A FORM OF PROXY AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES, WHICH MAY BE MAILED TO STOCKHOLDERS OF AQUILA, WILL BE AVAILABLE AT NO CHARGE AT THE SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT HTTP://WWW.SEC.GOV OR BY CONTACTING US AT PIRATE CAPITAL LLC, 200 CONNECTICUT AVENUE, NORWALK, CT 06854, PHONE NO. (203) 854-1100.

Jolly Roger Fund LP (the "Fund") is the beneficial owner of 42,595 shares of common stock ("Shares") of Aquila. Pirate Capital is the general partner of the Fund. By virtue of its position as general partner of the Fund, Pirate Capital has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 42,595 Shares held by the Fund. By virtue of agreements with Jolly Roger Offshore Fund LTD (the "Offshore Fund") and Jolly Roger Activist Portfolio Company LTD (the "Activist Fund", and together with the Fund and the Offshore Fund, the "Funds"), Pirate Capital has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 17,514,375 Shares held by the Offshore Fund and the Activist Fund. By virtue of his position as sole Manager of Pirate Capital, Thomas R. Hudson Jr. is deemed to have shared voting power and shared dispositive power with respect to all Shares as to which Pirate Capital has voting power or dispositive power. Accordingly, Pirate Capital and Mr. Hudson are deemed to have shared voting and shared dispositive power with respect to an aggregate of 17,556,970 Shares, constituting approximately 4.7% of the Shares outstanding. Decisions to buy or sell securities for the Funds are based on a variety of factors, including assessments of individual securities, the individual portfolios and the market as a whole. Thus the Funds may sell some or all of their holdings of particular securities, including the Shares at any time. The Funds also may add to their existing holdings of securities or acquire different securities at any time. Pirate Capital has filed a class action lawsuit against Aquila, the members of Aquila's Board of Directors and Great Plains alleging, among other things, that the defendants breached their fiduciary duties in connection with the recently announced transaction with Great Plains. The principal U.S. contact address of each of Mr. Hudson, Pirate Capital and the Funds is 200 Connecticut Avenue, 4th Floor, Norwalk, Connecticut 06854.

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