

## Schedule HEO-8

### Abnormal Causes for Fuel and Purchased Power (F&PP) Variance (2005 – July 2007)

- May 2007 – The Iatan coal plant had a 20-plus day unscheduled outage related to flood mitigation and a subsequent accident at the plant
- February 2007 – Problems with a circulation water pump caused delays in the Iatan coal unit's return to service after their scheduled maintenance outage.
- January 2007 – A severe ice storm disrupted power supply for much of Empire's Missouri and Arkansas service area.
- Year of 2006 – The Ozark Beach hydro-electric station had the lowest annual generation output in at least the last 30 years due to a lack of rainfall in the region. The 2006 generation was 22,673 MWh which was about 65% lower than the previous 30-year average of 65,390 MWh.
- August 2006 – The Asbury coal plant's cost was negatively impacted by a coal inventory adjustment
- January 2006 – Since this was the warmest January in the last 73 years, peaking units did not run and F&PP costs were well below budget.
- May 2005 through April 2006 – The May 2005 train derailments in Wyoming, constrain the movement of coal out of the Powder River Basin. During this period coal conservation began in the Midwest region due to these rail transportation issues. This coal conservation negatively impacted the Company's Jeffrey Energy Center contract purchase from Westar and Empire's share of the Iatan Plant output. Additionally, the costs for Asbury and Riverton plants were negatively impacted by using higher cost fuels as part of coal conservation efforts.
- February 2006 – The Asbury coal plant was out of service on unplanned outage for about 15 days due to a blade failure.
- Final four months of 2005 – Unprecedented high natural gas prices (along with high natural-gas-price-correlated purchased power prices) persist following major hurricanes in the Gulf Coast.
- August 2005 - Empire was able to lower fuel expense by over \$5 million by unwinding a forward natural gas contract it had entered into as a result of its Risk Management Policy
- March 2005 – The Asbury coal plant had six days of unplanned outages due to the furnace plugging and a gate failure on the main steam valve.