

April 7, 1998

UTILICORP UNITED

**ENERGYONE**

Mr. Mike Proctor  
Federal/State Projects  
Missouri Public Service Commission  
310 West High Street  
Jefferson City, MO 65101

RE: Missouri Public Service Request for Proposal

Dear Mr. Proctor:

After our meeting on March 31, MPS was notified that KCPL was withdrawing its proposal to provide firm summer peaking energy to MPS for the years 2000 and 2001.

As a consequence, MPS need for additional power supply resources is 325 MW in 2000 and 500 MW in 2001. This need is based on current load growth forecasts and the expiration of the following purchase power contracts:

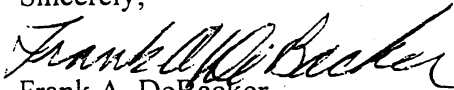
<u>Provider</u>	<u>Megawatts</u>	<u>Expiration Date</u>
KCPL	90	September 30, 1999
AECI	190	May 31, 2000
UE	115	May 31, 2001.

The enclosed Request for Proposal (RFP) is hereby submitted to the MPSC staff and the OPC for review and comment.

MPS intends to incorporate any comments received from the MPSC staff and the OPC and issue the RFP on May 29, 1998. Proposals will be due on July 3, 1998.

Please call me at (816) 936-8639 with any comments, suggestions or questions.

Sincerely,



Frank A. DeBacker  
VP - Fuel & Purchased Power

Attachment

cc: Mr. Ryan Kind, Office of the Public Counsel w/ attachment  
Mr. John McKinney, UCU w/ attachment

**Request for Proposals**  
for  
**Resource Specific**  
**Capacity & Energy**  
for  
**Missouri Public Service**

**MPS-1998RFP**

SCHEDULE FAD-7

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Spring, 1998

## A. General

UtiliCorp Energy Group is issuing this Request For Proposal (RFP) on behalf of Missouri Public Service (MPS), a division of UtiliCorp United Inc. (UCU).

MPS is an integrated electric and gas utility located in western Missouri and is a member of the Southwest Power Pool and the MOKAN power pool.

The following RFP is for both annual and seasonal **Resource Specific Capacity and Energy** resources. Financially firm energy proposals will not be accepted.

**Resource Specific** means the successful bidder must state the actual power supply resource(s) that will provide the capacity and energy requested. The resource(s) need not be stated in the proposal; however, the resource(s) must be named and listed in any contract which may result from this solicitation.

This RFP is not a contract. Any contract(s) which may result from this RFP shall be in accordance with mutually agreeable, specific terms and conditions developed between UtiliCorp and the successful bidder(s). In addition, any contract(s) resulting from this RFP shall be subject to the approval of all regulatory bodies having jurisdiction.

UtiliCorp reserves the right to reject any or all proposals at its sole discretion.

Proposals shall be addressed to the following and must be received no later than 5:00p.m. C.D.S.T., July 3, 1998.

UtiliCorp Energy Group  
Attn: Frank A. DeBacker  
10700 East 350 Highway  
Kansas City, MO 64138  
Ph: (816) 936-8639  
Fax: (816) 936-8695  
E-mail: fdebacke2@utilicorp.com

## B. Contract Capacities and Periods

Proposals are requested for the seasonal and annual capacity amounts shown in Table 1.

Note that the amounts shown are not mutually exclusive. For example, assuming that appropriate proposals are submitted, UCU may elect to purchase one of the following portfolios to meet the needs of MPS from 6/1/2000 - 5/31/2001:

- 100 MW of Jun-May capacity, 50 MW of Oct-May capacity and 175 MW of Jun-Sep capacity; or,
- 325 MW of Jun-Sep capacity and 75 MW of Oct-May capacity; or,
- 325 MW of Jun-May capacity.

**Table 1: MPS Capacity Need**

<u>Contract Period</u>		<u>Capacity Amount (MW)</u>		
<u>From</u>	<u>To</u>	<u>Jun-Sep Capacity</u>	<u>Oct-May Capacity</u>	<u>Jun-May Capacity</u>
6/1/2000	5/31/2001	Up to 325	Up to 75	Up to 325
6/1/2001	5/31/2002	Up to 500	Up to 250	Up to 500

**C. Point(s) of Delivery**

The point(s) of delivery shall be the interconnection point(s) of the MPS transmission system with the Eastern Interconnection.

**D. Capacity Pricing**

Capacity price at the point(s) of delivery must be stated in \$/MW-mo, fixed for the contract term.

**E. Energy Pricing**

Bidders are encouraged to submit creative pricing proposals. The energy price must be for energy delivered at the Point(s) of Delivery. Energy prices may be fixed or based on regionally recognized indices. The energy pricing methodology must enable UtiliCorp to determine the energy price prior to submitting a purchase schedule per Section H below.

Bidders may propose a variety of energy pricing methodologies which may include, but are not limited to, the following elements:

- On peak/off peak price
- Constant price
- Monthly price
- Index price
- Resource heat rate
- Resource variable O&M costs

The bidder shall provide any formula(s) used to calculate the energy price. The bidder shall include the values of any constants and a definition of all variables which make up the formula(s).

#### **F. Transmission**

The successful bidder shall provide firm transmission service from the proposed resource(s) to the Point(s) of Delivery.

#### **G. Scheduling**

Proposals which allow hourly schedule changes are preferred; however, UCU will consider any and all scheduling proposals. Bidders shall state what scheduling requirements are proposed. At a minimum, proposed requirements on the following items must be included in bidders proposal:

- Resource Start up costs, if applicable
- Minimum purchase schedule
- Minimum load factor & measuring period
- Maximum load factor & measuring period
- Minimum schedule block
- Initial schedule submittal procedure
- Subsequent schedule change procedure
- Energy Block Requirements (ie: 7x24, 5x16, etc.)

#### **H. Availability**

Bidders **must** state and define the guaranteed availability level for the resource(s) that will provide the capacity and energy proposed.

The successful bidder **will be required** to reimburse UtiliCorp any incremental cost incurred to acquire replacement capacity and energy due to the bidder's failure to meet its availability guarantees.

Bidders shall provide the proposed maintenance schedule for unit contingent resource(s).

#### **I. UCU Proposal & Joint Projects**

UCU may elect to submit an EWG proposal in response to this RFP. If it chooses to submit a proposal, all proposal evaluations will be performed by an independent third party approved by the Missouri Public Service Commission

(MPSC). Any contract between MPS and the EWG would be subject to the approval of the MPSC.

Proposals for joint projects which would provide partial ownership through equity participation by UCU are invited. Such projects would also be evaluated by an independent third party and any contract subject to the approval of the MPSC.

#### **J. Contact**

For additional information regarding this RFP, contact Frank A. DeBacker through the means listed in Section A above.