

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

CASE NO. 16,734

In the matter of the application of St. Joseph Light & Power Company, a Missouri corporation, for a certificate of public convenience and necessity to construct, own, operate and maintain a 345,000 volt transmission line in a portion of Atchison County, Missouri.

APPEARANCES: Charles S. Wilcox, 804 Corby Building,
St. Joseph, Missouri, for the Applicant.

J. Steve Weber, for the Commission.

REPORT AND ORDER

On April 7, 1969, St. Joseph Light & Power Company filed an application seeking a certificate of convenience and necessity to construct, own, maintain and operate a 345,000 volt electric transmission line in a portion of Atchison County, Missouri, which lies outside of its certificated territory.

After due notice to all interested parties, the case was heard on May 1, 1969, in the Commission's hearing room in the Jefferson State Office Building, Jefferson City, Missouri.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

St. Joseph Light & Power Company is a public utility engaged in the generation, distribution and sale of electric energy in St. Joseph, Missouri, and other areas in Northwest Missouri.

The County Court of Atchison County, Missouri, has given its consent to Applicant to erect and maintain such a transmission line along and across public roads and highways in Atchison County, Missouri.

The Missouri State Highway Commission has granted a construction permit covering overhead crossings of highways.

Customers in the area will not receive service directly from the proposed transmission line. The operation of said interconnecting transmission line will permit an interchange of electric energy between the respective participants and will make available reserve capacities so as to protect more adequately the growing load requirements of each participating system.

Conclusions

The Missouri Public Service Commission has arrived at the following conclusions:

The Commission has jurisdiction of this matter by virtue of Section 393.170, 1967, Supp.

After careful consideration of the evidence, the Commission is of the opinion and concludes that the public convenience and necessity will be promoted by the granting of the authority as requested.

It is, therefore,

ORDERED: 1. That St. Joseph Light & Power Company be, and it is, hereby granted a certificate of public convenience and necessity to construct, own, operate and maintain approximately twenty-three (23) miles of three-phase, H-frame wood pole, 345,000 volt electric transmission line within an area described as follows:

Beginning near the northeast corner of Section Thirty-four, Township Sixty-seven north, Range Thirty-nine west and continuing in a southwesterly direction across Sections Four and Eight,

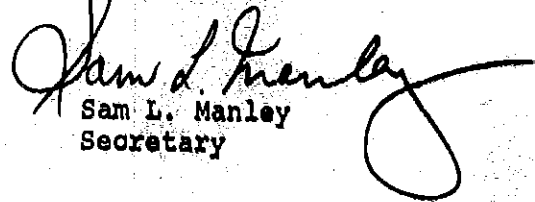
Township Sixty-six north, Range Thirty-nine west; Sections Seven, Thirteen, Twenty-five, Twenty-two, Twenty-seven, Twenty-eight and Thirty-two in Township Sixty-six north, Range Forty west; and Sections One, Eleven, Fifteen, Twenty-one, Twenty, Twenty-nine, Thirty and Thirty-one in Township Sixty-five north, Range Forty-one west; Section Thirty-six, Township Sixty-five north, Range Forty-two west; and Sections One, Two, Eleven, Ten and Fifteen in Township Sixty-four north, Range Forty-two west, all in the County of Atchison, Missouri.

ORDERED: 2. That said electric transmission line and all equipment connected therewith shall be constructed so as to conform to the specific rules and regulations contained in the Sixth Edition of the National Electrical Safety Code issued by the United States Bureau of Standards. Furthermore, that said Applicant shall maintain and operate said electric transmission line and all equipment connected therewith in a reasonably safe and adequate manner so as not to endanger the safety of the public or to interfere unreasonably with the service of other aerial lines or public facilities; and that the Commission retain jurisdiction of the parties and the subject matter of this proceeding for the purpose of making such further order or orders as may be necessary.

ORDERED: 3. That whenever said electric transmission line or any portion thereof shall parallel aerial lines or underground lines belonging to or operated by other companies or individuals or cross such lines in close proximity thereto so as to cause electrolysis, induction or other electrical interference, thereby making necessary changes in said lines or in said lines of St. Joseph Light & Power Company, for the general benefits and safety of the public, the expense, if any, incurred in making such changes shall be determined by agreement between the parties operating such lines and St. Joseph Light & Power Company; and in case of failure of the parties to reach such agreement in settlement thereof, the matter may be submitted to this Commission for arbitration as provided in Section 386.230, RSMo 1959.

ORDERED: 4. That this Report and Order shall become effective on the 12th day of June, 1969, and the Secretary of the Commission shall serve a certified copy of same upon each interested party.

BY THE COMMISSION

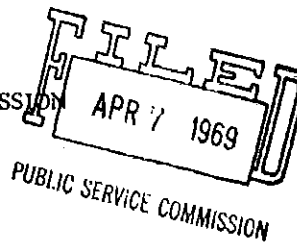

Sam L. Manley
Secretary

(SEAL)

Clark, Chm., Fain, Jones,
Elliott and Reine, CC., Concur.

