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May 6, 1999

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BY HAND DELIVERY

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: MEP Pleasant Hill, LLC Docket No. ER99-2833 (Power Sales Agreement)

Dear Secretary Boergers:

MEP Pleasant Hill, LLC ("MEPPH") and UtiliCorp United Inc. ("UtiliCorp"), on behalf of its Missouri Public Service ("MPS") operating division, hereby jointly transmit to the Federal Energy Regulatory Commission ("Commission") in the above-captioned proceeding an original and five copies of a Power Sales Agreement between MEPPH and UtiliCorp d/b/a MPS dated February 22, 1999.

The Power Sales Agreement provides for the sale by MEPPH to MPS of 320 MW of capacity and associated energy for the period June 1, 2001 to September 30, 2001; 200 MW of capacity and associated energy for the months of January through March of the years 2002 through 2005 and the months of October through December of the years 2002 through 2004; and 500 MW of capacity and associated energy for the months of April through September of the years 2002 through 2004 and for the months of April and May in the year 2005. The capacity and energy will be from a generating facility to be constructed, owned and operated by MEPPH at a site in Pleasant Hill, Missouri. MEPPH is today filing an application for Exempt Wholesale Generator ("EWG") status with respect to the Pleasant Hill facility. The Power Sales Agreement contains market-based rates.

MEPPH is a subsidiary of UtiliCorp. Therefore, the sale to MPS is an affiliate transaction that must be filed with the Commission under section 205 of the Federal Power Act.

The Power Sales Agreement includes the following prices for capacity:

1. 320 MW for the period June 1, 2001 - September 30, 2001 - $5.70/kW-month

2. the initial 200 MW for the period January 1, 2002 - May 31, 2005 - $5.90/kW-month

3. the additional 300 MW for the periods April 1, 2002 - September 30, 2002; April 1, 2003 - September 30, 2003; April 1, 2004 - September 30, 2004; and April 1, 2005 - May 31, 2005 - $7.50/kW-month

Energy is supplied pursuant to a tolling arrangement. MPS will supply, at its own expense, the natural gas necessary to generate energy for delivery under the Power Sales Agreement. In addition, MPS will pay MEPPH $1.25 per MWh (in 1998 dollars). MPS is also responsible for the actual costs of transmission. 1/

As explained herein and in the attached affidavit of Frank A. DeBacker, Vice President - Fuel and Purchased Power for UtiliCorp, the MPS decision to purchase energy and capacity from MEPPH and the terms and conditions of the Power Sales Agreement were considered and negotiated strictly at arms' length. MPS determined, after a lengthy capacity and energy procurement process, that the MEPPH offer represents the lowest-cost option for such purchase. As such, the instant contract satisfies the requirements of the Commission for demonstrating that an affiliate power sale is just and reasonable and not unduly discriminatory.

On April 22, 1999, the Public Service Commission of the State of Missouri ("MPSC") issued an order approving the Power Sales Agreement, finding that the Agreement is in the public interest, and making the other specific findings required pursuant to section 32(k) of the Public Utility Holding Company Act ("PUHCA"), 15 U.S.C. § 79z-5a(k) (1994).

Communications concerning this filing should be addressed to each of the following:

1/ MEPPH has separately executed a transmission interconnection agreement with MPS that will be filed with the Commission at a later date.

On behalf of MEPPH:

Rob H. Freeman
Vice President - Capital Finance/Legal Affairs
Aquila Merchant Energy Partners
10750 East 350 Highway
Kansas City, Missouri 64138

John B. O'Sullivan
Chadbourne & Parke LLP
1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

On behalf of UtiliCorp:

Laurie J. Hamilton
Vice President - Regulatory Services
UtiliCorp United Inc.
10700 East 350 Highway
Kansas City, Missouri 64138
(816) 737-7151

John R. Lilyestrom
Hogan & Hartson L.L.P.
Columbia Square
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List Of Documents Submitted

This filing consists of (1) this letter, (2) the Power Sales Agreement, (3) the affidavit of Frank DeBacker demonstrating that the Power Sales Agreement was negotiated at arms' length and represents the least expensive supply option available to MPS for the 2001-2005 period, (4) the April 22, 1999 order of the MPSC approving the Power Sales Agreement, and (5) a form of notice suitable for publication in the Federal Register.

