

March 8, 2006

FOR IMMEDIATE RELEASE

**PSC APPROVES PILOT PRICING OPTION FOR AQUILA CUSTOMERS**

LINCOLN – The Nebraska Public Service Commission gave its approval to a modified two-year pilot pricing option for Aquila’s natural gas customers in eastern Nebraska.

The Commission’s approval, which was given at its March 7 meeting, came after submission of an agreement involving the Commission’s public advocate on natural gas, Aquila and Kinder-Morgan, another investor-owned natural gas utility serving Nebraskans.

The plan gives customers in Aquila’s three rate areas an Annual Price Option, which is a set rate for natural gas supply that will apply year-round. Like traditional fluctuating natural gas supply rates, a yearly adjustment to the Annual Price Option will be made to account for over or under collection of gas costs.

Fourth District Commissioner Rod Johnson of Sutton said, “The program is not mandatory. Aquila customers who desire to pay traditional fluctuating prices for natural gas may continue to do so.”

Annual Price Option will be available for the next heating season, Aquila said in its application with the Commission. Omaha Commissioner Anne Boyle said, “This option will be new to customers in Rate Area One which is the Omaha Metro region not served by Metropolitan Utilities District and to Rate Area Three which serves those customers in communities outside the greater Omaha region and Lincoln.” Aquila’s Lincoln customers (Rate Area Two) have had a similar program, which will be converted to the Annual Price Option.

###