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May 14, 2001

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³

MAY 14 2001

Missouri Public
Service Commission

RE: Case No. ER-2001-299

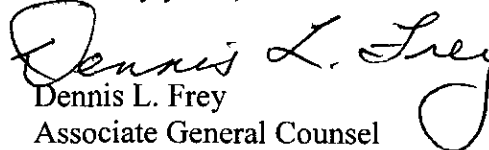
Dear Mr. Roberts:

On behalf of the Staff of the Commission, the Office of the Public Counsel, and The Empire District Electric Company, enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STIPULATION AND AGREEMENT REGARDING FUEL AND PURCHASED POWER EXPENSE**. This Stipulation and Agreement has been entered into by those three of the four parties to this proceeding. Accordingly, this cover letter will also serve to provide notice to counsel for Praxair, Inc., under 4 CSR 240-2.115, of this filing of the Stipulation and Agreement Regarding Fuel and Purchased Power Expense, and the right of Praxair, Inc. to file a request for a hearing within seven (7) days from the filing of this Stipulation and Agreement.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,


Dennis L. Frey
Associate General Counsel

(573) 751-8700

(573) 751-9285 (Fax)

dfrey03@mail.state.mo.us

Enclosure

cc: Counsel of Record

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED³
MAY 14 2001

In the matter of The Empire District Electric)
Company's Tariff Sheets Designed to)
Implement a General Rate Increase for Retail)
Electric Service Provided to Customers in the)
Missouri service area of the Company.)

Case No. ER-2001-299

Missouri Public
Service Commission

STIPULATION AND AGREEMENT
REGARDING FUEL AND PURCHASED POWER EXPENSE

COME NOW The Empire District Electric Company ("Empire" or "Company"), the Staff of the Missouri Public Service Commission ("Staff"), and the Office of the Public Counsel ("Public Counsel"), hereinafter to be known as "the Signatories," and for their Stipulation and Agreement Regarding Fuel and Purchased Power Expense ("Agreement"), respectfully state as follows:

1. On November 3, 2000, Empire submitted to the Missouri Public Service Commission ("Commission") proposed tariff sheets to increase rates for electric service provided to customers in the Missouri service areas of the Company. The proposed tariff sheets bear an effective date of December 3, 2000. The tariff sheets are designed to produce an annual increase of \$41,467,926.00 (approximately 19.3%) in the Company's electric revenues. Also on November 3, the Company submitted direct testimony in support of its requested rate increase.

2. On November 16, 2000, the Commission issued an Order suspending the proposed tariffs for a period of 120 days plus an additional six months beyond the proposed effective date, and ordering the filing of a proposed procedural schedule by December 28, 2000.

3. During the week of April 16, 2001, and in accordance with the procedural schedule adopted by the Commission in an Order issued January 4, 2001, the parties met for the purpose of clarifying, narrowing, and exploring settlement possibilities for the numerous issues raised in the case. As a result of those discussions and subsequent negotiations, the Signatories have reached an agreement with respect to fuel and purchased power expense to be included in

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the Company's cost of service. Although a representative of Praxair, Inc. ("Praxair"), the only other party to this case, participated in the pre-hearing conference discussions and subsequent negotiations on this matter, Praxair indicated on May 10, 2001, that it would not be a signatory to this Agreement. Therefore, this Agreement represents the position of three of the four parties to this case.

4. The Signatories agree that resolution of the fuel and purchased power expense issues in this case has been achieved as between themselves by the inclusion of a specific amount in the cost of service on a permanent (i.e., not subject to refund) basis and by the inclusion of another additional amount on an interim and subject to true-up and refund basis. The specific amount to be included in the Missouri jurisdictional cost of service on a permanent basis is \$91,599,932. This figure is meant to encompass all retail Missouri jurisdictional charges accumulated in the FERC account numbers 501, 547 and 555 and will be updated in the August 2001 true-up portion of this case. The other portion, referred to herein as an "Interim Energy Charge," is explained in more detail herein and generally is designed to attempt to address the potential volatility in natural gas and wholesale electricity prices. This Interim Energy Charge ("IEC") will be reflected separately on all Empire Missouri rate schedules. The revenue from the IEC will be collected on an interim and subject to true-up and refund basis under the terms of this Agreement. This Agreement does not attempt to determine the rate design or the overall revenue requirement in this case.