Dated at Jefferson City, Missouri,
on the 2nd day of June, 1969.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI



In the Matter of the Application of St. Joseph
Light & Power Company, a Missouri corporation,
for a Certificate of Public Convenience and Neces-
sity to Construct, Own, Operate and Maintain a
345,000 Volt Transmission Line in a Portion of
Atchison County, Missouri)

Case No. 16,734

A P P L I C A T I O N

The application of St. Joseph Light & Power Company respectfully repre-
sents and shows that:

1 - St. Joseph Light & Power Company (hereinafter called the Applicant)
is a public utility corporation duly organized and existing under the laws of the State
of Missouri, having its principal office and place of business at 520 Francis Street,
St. Joseph, Missouri.

2 - The names, titles and addresses of the persons to whom correspondence
or communications in regard to this application are to be addressed are as follows:

Donald W. Runquist, President
St. Joseph Light & Power Company
520 Francis Street
St. Joseph, Missouri 64501

Sprague, Wilcox & Houts, Attorneys
804 Corby Building
St. Joseph, Missouri 64501.

3 - Applicant is principally engaged in the generation, transmission, distri-
bution and sale of electric energy and to a lesser extent, in the furnishing of industrial
steam, steam heating, gas, water and transportation service to the public in ten (10)
counties in Northwest Missouri.

4 - By this Application a Certificate of Public Convenience and Necessity is
sought by Applicant to construct, own, operate and maintain a 345,000 volt transmis-
sion line in a certain portion of Atchison County, which is outside of Applicant's cert-
ificated territory, to form a part of a 345,000 volt interconnecting transmission line.

5 - On December 31, 1968 Applicant entered into a Transmission Line Agreement, an Electric Interconnection and Interchange Agreement, and a Power Flow Agreement with Iowa Power & Light Company, copies of the same being hereto attached, made a part hereof and marked Exhibits "A", "B" and "C", respectively, whereby Applicant is to construct, maintain and operate the Missouri portion of a 345 KV transmission line from Consumers Public Power District, Cooper Plant, in Nebraska, to Iowa Power & Light Company's sub-station located near Des Moines, Iowa, as shown on the plat marked Exhibit "D" attached hereto and made a part hereof.

6 - Applicant's portion of the proposed 345 KV interconnection will be approximately twenty-three (23) miles in length, the particular route of which is shown on the plat marked Exhibit "E" attached hereto and made a part hereof, and which is particularly described as:

Beginning near the northeast corner of Section Thirty-four (34), Township Sixty-seven (67) north, Range Thirty-nine (39) west and continuing in a southwesterly direction across Sections Four (4), and Eight (8), Township Sixty-six (66) north, Range Thirty-nine (39) west; Sections Seven (7), Thirteen (13), Twenty-five (25), Twenty-two (22), Twenty-seven (27), Twenty-eight (28) and Thirty-two (32) in Township Sixty-six (66) north, Range Forty (40) west; and Sections One (1), Eleven (11), Fifteen (15), Twenty-one (21), Twenty (20), Twenty-nine (29), Thirty (30) and Thirty-one (31) in Township Sixty-five (65) north, Range Forty-one (41) west; Section Thirty-six (36), Township Sixty-five (65) north, Range Forty-two (42) west; and Sections One (1), Two (2), Eleven (11), Ten (10) and Fifteen (15) in Township Sixty-four (64) north, Range Forty-two (42) west.

The above-described interconnection is proposed to consist of a modern three-phase "H" frame, wood pole, electric transmission line located on a 165 foot right-of-way with one (1) 150 foot dead-end steel structure on the Missouri side of the Missouri River crossing.

7 - The estimated cost of construction of said interconnection is estimated to be \$1,300,000.00, which sum includes estimated right-of-way acquisitions as well as structures for the river crossing. Applicant proposes to finance such construction out of funds available for that purpose in its treasury.

8 - A copy of the franchise granted Applicant by the County Court of Atchison County to erect and maintain transmission and distribution lines along or across the public roads and highways of that portion of Atchison County, Missouri hereinabove referred to is attached hereto, marked Exhibit "F" and made a part hereof.

9 - A copy of the construction permit from the Missouri State Highway Commission covering overhead crossing of highways where involved in this Application is marked Exhibit "G", attached hereto and made a part hereof.

10 - The line herein proposed will come in close proximity with facilities of the Atchison-Holt Electric Cooperative, Rock Port Telephone Company, N. W. Electric Power Cooperative, Inc., United Telephone Company of Missouri, Peoples Natural Gas Co., Department of Transportation of the Federal Aviation Administration and the Chicago, Burlington & Quincy Railroad Company. Construction waivers and consents for the proposed line from each of these companies and the Federal agency are marked Exhibits "G-1", "G-2", "G-3", "G-4", "G-5", "G-6 and "G-7", respectively, and made a part hereof.