Proposed Effective Date

Pursuant to 18 C.F.R. § 35.11 (1998), UtiliCorp requests waiver of the prior notice requirement to permit the Power Sales Agreement to be made effective June 1, 2001. 2/ UtiliCorp and MEPPH are filing the Power Sales Agreement at this early date in order to ensure that the required regulatory authorizations are in hand before substantial expenses are incurred with respect to the construction of the Pleasant Hill facility. MEPPH has already begun incurring such expenses and expects that the expenses will increase dramatically in July and August of this year. Ordering of major equipment, with associated reservation payments, is under

2/ June 1, 2001 is the scheduled date for initial deliveries of energy and capacity under the Power Sales Agreement. Other obligations under the Power Sales Agreement that do not involve the jurisdictional delivery of energy or capacity become effective prior to June 1, 2001.

division. UtiliCorp provides retail electric service to customers in British Columbia, Canada through its subsidiary West Kootenay Power Ltd. UtiliCorp also provides retail electric service to customers in the Waikato region of New Zealand and suburban areas of Melbourne, Australia through ownership interests held by UtiliCorp subsidiaries.

MEPPH, an indirect, wholly owned subsidiary of UtiliCorp, is a limited liability company organized under and by virtue of the laws of Delaware. MEPPH's direct parent is MEP Investments, LLC. MEP Investments, LLC has filed with the Commission an application for authorization to sell energy and capacity at market-based rates. That application is currently pending in Docket No. ER99-2322-000. The Commission has previously concluded that UtiliCorp and its affiliates lack market power in any relevant generation market and have adequately mitigated transmission market power by having open access transmission tariffs on file with the Commission. 3/ The Commission has further concluded that barrier to entry considerations do not preclude the sales of power at market-based rates by UtiliCorp and its affiliates.

Required PUHCA Findings

Pursuant to section 32(k) of PUHCA, an electric utility company (such as MPS) may enter into a contract to purchase electric energy at wholesale from an affiliated EWG (such as MEPPH) only if the state commission(s) with jurisdiction over the electric utility company's retail rates make certain specified findings. On March 1, UtiliCorp filed the Power Sales Agreement with the MPSC, requesting that the MPSC issue an order with the required findings. On April 22, the MPSC approved UtiliCorp's application, and made the following required findings:

> [I]n compliance with Section 32(k) of the Public Utility Holding Company Act of 1935, the [MPSC] determines that:
>
> a) the [MPSC] has sufficient regulatory authority, resources and access to books and records of UtiliCorp United Inc., MEP Pleasant Hill, L.L.C. and any relevant associate, affiliate or subsidiary company to exercise its duties under subparagraph (k) of Section 32 of the Public Utility Holding Company Act of 1935;

3/ UtiliCorp United Inc., 85 FERC ¶ 61,343 (1998).

b) the transaction will benefit consumers;

c) the transaction does not violate Missouri law;

d) the transaction would not provide MEP Pleasant Hill, L.L.C. with any unfair competitive advantage by virtue of its affiliation or association with UtiliCorp United Inc.; and

e) the transaction is in the public interest. 4/

A copy of the MPSC order is attached to this application.

Affiliate Abuse/Reciprocal Dealing

Pursuant to 18 C.F.R. § 35.27 (1998) of the Commission's regulations, a public utility seeking to make sales for resale at market-based rates from generation to be constructed on or after July 9, 1996 is not required to make any showing of a lack of market power. Therefore, the only issue before the Commission in considering the Power Sales Agreement is whether the agreement is the result of improper self-dealing or affiliate abuse. The Commission has explained that "in cases where affiliates are entering agreements for which approval of market-based rates is sought, it is essential that ratepayers be protected and that transactions be above suspicion in order to ensure that the market is not distorted." 5/ As explained in the attached affidavit of Frank A. DeBacker, the Power Sales Agreement represents the lowest cost capacity and energy supply option available to MPS following an extensive arms' length RFP process. At all times during the process, MPS treated MEPPH as it would any unaffiliated third party.