5. The Signatories agree that the IEC, to be effective October 1, 2001, will appear on each Empire rate schedule and will indicate that a separate charge of 0.54 ¢ for each kWh will be made, but the amount collected by Empire pursuant to the 0.54 ¢ charge is subject to true-up and refund pursuant to the applicable stipulation and agreement approved by the Commission in Case No. ER-2001-299. The Signatories agree that the amount is based on the difference between a stipulated Base amount of 2.52 ¢ / kWh and a stipulated Forecast amount of 3.06 ¢ / kWh. The derivation of the Base and Forecast figures is shown in the attached Exhibit A. Empire shall bill the IEC for all usage occurring during the period it is effective.

6. Empire rate schedules PL and SPL will contain a flat charge which will be interim and subject to refund under the terms of this Agreement based on the assumed kWh usage underlying the charge. The amount of the assumed usage is attached as Exhibit B.

7. The rate schedules to be filed by Empire pursuant to this Agreement will indicate that the IEC itself (as opposed to the terms and conditions applying to the IEC true-up and potential refund contained in this Agreement) will expire at 12:01 a.m. on October 1, 2003. If conditions warrant, Empire may file a general rate case in the Fall of 2002 with the timing of the implementation of replacement rate schedules from that case designed to coincide with the expiration of the IEC.

8. Subsequent to the expiration of the IEC, a true-up audit will commence ("the IEC true-up audit") in which the Staff and the Public Counsel will have the opportunity to audit Empire's actual fuel costs for the period during which the IEC was in effect under the same terms and conditions that apply to audits in general rate cases before the Commission. If the IEC true-up audit determines that all or a portion of the revenue collected by Empire pursuant to the IEC exceeds Empire's actual and prudently incurred costs for fuel and purchased power (as recorded in the FERC accounts 501, 547 and 555) on a retail Missouri jurisdictional basis during the IEC period, Empire will refund the excess above the greater of the actual or the Base, plus interest, pursuant to the terms of this Agreement. No refund will be made if Empire's actual and prudently incurred costs for fuel and purchased power during the IEC period equal or exceed the Forecast amount. If a dispute arises in the IEC true-up audit as to the prudence of Empire's fuel or purchased power costs subject to this Agreement, the Signatories agree to present the dispute to the Commission in a timely fashion consistent with the due process rights of the Signatories to adequately prepare their case. No refund shall be made as to the amount in dispute until there is a final determination of that dispute, but interest shall continue to accrue during the litigation of the dispute and will be payable by Empire to the extent it is finally determined that Empire is required to make a refund of all or a portion of the amount in dispute.

A. The amount of the IEC to be refunded will be calculated by subtracting the

greater of 1) Empire's actual retail Missouri jurisdictional fuel and purchase power expense or 2) the Base fuel and purchase power expense ($2.52 \text{ ¢} / \text{kWh}$ times actual retail Missouri jurisdictional kWh sales) from the Forecast fuel and purchase power expense ($3.06 \text{ ¢} / \text{kWh}$ times actual retail Missouri jurisdictional kWh sales). This amount, if positive, is the amount of the IEC to be refunded.

B. Each customer's refund (if there is to be a refund) will be calculated by multiplying the amount of the IEC to be refunded, expressed as a percentage of the total IEC charged to customers, by the total IEC charged to that customer. Examples can be found in the attached Exhibit C.

C. The interest rate to be used for purposes of this Agreement will be the same as the prime rate of interest (as found in the Money Rates section of the Wall Street Journal) in effect on the day the IEC expires and will be applied to the amount to be refunded. Interest (if there is a refund) will be applied for the period from the end of the first twelve months the IEC is in effect through the end of the calendar month prior to the billing month in which bill credits for the refund appear on customers' bills. (For the purposes of this calculation, it is assumed that the total amount of any refund accrues during the first year and interest applies thereafter.)

D. All Empire Missouri retail customers with electric usage during the period in which the IEC is in effect are potentially eligible to receive a refund, including interest and all applicable taxes and fees, if the terms and conditions of this Agreement require such. Generally, any such refund will appear as a one-time credit on the customer's bill, except in cases where a customer is no longer a customer in the billing month in which bill credits appear on the bills of remaining customers. In that instance, Empire will mail to the last known address of such former customer a check for the amount of the refund owed that former customer. No checks will be issued to customers for refund amounts of less than \$3.00. Empire may set off the amount of any refund owed a particular former customer under this Agreement against any amounts owed Empire by that former customer. After the bill credits have been made and checks issued, any

amount of the total refund plus interest which may remain in Empire's possession six months after the end of the application of the bill credits, for example, due to the inability to locate a former customer, shall be donated by Empire promptly to the Joplin, Missouri chapter of the American Red Cross to help fund its Project Help.

