

September 14, 1998

UTILICORP UNITED
ENERGY ONE

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

Mr. Ryan Kind
Chief Utility Economist
Office of Public Counsel
Harry S. Truman Bldg., Ste. 250
PO Box 7800
Jefferson City MO 65102

RE: Missouri Public Service May, 1998 Request for Proposal - Proposal Revisions

Gentlemen:

On August 25, 1998, MPS requested that all responders to the above referenced RFP provide an indication of continued interest along with any changes in their proposed pricing and/or other terms and conditions.

Responses have been received from all but one of the firms that originally submitted proposals. A brief summary of the responses received to date is attached. Note that only NP Power made significant changes to its pricing structure.

MPS is currently negotiating with New Century Energies and Basin Electric Cooperative as well as Sunflower Electric Cooperative in an attempt to secure adequate supplies of capacity and energy for the 12 months beginning June 1, 2000.

For the post 2000 period, MPS will evaluate the revised proposal from NP Power and perform the gas price sensitivities requested by staff.

Please call me at 816-936-8639, if you have any questions or need additional information.

Sincerely,



Frank A. DeBacker

Attachment

cc: Gary Clemens
John McKinney

Missouri Public Service
1998 Request for Proposals

Proposal Revision Summary

Aquila Power	No Response to date.
Basin Electric	Continued interest, no change in price. MPS is currently negotiating with Basin for MPS' year 2000 requirements.
CP&L	Continued interest. Delayed in service date to June, 2001 from June, 2000 and increased prices by 15%.
LS Power	Withdraw proposal.
New Century	Continued interest, revised price slightly downward for 2000. MPS is currently negotiating with New Century for MPS' year 2000 requirements.
NORAM	Continued interest with no change in pricing. Emphasized that their proposal was only "indicative" and that prices are for illustration only.
NP Energy	Continued interest with extensive price revisions. Changes include an increase in capacity from \$2,500 to \$4,000 per MW-mo. and a decrease in energy pricing from 'market rates' to a pricing structure based on gas prices and unit heat rates. MPS is currently evaluating the revised proposal.
Southern Co.	Continued interest with no change in pricing. Emphasized that their proposal was only "indicative" and that prices are for illustration only.