11 - Electric service is rendered in this area only by Applicant and N. W. Electric Power Cooperative and the Atchison-Holt Electric Cooperative. However, no customers will receive service directly from the transmission line herein proposed.

12 - Public convenience and necessity will be served by the construction, operation and maintenance of said transmission line, and the same will permit an interchange of electric energy between the respective participants and make available reserve capacities so as to protect more adequately the growing load requirements of each participating system.

WHEREFORE Applicant requests this Commission to grant a Certificate of Public Convenience and Necessity authorizing it to construct, own, operate and maintain that portion of the 345 KV in Atchison County, Missouri which is outside Applicant's certificated territory as herein described.

Dated at St. Joseph, Missouri this 4th day of April, 1969.

Attest:

Howard Christensen
Howard Christensen
Secretary-Treasurer

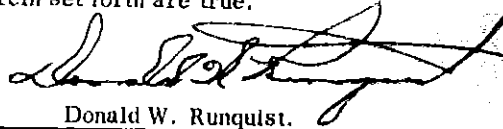
ST. JOSEPH LIGHT & POWER COMPANY
Donald W. Runquist
By _____
Donald W. Runquist
President

SPRAGUE, WILCOX & HOUTS

By Charles S. Wilcox
Charles S. Wilcox
804 Corby Building
St. Joseph, Missouri
Telephone 232-5441
Attorneys for Applicant


STATE OF MISSOURI)
) SS:
COUNTY OF BUCHANAN)

Donald W. Runquist, being duly sworn, upon his oath deposes and says that he is President of St. Joseph Light & Power Company, the Applicant herein; that he has read the above Application, knows the contents thereof, and that to the best of his knowledge, information and belief the facts therein set forth are true.



Donald W. Runquist.

Subscribed and sworn to before me on this 4th day of April, 1969. My commission expires June 2, 1970.



Arna E. Taylor
Notary Public within and for Buchanan
County, Missouri

TRANSMISSION LINE AGREEMENT

THIS AGREEMENT made and entered into this 31st day of December, 1968, by St. Joseph Light & Power Company, a Missouri corporation (hereinafter called "St. Joseph"), and Iowa Power and Light Company, an Iowa corporation (hereinafter called "Iowa Power"),

W I T N E S S E T H:

WHEREAS, St. Joseph owns and operates an electric utility system located generally in northwestern Missouri and Iowa Power owns and operates an electric utility system located generally in central and southwestern Iowa, and

WHEREAS, under the terms of a Facilities Agreement dated August 30, 1966, entered into by Iowa Power and Consumers Public Power District (hereinafter called the "District"), a public corporation and political subdivision of the State of Nebraska, the District is constructing on the Missouri River near Brownville, Nebraska, a nuclear power plant (herein called "Cooper Station"), one half of the output of which Iowa Power has agreed to purchase on a long term basis, and

WHEREAS, under the terms of said Facilities Agreement Iowa Power has agreed to provide a 345 Kv transmission line extending from Hills, Iowa, to Des Moines, Iowa, and thence to a point of interconnection with the facilities of the District on the Missouri River at Cooper Station, which line is scheduled for commercial operation by May 1, 1970, and Iowa Power is now engaged in constructing the portion of said line that will lie within the State of Iowa, and

WHEREAS, discussions have been had between St. Joseph and Iowa Power with respect to the construction, operation, use and maintenance of that portion of said line within the State of Missouri running from the Iowa-Missouri border to Cooper Station, and St. Joseph has agreed to assume the responsibility for such construction, operation and maintenance and to make such portion of said line

EXHIBIT A

Page..... Of.....

available to Iowa Power for its use upon its completion in accordance with the terms and conditions hereinafter set forth.

IT IS THEREFORE AGREED, in consideration of the foregoing and of the mutual covenants and undertakings of the parties, as follows:

1. St. Joseph hereby agrees to construct and to place in commercial operation on or before May 1, 1970 that portion of the projected Hills-Des Moines-Cooper Station 345 Kv line within the State of Missouri running from the Iowa-Missouri border to Cooper Station, to interconnect with Iowa Power's portion of said line at the Iowa-Missouri border, and with the facilities of the District at the Missouri-Nebraska border. The St. Joseph portion of the line shall follow a line route to be selected by Iowa Power and its construction shall conform to specifications to be provided by Iowa Power.

2. Upon completion of such portion of line and its availability for commercial operation, St. Joseph shall certify to Iowa Power its total cost. Iowa Power agrees to pay to St. Joseph (1) as fixed charges each month, one-twelfth of an annual fixed charge rate of Fifteen per cent (15 %) of the total cost of such portion of line and (2) the total cost of labor and material for operating and maintaining such portion plus normal labor and material overhead expense for the accounting period during which the charges were incurred. It is further agreed that the above stated annual fixed charge rate shall be subject to review and adjustment according to the actual costs to St. Joseph for the components of interest, depreciation and ad valorem taxes comprising said rate.

3. St. Joseph further agrees to purchase, install, own, operate and maintain on said portion of line such additional future equipment and facilities appropriate to the operation, use and maintenance of such transmission line as Iowa Power may from time to time request. The cost of any such additional equipment

and facilities shall be added to the initial cost of the line portion and fixed charges thereon paid by Iowa Power with and according to the payment provided in Paragraph 2.

4. St. Joseph agrees that upon written request from Iowa Power it will remove any part of the equipment which is the subject of this agreement and which in the sole judgment of Iowa Power is no longer required. Such removed equipment may be replaced with other equipment as in Paragraph 3 above provided. Iowa Power agrees to purchase any equipment so removed by St. Joseph for a price equal to its removal cost plus the initial installed cost of said equipment less depreciation of three per cent (3%) per annum for each year it has been in service. In such event, the amount upon which fixed charges are computed, as set forth in Paragraph 2 above, shall be reduced by the amount of the initial installed cost of the equipment removed.

5. On the termination of this agreement 33 years from the date of its execution or at any earlier termination date, Iowa Power agrees to buy and St. Joseph agrees to sell to Iowa Power or to its nominee all equipment and facilities of St. Joseph which are the subject of this agreement, and to assign to it all franchises, rights of way and easements for such line, for a price equal to the original cost of said depreciable equipment depreciated at 3% per annum for each year the same has been in service, plus cost of removal less salvage if removed by St. Joseph, plus initial cost of non-depreciable items such as franchises, rights of way and easements.

6. In consideration hereof, Iowa Power shall have the exclusive right to use the capacity of said portion of line as long as this agreement is in force and effect, for the transmission of electric energy and to use the ancillary equipment of such line for purposes incidental to such transmission. Iowa Power may authorize St. Joseph or others to utilize all or any part of such line capacity upon terms to be agreed to between them. St. Joseph shall not have any right to utilize the

capacity of such portion of line, or to cause its electric system to be inter-connected therewith at any point, without the consent of Iowa Power.

7. Nothing herein contained shall create legal liability on Iowa Power for injury to persons or property arising out of the construction, operation, ownership or maintenance of such portion of line and St. Joseph shall indemnify Iowa Power and hold it harmless from and against any and all claims arising therefrom or by reason of the acts of negligence of its agents or employees in connection therewith.

8. This agreement shall become effective upon its execution by the parties and upon approval by any regulatory authority having jurisdiction thereof and shall continue in force for a period of 33 years unless terminated either by mutual agreement or by written notice given by either party to the other at least five years in advance of the proposed date of termination. This agreement shall bind and inure to the benefit of the successors and assigns of the parties.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first hereinabove written.

ST. JOSEPH LIGHT & POWER COMPANY

By *[Signature]*
President

ATTEST:

H. A. Christensen

IOWA POWER AND LIGHT COMPANY

By *[Signature]*
President

ATTEST:

[Signature]
Secretary

*Pres
R.M.*

ELECTRIC INTERCONNECTION AND INTERCHANGE AGREEMENT

ST. JOSEPH LIGHT & POWER COMPANY

IOWA POWER AND LIGHT COMPANY

THIS AGREEMENT made and entered into as of the 31st day of December, 1968, by St. Joseph Light & Power Company (herein called 'St. Joseph'), a Missouri corporation, and Iowa Power and Light Company (herein called "Iowa Power"), an Iowa corporation,

W I T N E S S E T H:

WHEREAS, each of the parties owns electrical facilities and is engaged in the generation, transmission, distribution and sale of electric power and energy within the geographical areas served by it, and

WHEREAS, the electric systems of the parties are interconnected at various points and additional points of interconnection may be established in the future and arrangements made for interconnection of such systems electrically over the facilities of third parties, and

WHEREAS, the parties have heretofore under date of May 31, 1960 entered into a certain Electric Interconnection and Power Service Agreement providing for purchases and sales by each party from the other, and

WHEREAS, the parties have also by letter agreement dated February 11, 1966, mutually agreed upon the sale by St. Joseph and the purchase by Iowa Power of 10 Mw of Participation Power during the period June 1, 1969 through May 31, 1970, to be delivered at the point of interconnection of the existing 161 Kv facilities of Iowa Power and St. Joseph on the Iowa-Missouri state line 5 miles east of Braddyville, Iowa, and

EXHIBIT B

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WHEREAS, the parties desire to provide for the interchange of electric power and energy between their respective systems in the foregoing and other transactions and to establish their respective rights and obligations in connection with the interconnected operation of their systems and each of the parties believe that such interconnected operations as herein provided for will be in the best interests of the public and will permit more effective use of its respective generation and transmission facilities and provide each with a means to obtain reserve capacity affording better assurance of electric service in emergencies and make possible economies in operation not otherwise available to them.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements and covenants herein contained, St. Joseph and Iowa Power hereby agree as follows:

ARTICLE I

Term of Agreement

Section 1.1. The term of this Agreement shall begin on the date hereof or on such other date as may be prescribed by regulatory authority for the effective date hereof and shall continue for a period of five years and thereafter until terminated by notice in writing given by one party to the other at least one year in advance of any termination date.

ARTICLE II

Prior Agreements Superseded

Section 2.1. Effective with the effective date of this Agreement the Electric Interconnection and Power Service Agreement between the parties shall terminate. Such termination shall not affect liabilities of the respective parties to each other for service previously rendered under the terminated Agreement. The present Agreement shall also supersede that certain letter agreement between the parties dated February 11, 1966, accepted by Iowa Power on February 17, 1966, providing for sale by St. Joseph to Iowa Power of 10 Mw of Participation Power during the

period June 1, 1969, through May 31, 1970, to be delivered at the point of interconnection at the Iowa-Missouri state border of the 161 Kv facilities of Iowa Power and St. Joseph, the terms of this transaction having been incorporated into this Agreement.

ARTICLE III

Facilities to be Provided, Points of Interconnection

3.1. The systems of the parties are presently interconnected at the points marked A, B, C, D, E, F, G, H, I, J, and K on the map Exhibit A hereto attached, all of such points being on the Iowa-Missouri state line. Points A through I are presently used for sale of Distribution Energy by one party to the other for the purpose of supplying loads of the receiving party, and the state line is the point of delivery of all such energy so sold. The interconnection at Point J is normally open and not in use, and is maintained for emergency interchange of Emergency Energy. The interconnection at Point K is the normally closed 161 Kv interconnection.

3.2. The parties further contemplate that their systems will be capable of interconnection through the intervening facilities of third parties and that power and energy may be exchanged or delivered between them at points of delivery which are not points of interconnection between their systems. Such a point of delivery will be the 345 Kv bus in the switchyard of Cooper Station of Consumers Public Power District near Brownville, Nebraska, at which 345 Kv transmission facilities of other parties interconnect which are in turn interconnected with the facilities of St. Joseph and Iowa Power, so that the systems of the parties hereto can be interconnected by means of such intervening facilities at 345 Kv.

3.3. Other points of direct or indirect interconnection between the systems of the parties may be established by mutual agreement in writing.

3.4. Each party shall own, operate and maintain in accordance with good

practice the necessary transmission lines and appurtenant facilities on its side of the interconnections reasonably required to render operable the interconnections directly interconnecting their respective systems as set forth in Section 3.1 above, together with necessary auxiliary equipment required for relaying, metering, telemetering, load control and communication as required for dispatching and controlling deliveries of power and energy between their systems. Renewals or replacements of such facilities shall be provided by the party that originally provided that portion of the facilities. None of the facilities required for operation of such interconnections shall be permanently removed from service without satisfactory replacement unless and until the consent of the other party in writing to such removal has been obtained.

3.5. When purchases and sales of electric power and energy are scheduled between the parties at delivery points at which their respective power systems are not directly interconnected, each party shall respectively assume responsibility for making available for the purpose of such transaction the necessary facilities on its side of the point of delivery required for the fulfillment of the transaction. Where use of facilities of intervening parties is involved, transactions shall not be scheduled without first making necessary arrangements with such intervening party or parties for the required use of facilities.

ARTICLE IV

Services to be Rendered

Section 4.1 Inasmuch as the various specific services to be rendered over the interconnection between the systems of the parties may vary during the term hereof and the provisions, arrangements and rates applicable for such services will depend upon conditions from time to time existing, the terms and conditions of such specific services will be set forth in Service Schedules from time to time formulated

between the parties, which Service Schedules, when executed by the parties, shall become parts of this Agreement. The initial Service Schedules are executed contemporaneously herewith, to be in force and effect according to their terms until superseded by subsequent schedules or until modified or terminated by agreement of the parties.

Section 4.2. "Participation Power" shall mean electric power and accompanying energy which one party purchases from the other from the operation of a specifically described generating unit or units and which is to be available to the purchasing party only when and as such generating unit or units are operated for the purpose of generating the power and energy to be so purchased. The parties may by separate agreement provide for the purchase of Participation Power.

Section 4.3. "Firm Power" means a block of electric power and accompanying energy which one party purchases from the other for the purpose of obtaining a firm supply for a specified time. The party desiring to make a Firm Power purchase shall make written request therefor to the other party stating the firm amount required, the probable load factor and the period during which it will be required. The party requested to supply Firm Power shall be the sole judge of its willingness and ability to supply the request. Once agreed upon, the quantity of power purchased shall not be subject to downward adjustment during the period during which it is to be received except by mutual agreement. If one party requests Firm Power and the other party is unable to furnish all or any portion of the requested amount from its own sources, it shall upon request of the party desiring to make the purchase attempt to purchase firm power and energy, if available, from others not parties to this Agreement for the purpose of supplying the request. The rates to be paid for Firm Power shall be as specified in the Service Schedule for Firm Power attached hereto as the same may be in effect from time to time.