E. During the period in which the IEC is in effect, Empire shall provide the Staff and the Public Counsel with Empire's routine monthly revenue and sales reports which include the following data : (1) actual kWh sales for each Missouri retail rate code by billing month and by calendar month, and (2) the revenues from kWh sales, exclusive of taxes, for each Missouri retail rate code by billing month and by calendar month. The routine reports shall also specifically identify the revenues associated with the IEC. Empire shall submit this data in electronic format to the Commission's Electric Department on a quarterly basis by no later than one month after the end of each calendar quarter. Empire also agrees for the purposes of the IEC and this Agreement, to submit the following information for the duration of the IEC to the Commission's Accounting Department and to Public Counsel:

1. monthly operating reports
2. monthly fuel reports
3. monthly purchase power and interchange sales report
4. monthly outage reports including Iatan outages
5. monthly fuel prices for a). coal and freight, b). natural gas (commodity and transportation separately) and c). oil
6. monthly statement identifying significant changes in fuel/rail contracts, capacity agreements and unusual operating conditions such as significant power plant outages, unusually high purchase power prices and natural gas prices, etc.

F. Commencing with the calendar quarter beginning October 1, 2001, and continuing during the course of the expected twenty-four month duration of the IEC, Empire shall provide quarterly reports to the Staff and the Public Counsel relating to Empire's analysis

and record keeping for any and all natural gas capacity release and off-system natural gas sales opportunities and transactions. In this report, Empire will provide information showing the amount of natural gas capacity that was available for its own use, the amount used, the amount available for capacity release, the amount released, the party to whom the capacity was released, the price of the release, and its duration, along with any other relevant information related to the transaction. This quarterly report shall also provide information showing the amount of off-system natural gas sales, the party to whom the off-system natural gas sale was made, the price of the sale, and its duration, along with any other relevant information related to the transaction. This report will also include Empire's analysis as to the natural gas market conditions during the time period covered, with explanations as to why Empire did or did not make any natural gas capacity releases or off-system natural gas sales. Any revenues collected by Empire due to the release of unused natural gas capacity or net revenues from off-system sales of natural gas during the duration of the IEC will be used to offset the calculation of the cost of fuel and purchased power supplied to Empire's ratepayers on a dollar-for-dollar basis.

9. In consideration of the implementation of the IEC in this proceeding, and coextensive with the duration of the IEC, Empire agrees to voluntarily forego any right it may have to request the use of or to use any other procedure or remedy, available under current Missouri statute or subsequently enacted Missouri statute, in the form of a fuel adjustment clause, a natural gas cost recovery mechanism, or other energy related adjustment mechanism to which Empire would otherwise be entitled. This temporary and limited waiver by Empire shall not be construed to prevent Empire from filing a general rate case during the period the IEC is in use, or from seeking what is commonly referred to as "interim" or "emergency" relief to increase its Missouri rates, if in the judgment of Empire's management, such a remedy is appropriate due to extraordinary or unanticipated circumstances, such as, but not limited to, the failure of a major power plant. By approving this Agreement, the Commission is not waiving the right to determine whether Empire qualifies for "interim" or "emergency" rate relief and no party shall be deemed to have waived the right to contest whether Empire should receive such relief.

10. The agreements set forth herein are the result of extensive negotiations among the Signatories and are interdependent; however, the agreements expressed herein are limited solely to the issues described herein.

11. In the event that the Commission accepts the specific terms of this Agreement, the Signatories agree that the direct, rebuttal and surrebuttal testimony of the following witnesses (or other witnesses), to the extent they address the issues settled herein, may be received into evidence without the necessity of said witnesses taking the stand:

Company witnesses: Sweet, Brill, Beecher, Kaplan

Staff witnesses: Featherstone, Harris, Bender, Choe

Public Counsel witness: Busch

12. Nothing in this Agreement is designed to prevent any party from presenting oral testimony at the evidentiary hearing in support of the Agreement. The Signatories agree to cooperate with each other in presenting for approval to the Commission this Agreement, and will take no action, direct or indirect, in opposition to the request for approval of this Agreement.

13. The Staff shall file a memorandum or testimony in support of this Agreement, and the other parties shall have the right to file responsive suggestions or prepared testimony.

14. The Staff shall have the right to provide, at any agenda meeting at which this Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

15. By entering into this Agreement, none of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, or any method of cost determination or cost allocation, and none of the Signatories shall be prejudiced or bound in any

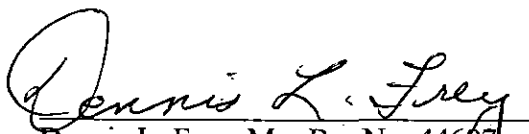
manner by the terms of this Agreement in this or any other proceeding, except as expressly specified herein. If the Commission does not approve this Agreement, this Agreement shall immediately become null and void and none of the Signatories shall be bound by the terms hereof.

16. The Signatories respectfully note that this Agreement is being presented to the Commission with the intent of disposing of several issues that might otherwise consume considerable evidentiary hearing time. The Signatories respectfully request that the Commission indicate as quickly as possible whether it intends to accept or reject this Agreement. Depending upon when and how the Commission rules on the acceptance of this Agreement, or whether a hearing is requested by Praxair pursuant to 4 CSR 240-2.115, additional hearing dates may be required. The Signatories intend to reflect possible hearing dates for that in the Statement of Issues.

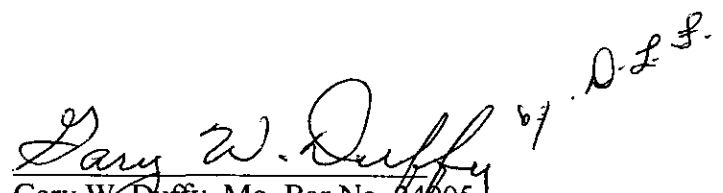
WHEREFORE, the Signatories respectfully request that the Commission issue an order approving this Stipulation and Agreement.

Respectfully submitted,


DANA K. JOYCE
General Counsel


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Attorney for the
Office of the Public Counsel

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 14th day of May 2001.

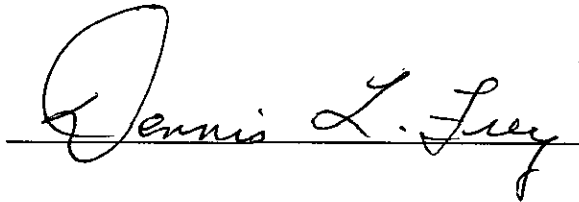


EXHIBIT A

Calculation of Interim Energy Charge Provision rate

<u>Total Company</u>	<u>Base</u>	<u>Forecast</u>	<u>Increment</u>
Price \$/MWH	\$20.00	\$25.00	\$5.00
MWH	4,803,523.00	4,803,523.00	
Fuel & Purchased Power	\$96,070,460	\$120,088,075	
Capacity Charge on Purchase	\$16,193,520	\$16,193,520	
Fuel & Purchased Power			
Expense	\$112,263,980	\$136,281,595	
MWH	4,803,523.00	4,803,523.00	
Price \$/MWH	\$23.37	\$28.37	\$5.00
<u>Allocation Factor Missouri Retail</u>			
0.8184 Fuel & Purchased Power	\$78,624,064	\$98,280,081	
0.8013 Capacity Charge on Purchase	\$12,975,868	\$12,975,868	
Fuel & Purchased Power Expense	\$91,599,932	\$111,255,948	
Retail kWh Sales	3,636,036,241	3,636,036,241	
Price \$/kWh	\$0.0252	\$0.0306	

Interim Energy Charge provision \$0.0054

[illegible]

EXHIBIT B

SPL-Municipal Street Lighting						
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
4,000 Lumen Incandescent	1088	Jan	0.103	112.064	0.0054	\$ 0.61
	1088	Feb	0.089	96.832	0.0054	\$ 0.52
	1088	Mar	0.087	94.656	0.0054	\$ 0.51
	1088	Apr	0.075	81.6	0.0054	\$ 0.44
	1088	May	0.07	76.16	0.0054	\$ 0.41
	1088	Jun	0.064	69.632	0.0054	\$ 0.38
	1088	Jul	0.067	72.896	0.0054	\$ 0.39
	1088	Aug	0.073	79.424	0.0054	\$ 0.43
	1088	Sep	0.079	85.952	0.0054	\$ 0.46
	1088	Oct	0.091	99.008	0.0054	\$ 0.53
	1088	Nov	0.098	106.624	0.0054	\$ 0.58
	1088	Dec	0.104	113.152	0.0054	\$ 0.61
Total				1088		\$ 5.88
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
10,000 Lumen Incandescent	2331	Jan	0.103	240.093	0.0054	\$ 1.30
	2331	Feb	0.089	207.459	0.0054	\$ 1.12
	2331	Mar	0.087	202.797	0.0054	\$ 1.10
	2331	Apr	0.075	174.825	0.0054	\$ 0.94
	2331	May	0.07	163.17	0.0054	\$ 0.88
	2331	Jun	0.064	149.184	0.0054	\$ 0.81
	2331	Jul	0.067	156.177	0.0054	\$ 0.84
	2331	Aug	0.073	170.163	0.0054	\$ 0.92
	2331	Sep	0.079	184.149	0.0054	\$ 0.99
	2331	Oct	0.091	212.121	0.0054	\$ 1.15
	2331	Nov	0.098	228.438	0.0054	\$ 1.23
	2331	Dec	0.104	242.424	0.0054	\$ 1.31
Total				2331		\$ 12.59
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
7,000 Lumen Mercury Vapor	784	Jan	0.103	80.752	0.0054	\$ 0.44
	784	Feb	0.089	69.776	0.0054	\$ 0.38
	784	Mar	0.087	68.208	0.0054	\$ 0.37
	784	Apr	0.075	58.8	0.0054	\$ 0.32
	784	May	0.07	54.88	0.0054	\$ 0.30
	784	Jun	0.064	50.176	0.0054	\$ 0.27
	784	Jul	0.067	52.528	0.0054	\$ 0.28
	784	Aug	0.073	57.232	0.0054	\$ 0.31
	784	Sep	0.079	61.936	0.0054	\$ 0.33
	784	Oct	0.091	71.344	0.0054	\$ 0.39
	784	Nov	0.098	76.832	0.0054	\$ 0.41
	784	Dec	0.104	81.536	0.0054	\$ 0.44
Total				784		\$ 4.23

EXHIBIT B

SPL-Municipal Street Lighting						
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
11,000 Lumen Mercury Vapor	1186	Jan	0.103	122.158	0.0054	\$ 0.66
	1186	Feb	0.089	105.554	0.0054	\$ 0.57
	1186	Mar	0.087	103.182	0.0054	\$ 0.56
	1186	Apr	0.075	88.95	0.0054	\$ 0.48
	1186	May	0.07	83.02	0.0054	\$ 0.45
	1186	Jun	0.064	75.904	0.0054	\$ 0.41
	1186	Jul	0.067	79.462	0.0054	\$ 0.43
	1186	Aug	0.073	86.578	0.0054	\$ 0.47
	1186	Sep	0.079	93.694	0.0054	\$ 0.51
	1186	Oct	0.091	107.926	0.0054	\$ 0.58
	1186	Nov	0.098	116.228	0.0054	\$ 0.63
	1186	Dec	0.104	123.344	0.0054	\$ 0.67
Total				1186		\$ 6.40
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
20,000 Lumen Mercury Vapor	1868	Jan	0.103	192.404	0.0054	\$ 1.04
	1868	Feb	0.089	166.252	0.0054	\$ 0.90
	1868	Mar	0.087	162.516	0.0054	\$ 0.88
	1868	Apr	0.075	140.1	0.0054	\$ 0.76
	1868	May	0.07	130.76	0.0054	\$ 0.71
	1868	Jun	0.064	119.552	0.0054	\$ 0.65
	1868	Jul	0.067	125.156	0.0054	\$ 0.68
	1868	Aug	0.073	136.364	0.0054	\$ 0.74
	1868	Sep	0.079	147.572	0.0054	\$ 0.80
	1868	Oct	0.091	169.988	0.0054	\$ 0.92
	1868	Nov	0.098	183.064	0.0054	\$ 0.99
	1868	Dec	0.104	194.272	0.0054	\$ 1.05
Total				1868		\$ 10.09
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
53,000 Lumen Mercury Vapor	4475	Jan	0.103	460.925	0.0054	\$ 2.49
	4475	Feb	0.089	398.275	0.0054	\$ 2.15
	4475	Mar	0.087	389.325	0.0054	\$ 2.10
	4475	Apr	0.075	335.625	0.0054	\$ 1.81
	4475	May	0.07	313.25	0.0054	\$ 1.69
	4475	Jun	0.064	286.4	0.0054	\$ 1.55
	4475	Jul	0.067	299.825	0.0054	\$ 1.62
	4475	Aug	0.073	326.675	0.0054	\$ 1.76
	4475	Sep	0.079	353.525	0.0054	\$ 1.91
	4475	Oct	0.091	407.225	0.0054	\$ 2.20
	4475	Nov	0.098	438.55	0.0054	\$ 2.37
	4475	Dec	0.104	465.4	0.0054	\$ 2.51
Total				4475		\$ 24.17

