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December 31, 2004

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 88 - Cease to be a reporting issuer in BC - Issuer becomes a reporting issuer other than by exchanging its securities with a BC reporting issuer or its shareholders as set out in the item (d) of the definition of "reporting issuer" in section 1(1) of the Securities Act. The issuer's securities are traded only on a market or exchange outside of Canada - Canadian residents own less than 2% of the issuer's securities and represent less than 2% of the issuer's total number of security holders; the issuer does not intend to do a public offering of its securities to Canadian residents; will not be a reporting issuer in a Canadian jurisdiction; is subject to the reporting requirements of US securities laws; and all shareholders receive the same disclosure.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

In the Matter of
the Securities Legislation
of British Columbia, Alberta And Ontario (the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Aquila Inc. (the Filer)

MRRS Decision Document

Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of each of the Jurisdictions (the Legislation) that the Filer be deemed to have ceased to be a reporting issuer.

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the British Columbia Securities Commission is the principal regulator for this application, and

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- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- ¶ 2 Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. the Filer was originally incorporated as Missouri Public Service Company in 1917 and was subsequently reincorporated in Delaware as UtiliCorp United Inc. in 1985; in March 2002 the Filer changed its name to Aquila Inc.; the Filer operates and/or controls electric and natural gas distribution networks and electric generation assets;
 2. the Filer's principal office is located at 20 West Ninth Street, Kansas City, Missouri 64105;
 3. the Filer's management, business and assets are located primarily outside of Canada;
 4. the Filer is authorized to issue 400,000,000 common shares at a par value of \$1.00 per share (the Common Shares), 20,000,000 Class A common shares at a par value of \$1.00 (the Class A Shares), and 10,000,000 preferred shares (the Preferred Shares);
 5. as at September 10, 2004, there were 241,706,582 Common Shares issued and outstanding and no Class A Shares or Preferred Shares outstanding;
 6. the Filer became a reporting issuer in the Jurisdictions following an application to the Toronto Stock Exchange (TSX) in 1987 to list the Filer's Common Shares;
 7. the Filer is currently a reporting issuer in the Jurisdictions and is not in default of any of the requirements of the Legislation;
 8. the Filer is not a reporting issuer or the equivalent in any other jurisdiction in Canada;
 9. the Common Shares of the Filer were voluntarily delisted from the TSX in November 2002; none of the Common Shares, Class A Shares, Preferred

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Shares or any other outstanding securities of the Filer are traded on any other market or exchange in Canada;

10. the Filer does not have any other securities, including debt securities, outstanding in Canada;
11. the Filer has not made a public offering of its securities to Canadian residents since it was delisted from the TSX in November 2002;
12. there is no market in Canada for the Filer's securities;
13. as at September 10, 2004, the geographic breakdown of Canadian beneficial holders of Common Shares was as follows:

<u>Jurisdiction</u>	<u>No. of Beneficial Holders</u>	<u>No. of Shares Held by Beneficial Holders</u>
British Columbia	467	667,031
Alberta	350	571,784
Ontario	209	361,896
Other Canada	88	111,752

14. A total of 1,712,463 Common Shares representing approximately 0.708% of the total outstanding Common Shares are held by 1,114 Canadian resident beneficial shareholders, representing approximately 1.54% of the Filer's total number of beneficial shareholders;
15. the Common Shares of the Filer are listed on the New York Stock Exchange (the NYSE);
16. the Filer is not in default of any of the disclosure requirements of the NYSE;
17. the Filer is subject to the reporting requirements of the 1934 Act;
18. the Filer is not in default of any of the requirements of the 1934 Act;
19. on December 9, 2004 the Filer issued and filed a press release announcing that the Filer had submitted an application to be deemed to have ceased to be a reporting issuer in the Jurisdictions and, if the relief is granted, the Filer will not be a reporting issuer or equivalent in any jurisdiction in Canada; and

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20. the Filer has undertaken to the Decision Makers to continue to deliver all disclosure materials required by U.S. securities law to be delivered to securityholders resident in the United States to its securityholders in the Jurisdictions and Canada in the manner and at the time required by U.S. Securities law and U.S. market requirements. This information is also available to securityholders through the United States Securities and Exchange Commission website at www.sec.gov.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.
- ¶ 5 The decision of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer under the Legislation.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission