

Aquila, Inc.; Peoples Natural Gas; Northern Minnesota Utilities - Commission Resolves Aquila Request to Collateralize Minnesota Regulated Assets - On a 5-0 vote, the Minnesota Public Utilities Commission has denied Aquila, Inc.'s request for authority to use assets of Aquila's regulated subsidiaries in Minnesota (Aquila Networks-PNG and Aquila Networks-NMU Utility Property) as collateral for a loan. The Commission noted that subsequent to the filing of its request (April 30, 2003) Aquila has fulfilled its obligation under the loan agreement to exercise commercially reasonable efforts to obtain authority from state commissions and has in fact been able to fully collateralize its loans from regulated assets in other states. The Commission stated that Aquila could file at a later date a proposal specifying the amount of its regulated assets in Minnesota, if any, the Company believed would be this state's fair share of any collateralization. The Commission further stated that it would decide in the context of that further filing, if any, whether a contested case proceeding would be appropriate to resolve any disputed issues of fact.

A written Order in this matter (G-007, 011/S-03-681 / In the Matter of Aquila, Inc.'s Request to Use Aquila Networks-PNG and Aquila Networks-NMU Utility Property to Secure Indebtedness) is expected to be issued within two weeks.

FILED

DEC 05 2003

MISSOURI
SECURITY DIVISION

Exhibit No. 56
Case No(s) PF 2003-0465
Date 10-01-03 Rptr XF