EXHIBIT B

SPL-Municipal Street Lighting						
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
6,000 Lumen High Pressure Sodium	374	Jan	0.103	38.522	0.0054	\$ 0.21
	374	Feb	0.089	33.286	0.0054	\$ 0.18
	374	Mar	0.087	32.538	0.0054	\$ 0.18
	374	Apr	0.075	28.05	0.0054	\$ 0.15
	374	May	0.07	26.18	0.0054	\$ 0.14
	374	Jun	0.064	23.936	0.0054	\$ 0.13
	374	Jul	0.067	25.058	0.0054	\$ 0.14
	374	Aug	0.073	27.302	0.0054	\$ 0.15
	374	Sep	0.079	29.546	0.0054	\$ 0.16
	374	Oct	0.091	34.034	0.0054	\$ 0.18
	374	Nov	0.098	36.652	0.0054	\$ 0.20
	374	Dec	0.104	38.896	0.0054	\$ 0.21
Total				374		\$ 2.02
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
16,000 Lumen-High Pressure Sodium	694	Jan	0.103	71.482	0.0054	\$ 0.39
	694	Feb	0.089	61.766	0.0054	\$ 0.33
	694	Mar	0.087	60.378	0.0054	\$ 0.33
	694	Apr	0.075	52.05	0.0054	\$ 0.28
	694	May	0.07	48.58	0.0054	\$ 0.26
	694	Jun	0.064	44.416	0.0054	\$ 0.24
	694	Jul	0.067	46.498	0.0054	\$ 0.25
	694	Aug	0.073	50.662	0.0054	\$ 0.27
	694	Sep	0.079	54.826	0.0054	\$ 0.30
	694	Oct	0.091	63.154	0.0054	\$ 0.34
	694	Nov	0.098	68.012	0.0054	\$ 0.37
	694	Dec	0.104	72.176	0.0054	\$ 0.39
Total				694		\$ 3.75
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
27,500 Lumen High-Pressure Sodium	1271	Jan	0.103	130.913	0.0054	\$ 0.71
	1271	Feb	0.089	113.119	0.0054	\$ 0.61
	1271	Mar	0.087	110.577	0.0054	\$ 0.60
	1271	Apr	0.075	95.325	0.0054	\$ 0.51
	1271	May	0.07	88.97	0.0054	\$ 0.48
	1271	Jun	0.064	81.344	0.0054	\$ 0.44
	1271	Jul	0.067	85.157	0.0054	\$ 0.46
	1271	Aug	0.073	92.783	0.0054	\$ 0.50
	1271	Sep	0.079	100.409	0.0054	\$ 0.54
	1271	Oct	0.091	115.661	0.0054	\$ 0.62
	1271	Nov	0.098	124.558	0.0054	\$ 0.67
	1271	Dec	0.104	132.184	0.0054	\$ 0.71
Total				1271		\$ 6.86

