

## **AQUILA AGREES TO SELL INTERESTS IN 12 POWER PLANTS TO ARCLIGHT CAPITAL PARTNERS FOR \$300.9 MILLION**

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KANSAS CITY, MO (November 12,2003) --

Aquila, Inc. has entered into a definitive agreement to sell its interests in 12 power plants to Teton Power Funding, LLC, an affiliate of ArcLight Capital Partners, LLC

Aquila, Inc. (NYSE:ILA) today announced that it has entered into a definitive agreement to sell its interests in 12 power plants to Teton Power Funding, LLC, an affiliate of ArcLight Capital Partners, LLC, for \$300.9 million, subject to pre and post-closing adjustments. The sale is expected to be completed in the first quarter of 2004, and is subject to regulatory and third-party approvals.

The power plant interests are a part of Aquila's residual energy merchant and trading organization. The plants are located in the states of California, Florida, Georgia, Maine, New York and Washington as well as Jamaica and represent a net ownership interest of 643 megawatts. Aquila's three uncontracted peaking power plants are not included in the sale. Aquila anticipates using the net proceeds of the transaction to reduce liabilities and strengthen the company's balance sheet.

"The completion of this transaction, together with the completion of the recently announced agreements to sell our Canadian and United Kingdom utility businesses, will provide Aquila with the liquidity to meet 2004 debt maturities and will allow management to focus more of its attention on the company's core businesses," said Keith Stamm, Aquila's chief operating officer.

Lehman Brothers acted as exclusive financial advisor to Aquila in connection with the transaction.

Based in Kansas City, Mo., Aquila operates electricity and natural gas distribution networks serving customers in seven states and in Canada and the United Kingdom. The company also owns and operates power generation assets. More information is available at [www.aquila.com](http://www.aquila.com).

### **Forward-Looking Statements**

*The following statements in this press release are forward-looking statements: (i) we expect to complete the sale in the first quarter of 2004, (ii) we anticipate that net proceeds will be used to reduce liabilities and strengthen our balance sheet and (iii) this sale, when combined with certain other sales, will allow us to meet 2004 debt maturities. These forward-looking statements involve risks and uncertainties, and there are certain important factors that could cause actual results to differ materially from those anticipated. Some of the important factors that could cause actual results to differ materially from those anticipated include:*

- *The transaction is subject to closing conditions that may not be satisfied.*
- *The transaction requires regulatory and other approvals that may not be obtained during the time frame anticipated, or at all.*
- *Market prices for our debt may increase and limit our ability to repurchase it and counterparties, absent a risk of our default, may be unwilling to restructure our liabilities to them*