The Power Sales Agreement represents the lowest cost supply option for MPS and its ratepayers for the period from June 1, 2001 to May 31, 2005. 6/ Of

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4/ In the matter of the Application of UtiliCorp United Inc., Case No. EM-99-369, slip op. at 3 (April 22, 1999)

5/ Boston Edison Co. Re: Edgar Electric Energy Co., 55 FERC ¶ 51,382, at 62,167 (1991).

6/ In Boston Edison, the Commission described three nonexclusive examples of ways to demonstrate lack of affiliate abuse: (1) evidence of direct head-to-head the eight proposals submitted in response to the MPS RFP, only MEPPH's proposal met all of the seven criteria specified in the RFP. Moreover, following rigorous analysis, MPS determined that the final MEPPH proposal was the lowest cost option offered. 7/

Moreover, Mr. DeBacker explains that the pricing in the Power Sales Agreement is significantly below current market prices for the summer 1999 and 2000 periods, and prices can be expected to increase for the summer 2001 period as capacity margins become even tighter. Significantly, the MPSC, the regulatory body with the primary responsibility to protect the interests of MPS's retail customers, has concluded that the Power Sale Agreement is in the public interest.

Thus, in addition to the protections against affiliate abuse resulting from the RFP process, current market indicia indicate that the Power Sales Agreement represents relatively low-cost capacity and energy for the 2001 to 2005 period. As such, the Power Sales Agreement is just and reasonable and not unduly discriminatory. For all of these reasons, MEPPH and UtiliCorp request that the Commission accept the Power Sales Agreement for filing without modification.

In addition, MEPPH is today filing in a separate docket a rate schedule to permit sales of excess capacity and energy from the Pleasant Hill facility to non-affiliated third parties at market-based rates. That filing contains a code of conduct governing MEPPH's interactions with its franchise public utility affiliates. The code is essentially the same as the code on file with the Commission for AEMC. One modification to the AEMC code is to permit MEPPH and MPS to share scheduling and other operational information regarding the Pleasant Hill facility to the extent necessary to implement the Power Sales Agreement.

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competition between the seller and competing unaffiliated suppliers in either a formal solicitation or in an informal negotiation process; (2) evidence of the prices that nonaffiliated buyers were willing to pay for similar services from the seller; or (3) benchmark evidence of the market value, based on both price and nonprice terms and conditions, of contemporaneous sales made by nonaffiliated sellers for similar services in the relevant market. As described above, Mr. DeBacker provides extensive evidence under option (1), as well as evidence of current market prices under option (3).

7/ As Mr. DeBacker explains, MEPPH's proposal was split into two separate components. The initial portion, for the period from June 2000 to May 2001, is covered by a separate agreement with another UtiliCorp affiliate. That agreement is before the Commission in Docket No. ER99-2235-000.

REQUEST FOR PRIVILEGED TREATMENT

Certain exhibits to the attached affidavit of Frank DeBacker contain privileged information. Pursuant to Section 388.112 of the Commission's regulations, Applicants request privileged treatment for Exhibits 3-9 to Mr. DeBacker's affidavit. Because these exhibits contain highly sensitive and confidential commercial information regarding offers of third parties to sell MPS energy and capacity, the disclosure of which would harm Applicants and the affected third parties if publicly released, it is exempt from the mandatory public disclosure requirements of the Freedom of Information Act. Undersigned counsel should be contacted with respect to any matters related to this request for privileged treatment of Exhibits 3-9. As required under Rule 388.112, the original copy of this filing, containing all confidential privileged information, is filed under seal. The five copies are filed with the privileged information removed, with the required indications where such information has been removed.

Respectfully submitted,

John R. Lilyestrom
Counsel for UtiliCorp United Inc.

