



News Release

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AQUILA TO APPLY TO CASS COUNTY FOR SPECIAL USE PERMIT FOR ITS SOUTH HARPER PEAKING FACILITY

KANSAS CITY, MO, January 4, 2006-Aquila, Inc. (NYSE:ILA) announced today that in keeping with a December 20, 2005 ruling from the Missouri Court of Appeals, it will file an application for a special use permit for its South Harper Peaking Facility in Cass County, Mo. Review of the Court of Appeals decision will not be pursued.

"The court has defined paths for us to pursue and we will comply with its order," said Norma Dunn, Aquila's senior vice president, Communications and Stakeholder Outreach.

"Having accepted the order, we will apply to Cass County for approval. We are confident that our plant can be a good neighbor, as well as an important contributor to the economic health of the community, and will provide the safe, reliable electric service that is vital to a growing region.

"We have met personally with individual homeowners and community groups to address their concerns and have partnered with local residents to work on several initiatives to benefit the area. Although we recognize it is not possible to win the support of everyone in the community, that is our goal. We look forward to working with Cass County on our application and continuing the progress with our South Harper neighbors."

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Case D. EA 2001-1 Exhibit Blo & GIDO

Aquila Permit, page 2

Aquila has been operating the 315-megawatt (MW) South Harper facility since June to meet the growing need for power in Cass County and the surrounding area. As part of its ongoing community outreach program, the company has been working in partnership with fire and water districts and an emergency management agency to improve the community's fire services and tornado warning system.

While the South Harper facility meets or exceeds federal, state and local emission requirements, the company has hired two University of Kansas toxicology experts to consult with the plant neighbors. The company also has undertaken several measures to reduce the plant's noise level further, even though sound from the facility falls below the residential standards established by Cass County. These measures include installing acoustical packages on starting motor enclosures, vent silencers on the gas turbines and the gas regulating station, sound absorbing walls around the generator step-up transformer, and additional silencers on the air inlets. These measures should be completed in early 2006.

In addition, the company has planted more than 1,000 trees and shrubs in the area surrounding the plant, extended and increased the height of berms and paved several gravel roads in the area of the plant.

Based in Kansas City, Mo., Aquila operates electricity and natural gas distribution utilities serving 1.3 million customers in Colorado, Iowa, Kansas, Michigan, Minnesota, Missouri and Nebraska. The company also owns and operates power generation assets.

More information is available at www.aquila.com.