Section 4.4. "Scheduled Outage Energy" shall mean electric energy delivered by one party to the other party by prearrangement during the period of an outage scheduled with the approval of both parties of generation or transmission facilities serving the parties or from which they are entitled to receive Participation Power. During the period of such scheduled outage, Scheduled Outage Energy, at a rate of delivery in kilowatts not exceeding the capacity of the facilities scheduled to be out of service, will be supplied to the party whose system is affected by the scheduled outage up to the full operable capacity of the available interconnections between the parties hereto and in the amount available to the supplying party through its own generating facilities and firm purchases which at the time are not being used to supply its own customers or to meet its obligations to other utilities. The quantities of energy required and the period or periods during which it shall be delivered shall be arranged in advance by the parties. If one party requests Scheduled Outage Energy and the other party is unable to furnish all or any portion of the Scheduled Outage Energy from its own generation and firm purchases, it may, upon request of the party in whose system the scheduled outage exists, purchase energy, if available, from others not parties to this Agreement for the purpose of supplying the Scheduled Outage Energy requested. The rates to be paid for Scheduled Outage Energy shall be as specified in the Service Schedule for Scheduled Outage Energy attached hereto, as the same may be in effect from time to time.

Section 4.5. "Distribution Energy" shall mean the firm supply of electric energy by one party to the other's sub-transmission or distribution system at sub-transmission or distribution voltages to meet a party's requirements for local distribution in areas which it is impossible or uneconomical for it to serve from its own electric transmission system. The party desiring to purchase energy for this service shall make written request therefor and the party requested to supply the same shall be the sole judge of its willingness and ability to supply the request.

Once agreed upon, the supplying party shall be obligated to supply all of the receiving party's requirements for the agreed purpose and in the agreed area during the period covered by the agreement, utilizing for such purposes its facilities in existence at the inception of such agreement for the service, but shall not be required to install new facilities or increase the capacity of its existing facilities for such purpose without its consent. The rates to be paid for Distribution Energy shall be as specified in the Service Schedule for Distribution Energy attached hereto as the same may be in effect from time to time, and such Service Schedule shall incorporate the terms and conditions of any agreement or agreements for the furnishing of such energy by one party to the other that may currently be in force and effect between the parties.

Section 4.6: "Emergency Service" shall mean electric power and accompanying energy which may be furnished, if it is available, when unscheduled outage of generation or transmission facilities exists in the system of one of the parties hereto, and the generation and transmission facilities of the system wherein the emergency exists, including purchases from others not parties to this Agreement are inadequate to carry such party's load. During any period of emergency, Emergency Service will be supplied to the party in whose system the emergency exists up to the full operable capacity of the available interconnections between the parties hereto and in the amount available to the sending party through its own generating facilities and firm purchases which at the time are not being used to supply its own customers or to meet its obligations to other utilities. If requested, the supplying party shall also endeavor to secure power and energy from other sources not party to this Agreement, which can then be supplied to the party sustaining the emergency. The rate for Emergency Service shall be as specified in the Service Schedule for Emergency Service attached hereto, as the same may be in effect from time to time.

Section 4.7. "Economy Energy" shall mean electric energy delivered by one party hereto to the other party, as a substitute for a similar amount of energy which would have otherwise been produced in the plants of the purchaser at a higher unit cost, or which would have been purchased from others, not parties to this Agreement, at a higher total cost including such additional demand charges, if any, as would have been incurred by such purchase from others. Deliveries of Economy Energy hereunder will be made when one party has more energy available than it needs and is willing to supply it to the other, and the other party is willing and desirous to receive it. Tenders and acceptance of Economy Energy shall be made between the dispatchers of the two parties. At the time such tenders are made the dispatchers shall confirm the rate to be paid for the kilowatt hours to be delivered and the period of time during which Economy Energy will be delivered and received. The rate to be confirmed for any specific delivery of Economy Energy shall be the average of (1) the incremental cost to the supplying party of generated energy plus the cost of any additional energy it may purchase from other parties to supply such Economy Energy, and (2) the decremental cost to the receiving party of generated energy plus cost of any purchased energy it may supplant with such Economy Energy. The incremental and decremental cost of generated energy shall be the incremental or decremental fuel cost and an allowance per kilowatt hour to cover incremental or decremental cost of operating labor, maintenance, operating supplies, transmission losses occasioned by the interchange and such other items as would be affected by change in loading. The Operating Committee shall prepare rules incorporating these factors, setting forth the procedure for establishing energy costs involved in the operations and settlements hereunder. The cost of energy purchased from others not parties to this Agreement to be used in determining the price to be paid for Economy Energy shall be the actual purchase price of such energy adjusted for losses occasioned by the inter-

change. This purchase price shall be the energy cost plus only such additional demand charges as are incurred by such purchase.

