

CODE OF ETHICS FOR CEO AND SENIOR FINANCIAL OFFICERS

Aquila has a Code of Business Conduct applicable to all directors and employees of Aquila. The CEO and all senior financial officers, including the CFO and principal accounting officer, are bound by the provisions of the Code of Business Conduct. In addition, the CEO and senior financial officers are subject to the following additional specific policies:

1. The CEO and all senior financial officers are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by Aquila with the SEC. Accordingly, it is the responsibility of the CEO and each senior financial officer promptly to bring to the attention of the Disclosure Committee (a committee of management) any material information of which he or she may become aware that affects the disclosures made by Aquila in its public filings or otherwise assist the Disclosure Committee in fulfilling its responsibilities.
2. The CEO and each senior financial officer must promptly bring to the attention of the Disclosure Committee and the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect Aquila's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Aquila's financial reporting, disclosures or internal controls.
3. The CEO and each senior financial officer must promptly bring to the attention of the General Counsel or the CEO and to the Audit Committee any information he or she may have concerning any violation of Aquila's Code of Business Conduct, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in Aquila's financial reporting, disclosures or internal controls.
4. The CEO and each senior financial officer must promptly bring to the attention of the General Counsel or the CEO and to the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to Aquila and the operation of its business, by Aquila, or of violation of the Code of Business Conduct or of these additional procedures.

5. The Board of Directors will determine, or designate appropriate persons to determine (which may include members of management or committees of the Board of Directors), appropriate actions to be taken in the event of violations of the Code of Business Conduct and Ethics or of these additional procedures by the CEO and Aquila's senior financial officers. Such actions will be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Business Conduct and to these additional procedures, and may include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Directors or its designee will take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.