EXHIBIT B

SPL-Municipal Street Lighting						
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
50,000 Lumen High-Pressure Sodium	1880	Jan	0.103	193.64	0.0054	\$ 1.05
	1880	Feb	0.089	167.32	0.0054	\$ 0.90
	1880	Mar	0.087	163.56	0.0054	\$ 0.88
	1880	Apr	0.075	141	0.0054	\$ 0.76
	1880	May	0.07	131.6	0.0054	\$ 0.71
	1880	Jun	0.064	120.32	0.0054	\$ 0.65
	1880	Jul	0.067	125.96	0.0054	\$ 0.68
	1880	Aug	0.073	137.24	0.0054	\$ 0.74
	1880	Sep	0.079	148.52	0.0054	\$ 0.80
	1880	Oct	0.091	171.08	0.0054	\$ 0.92
	1880	Nov	0.098	184.24	0.0054	\$ 0.99
	1880	Dec	0.104	195.52	0.0054	\$ 1.06
Total				1880		\$ 10.15
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
130,000 High-Pressure Sodium	4313	Jan	0.103	444.239	0.0054	\$ 2.40
	4313	Feb	0.089	383.857	0.0054	\$ 2.07
	4313	Mar	0.087	375.231	0.0054	\$ 2.03
	4313	Apr	0.075	323.475	0.0054	\$ 1.75
	4313	May	0.07	301.91	0.0054	\$ 1.63
	4313	Jun	0.064	276.032	0.0054	\$ 1.49
	4313	Jul	0.067	288.971	0.0054	\$ 1.56
	4313	Aug	0.073	314.849	0.0054	\$ 1.70
	4313	Sep	0.079	340.727	0.0054	\$ 1.84
	4313	Oct	0.091	392.483	0.0054	\$ 2.12
	4313	Nov	0.098	422.674	0.0054	\$ 2.28
	4313	Dec	0.104	448.552	0.0054	\$ 2.42
Total				4313		\$ 23.29
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
12,000 Lumen Metal Halide	696	Jan	0.103	71.688	0.0054	\$ 0.39
	696	Feb	0.089	61.944	0.0054	\$ 0.33
	696	Mar	0.087	60.552	0.0054	\$ 0.33
	696	Apr	0.075	52.2	0.0054	\$ 0.28
	696	May	0.07	48.72	0.0054	\$ 0.26
	696	Jun	0.064	44.544	0.0054	\$ 0.24
	696	Jul	0.067	46.632	0.0054	\$ 0.25
	696	Aug	0.073	50.808	0.0054	\$ 0.27
	696	Sep	0.079	54.984	0.0054	\$ 0.30
	696	Oct	0.091	63.336	0.0054	\$ 0.34
	696	Nov	0.098	68.208	0.0054	\$ 0.37
	696	Dec	0.104	72.384	0.0054	\$ 0.39
Total				696		\$ 3.76

EXHIBIT B

SPL-Municipal Street Lighting						
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
20,500 Lumen Metal Halide	1020	Jan	0.103	105.06	0.0054	\$ 0.57
	1020	Feb	0.089	90.78	0.0054	\$ 0.49
	1020	Mar	0.087	88.74	0.0054	\$ 0.48
	1020	Apr	0.075	76.5	0.0054	\$ 0.41
	1020	May	0.07	71.4	0.0054	\$ 0.39
	1020	Jun	0.064	65.28	0.0054	\$ 0.35
	1020	Jul	0.067	68.34	0.0054	\$ 0.37
	1020	Aug	0.073	74.46	0.0054	\$ 0.40
	1020	Sep	0.079	80.58	0.0054	\$ 0.44
	1020	Oct	0.091	92.82	0.0054	\$ 0.50
	1020	Nov	0.098	99.96	0.0054	\$ 0.54
	1020	Dec	0.104	106.08	0.0054	\$ 0.57
Total				1020		\$ 5.51
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
36,000 Lumen Metal Halide	1620	Jan	0.103	166.86	0.0054	\$ 0.90
	1620	Feb	0.089	144.18	0.0054	\$ 0.78
	1620	Mar	0.087	140.94	0.0054	\$ 0.76
	1620	Apr	0.075	121.5	0.0054	\$ 0.66
	1620	May	0.07	113.4	0.0054	\$ 0.61
	1620	Jun	0.064	103.68	0.0054	\$ 0.56
	1620	Jul	0.067	108.54	0.0054	\$ 0.59
	1620	Aug	0.073	118.26	0.0054	\$ 0.64
	1620	Sep	0.079	127.98	0.0054	\$ 0.69
	1620	Oct	0.091	147.42	0.0054	\$ 0.80
	1620	Nov	0.098	158.76	0.0054	\$ 0.86
	1620	Dec	0.104	168.48	0.0054	\$ 0.91
Total				1620		\$ 8.75
	Annual		Usage	Monthly		Increase
Light Size/Type	kWh	Month	Factor	kWhs	X \$0.0054	Amount
110,000 Lumen Metal Halide	4056	Jan	0.103	417.768	0.0054	\$ 2.26
	4056	Feb	0.089	360.984	0.0054	\$ 1.95
	4056	Mar	0.087	352.872	0.0054	\$ 1.91
	4056	Apr	0.075	304.2	0.0054	\$ 1.64
	4056	May	0.07	283.92	0.0054	\$ 1.53
	4056	Jun	0.064	259.584	0.0054	\$ 1.40
	4056	Jul	0.067	271.752	0.0054	\$ 1.47
	4056	Aug	0.073	296.088	0.0054	\$ 1.60
	4056	Sep	0.079	320.424	0.0054	\$ 1.73
	4056	Oct	0.091	369.096	0.0054	\$ 1.99
	4056	Nov	0.098	397.488	0.0054	\$ 2.15
	4056	Dec	0.104	421.824	0.0054	\$ 2.28
Total				4056		\$ 21.90