Section 4.6. For the purpose of this Agreement, unless otherwise specified, the Points of Interconnection shall constitute the delivery point for power and energy supplied by one party to the other hereunder. The parties may by mutual agreement in writing establish such other point or points of delivery as are acceptable to them during the term of this Agreement.

ARTICLE V

Service Conditions

Section 5.1. The systems of the parties shall be operated interconnected continuously under normal system conditions, and the parties shall cooperate in keeping the frequency of the interconnected systems of the parties at 60 Hertz as closely as is practicable, in keeping the interchange of power and energy between the systems of the parties as closely as is practicable to the scheduled amounts, and in maintaining mutually satisfactory voltage levels. Each party shall be responsible for the reactive volt-ampere requirements of its system.

Section 5.2. The systems of the parties shall normally be so maintained and operated as to minimize, in accordance with good practice, the likelihood of a disturbance originating in the system of one party causing impairment to the service of the system of the other party or of any other system interconnected therewith.

Section 5.3. It is recognized that when the systems of the parties are operating interconnected with each other, and both systems are operating interconnected and in parallel with adjacent power systems, a portion of the power and energy scheduled for delivery between the two parties may actually flow through one or more other interconnected power systems.

Therefore, under such conditions:

- (a) All intentional power and energy deliveries between the two parties shall be scheduled in advance.
- (b) It shall be the responsibility of each party to maintain the net power and energy flows as nearly as practicable at the net scheduled amount.
- (c) When there is a scheduled power and energy delivery by one party to the other party and a portion thereof actually flows through other power systems, the portion of the power flowing through such other power systems will be considered as having been delivered by the scheduled supplier thereof. It shall be the duty of the Operating Committee to establish the principles of accounting and compensation for such conditions.

Section 5.4. To the extent it can be controlled, neither party shall impose any unusual load upon the other party and each party agrees to notify the dispatcher of the other before intentionally taking energy which might affect the delivering party's service. Each party further agrees that if emergency conditions arise which overload the facilities of the other party, the receiving party will take steps immediately to reduce the load to the normal capacity of the facilities even though this may involve reducing load on the receiving party's system. It is expressly understood and agreed that either party may refuse to deliver power and energy hereunder, or having begun such delivery, may curtail, restrict, or discontinue such deliveries, except with respect to Participation Power or Firm Power or Distribution Energy, whenever in such party's sole judgment such refusal, curtailment, restriction, or discontinuance shall be necessary or desirable in the conduct of such party's other operation. Notice of each such refusal, curtailment, restriction or discontinuance must be communicated to the other party's

dispatcher, as far in advance as practicable.

Section 5.5. The parties will cooperate in coordinating their schedules of outage of generating and transmission facilities for maintenance in a manner which will make available as much reserve generating capacity as possible at all times, consistent with their obligations to other systems with which each is or may hereafter be interconnected.

ARTICLE VI

Measurement of Interchange Power and Energy

Section 6.1. All power and energy delivered by either party to the other shall be measured by suitable metering equipment at locations to be agreed upon by the Operating Committee. Meter readings may be adjusted to allow for losses between the meter location and the point of delivery. The method of determining any adjustment for losses shall be established by the Operating Committee.

Section 6.2. The meters and associated metering facilities shall be owned and installed by the party designated by the Operating Committee, and it shall be responsible for maintaining them in good operating condition, making periodic tests and inspections of the meters at reasonable intervals as agreed upon by the Operating Committee to meet Iowa State Commerce Commission and Missouri Public Service Commission standards and to maintain their accuracy of registration in accordance with the highest practicable commercial standard. Such testing shall be conducted at such times and in such manner as will meet the standards established by the Iowa State Commerce Commission and Missouri Public Service Commission. The expense involved in such tests shall be shared equally by the parties. On request of either party, special tests shall be made at its expense. Either party shall afford opportunity to representatives of the other to be present at all regular or

special tests, if desired. If any test of metering equipment discloses an inaccuracy exceeding two (2) percent, the parties shall be promptly notified and the account between the parties for service supplied shall be adjusted appropriately. Such correction and adjustment shall be made in the billing from the date the meter became inaccurate, if known; if this cannot be determined, then such adjustment shall be made for the previous month or from the date of the latest test, if within the previous month, and for the elapsed period in the month during which the test was made. Should any metering equipment at any time fail to register or should the registration thereof be so erratic as to be meaningless, the power and energy transmitted shall be determined by the Operating Committee from the best available data.

Section 6.3. The meter owner shall arrange to have the meters read at the end of each month and at such other times as may be required for the purpose of billing for service delivered hereunder. Opportunity shall be given to the other party to make simultaneous readings if it desires.