EXHIBIT C

Examples of natural termination of the Agreement on October 1, 2003 and two (2) months processing.

Assumptions:	Prime rate at October 1, 2003	9.00%
	Actual retail Missouri jurisdictional sales (MWH)	7,600,000

First example. Actual F&PP expense falls within the base and forecast, resulting in a partial refund.

Total IEC charged to customers ($\$0.0054/\text{kWh} \times \text{sales}$)	\$ 41,040,000	"A"
Base Fuel and Purchase Power ($\$25.20/\text{MWH} \times \text{sales}$)	191,520,000	"B"
Actual retail Missouri jurisdictional fuel and purchase power	228,000,000	"C"
Amount to be refunded prior to interest ($A+B-C$) *	4,560,000	"D"
Interest for the period ($D \times 9\%$)	410,400	"E"
Interest following expiration ($9\% / 12 \times 2 \times D$)	68,400	"F"
Total to be refunded ($D + E + F$)	5,038,800	"G"
Refund expressed as a percentage (G / A)	12.28%	
Interest portion of refund expressed as a percentage ($(F + E) / A$)	1.17%	

Customer X paid \$100 under the IEC. His specific refund is \$12.28 (of which \$1.17 is interest)

* Refund amount cannot exceed "A" and must be positive.

EXHIBIT C

Second example. Actual F&PP expense falls below the base, resulting in a full refund.

Total IEC charged to customers ($\$0.0054/\text{kWh} \times \text{sales}$)	\$ 41,040,000	"A"
Base Fuel and Purchase Power ($\$25.20/\text{MWH} \times \text{sales}$)	191,520,000	"B"
Actual retail Missouri jurisdictional fuel and purchase power	190,000,000	"C"
Amount to be refunded prior to interest ($A+B-C$) *	41,040,000	"D"
Interest for the period ($D \times 9\%$)	3,693,600	"E"
Interest following expiration ($9\% / 12 \times 2 \times D$)	615,600	"F"
Total to be refunded ($D + E + F$)	45,349,200	"G"
Refund expressed as a percentage (G / A)	110.50%	
Interest portion of refund expressed as a percentage ($(F + E) / A$)	10.50%	

Customer X paid \$100 under the IEC. His specific refund is \$110.50 (of which \$10.50 is

* Refund amount cannot exceed "A" and must be positive.

EXHIBIT C

Third example. Actual F&PP expense exceeds the sum of the base and IEC, resulting

Total IEC charged to customers ($\$0.0054/\text{kWh} \times \text{sales}$) \$ 41,040,000 "A"

Base Fuel and Purchase Power ($\$25.20/\text{MWH} \times \text{sales}$) 191,520,000 "B"

Actual retail Missouri jurisdictional fuel and purchase power 235,000,000 "C"

Amount to be refunded prior to interest ($A+B-C$) * - "D"

Interest for the period ($D \times 9\%$) - "E"

Interest following expiration ($9\% / 12 \times 2 \times D$) - "F"

Total to be refunded ($D + E + F$) - "G"

Refund expressed as a percentage (G / A) 0.00%

Interest portion of refund expressed as a percentage ($(F + E) / A$) 0.00%

Customer X paid \$100 under the IEC. His specific refund is \$0.00.

* Refund amount cannot exceed "A" and must be positive.

**Service List for
Case No. ER-2001-299
Verified: May 10, 2001 (ccl)**

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