Section 6.4. In addition to meter records, the parties will keep such log sheets and other records as may be needed to afford a clear history of the various movements of power and energy involved in transactions hereunder and to permit proper billing for power and energy interchanged pursuant to this Agreement. The originals of all such meter records shall be open to inspection by representatives of either party.

Section 6.5. As soon as practicable after the end of each month, each party will render to the other a statement setting forth appropriate data from meter registrations and other sources in such detail as may be needed for operating records and for settlements hereunder. Each party will also furnish appropriate data from meter registrations or from other sources as the Operating Committee may

require when such data are needed for operating records or for settlement.

ARTICLE VII

Operating Committee

Section 7.1. The parties shall appoint an Operating Committee consisting of two members, one member and one alternate to be appointed by each of the parties hereto.

The principal duties of the Operating Committee shall be to:

- (1) establish the procedure for determination of the costs of Economy Energy interchanges;
- (2) establish operating, control and scheduling procedures;
- (3) coordinate maintenance schedules;
- (4) establish accounting and billing procedures; and
- (5) perform such other duties as may be required for the proper functioning of this Agreement.

If the Operating Committee is unable to agree on any matter coming under its jurisdiction, that matter shall be referred to the chief executive of each of the parties or his designated representative.

ARTICLE VIII

Billing and Payment

Section 8.1. All bills for power and energy delivered pursuant to this Agreement shall be rendered monthly, not later than ten (10) days after the end of the period to which such bills are applicable. Unless otherwise agreed upon by the Operating Committee, such period shall be from 12:01 A.M. of the first day of one month to 12:01 A.M. of the first day of the succeeding month. Bills shall be due and payable within fifteen (15) days from the date such bills are rendered, and payment shall be made when due and without deduction. Interest on any unpaid

amount, from the date due until the date upon which payment is made, shall accrue at six per cent (6%) per annum.

Section 8.2. In event a party desires to dispute all or any part of the charges submitted by the other party, it shall nevertheless pay the full amount of the charges when due and give notification in writing within sixty (60) days from the date of the statement, stating the grounds on which the charges are disputed, and the amount in dispute; provided, however, no dispute as to the accuracy of the charges will be entertained or considered unless written complaint with respect thereto is submitted by the complaining party within sixty (60) days from the date upon which the statement for charges is presented; and the complaining party will not be entitled to any adjustment on account of any disputed charges which are not brought to the attention of the other party within the time and in the manner herein specified.

ARTICLE IX

Uncontrollable Forces

Section 9.1. Neither party hereto shall be held responsible or liable for any loss or damage on account of non-delivery of energy hereunder at any time caused by act of God, fire, flood, explosion, sabotage, accidents, breakdowns of or injuries to equipment, substations or transmission lines, use of generating capacity for melting ice from, or preventing ice from forming on transmission lines or other equipment, strike or other labor disturbances, act of civil or military authority, insurrection, riot, act of the elements, or any cause beyond its control, but in the case of complete or partial failure of one party to deliver Firm Power to the other party, due to any such cause, the other party shall be entitled to a pro rata reduction in billing charges for Firm Power for the period during which such service is so rendered.

ARTICLE X

Other Conditions

Section 10.1. The parties recognize that their respective obligations under this Agreement may be subject to certain regulatory approvals. Each party undertakes to proceed with due diligence to obtain any necessary approval of this Agreement insofar as it is concerned, and if necessary, the other party shall cooperate in the securing of such regulatory approvals. The respective obligations of the parties under this Agreement shall be subject to such regulatory approval as may be required by law prior to taking effect.

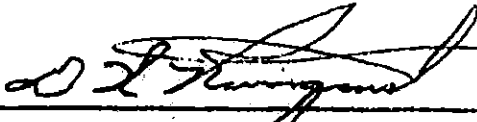
Section 11.2. Any waiver at any time by either party of its rights with respect to any default or matter arising in connection with this Agreement shall not be considered a waiver of any other default or matter.

Section 11.3. Any notice or demand under or required by this Agreement shall be deemed properly given by St. Joseph if mailed postage prepaid and addressed to Iowa Power and Light Company, 823 Walnut Street, Des Moines, Iowa 50303, and by Iowa Power if mailed postage prepaid and addressed to St. Joseph Light & Power Company, 520 Francis Street, St. Joseph, Missouri 64502. The designations of the name or address to which any such notice or demand is directed may be changed at any time and from time to time by giving notice as herein provided.

Section 11.4. This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the respective parties hereto. No assignment or transfer hereof shall relieve the party making such assignment or transfer of any of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officers thereunto duly authorized and their corporate seals affixed as of the day and year first hereinabove set forth.

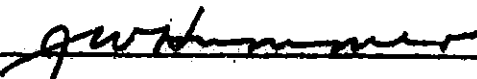
ST. JOSEPH LIGHT & POWER COMPANY

By 
President (Title)

ATTEST:


Secretary

IOWA POWER AND LIGHT COMPANY

By 
President (Title)

ATTEST:


Secretary


9/18
R. J. M.