Attachments

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

MEP Pleasant Hill, LLC) Docket No. ER99-__

NOTICE OF FILING

Take notice that on May 6, 1999, MEP Pleasant Hill, LLC ("MEPPH") and UtiliCorp United Inc. ("UtiliCorp"), on behalf of its Missouri Public Service ("MPS") operating division, jointly filed a Power Sales Agreement between MEPPH and UtiliCorp (MPS) dated February 22, 1999.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211, 385.214). All such motions or protests should be filed on or before ____________________, 1999. Protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

David P. Boergers
Secretary

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

MEP Pleasant Hill, LLC) Docket No. ER99-______

**AFFIDAVIT OF
FRANK A. DEBACKER**

STATE OF MISSOURI)
)
COUNTY OF JACKSON)

The undersigned, being first duly sworn states as follows:

I, Frank A. DeBacker, to the best of my knowledge and belief, hereby attest to the following:

1. I am employed as Vice President - Fuel and Purchased Power for UtiliCorp United Inc. ("UtiliCorp"). My business address is 10750 East 350 Highway, Kansas City, MO 64138. I am responsible for arranging and negotiating long-term power supply purchases for UtiliCorp's regulated utility operations and fuel supply for UtiliCorp's regulated coal-fired generation facilities.

2. The purpose of this affidavit is to describe the process that led to the negotiation and execution of the Power Sales Agreement between MEP Pleasant Hill, LLC ("MEPPH") and UtiliCorp ("MPS") dated February 22, 1999. This affidavit summarizes the evaluation process and the results of the supply side resource acquisition process for UtiliCorp's Missouri Public Service division ("MPS") begun in May, 1998 to met MPS capacity needs beginning June 1, 2000.

3. MPS will face a significant capacity shortfall beginning in June 2000 due to the expiration of two of its three purchase power contracts (from Kansas City Power & Light and Associated Electric Cooperative). The total capacity provided by these two contracts is 280 MW. Another contract, with Union Electric Company ("UE"), for 115 MW of capacity terminated on March 1, 1999. A summary of the MPS loads and resources forecast showing the capacity shortfall is included as Exhibit 1.

4. In order to meet both the capacity shortfall triggered by the expiration of the above contracts and projected increases in load, MPS issued a Request for Proposal ("RFP") for additional supply side resources on May 22, 1998. Proposals were due on July 3, 1998. As originally issued, the RFP solicited proposals to meet the projected capacity and energy needs for the June, 2000 to May, 2004 time period. A copy of the original RFP is included as Exhibit 2. Neither MEPPH nor any other UtiliCorp affiliate that was a potential bidder had any involvement whatsoever in the development of the RFP.

5. Eight proposals were received in response to the RFP. Brief summaries of each proposal together with the original proposal and subsequent revisions are contained in Exhibit 3. Given the commercially sensitive nature of the proposals, I will refer herein to respondents other than UtiliCorp's affiliate Aquila Energy Marketing Corporation ("AEMC") 1/ by letter. Exhibit 4 to my affidavit, which will be filed under seal, identifies each of these seven parties.

6. In order that evaluation criteria be consistently applied to all proposals, the RFP contained specific requirements in the following areas:

A. Resource Specific:	Bidder must be able to name the specific resource(s) which would supply the capacity and energy. "Financially Firm" proposals were not acceptable.
B. Buyout Option:	Proposal must offer the option to decrease the capacity commitment at a future date.
C. Delivery Point:	Proposals shall include the cost of transmission from the resource to the borders of the MPS transmission system.
D. Capacity Pricing:	Capacity price shall be known and fixed for each period. An indexed capacity price was not acceptable.
E. Energy Pricing:	The energy pricing formula must be such that MPS would know the cost of energy prior to submitting an energy purchase schedule.
F. Availability:	Availability of capacity and energy must be guaranteed with reductions in capacity payments for failure to meet guarantee levels.

1/ As explained below, AEMC eventually assigned the portion of its bid for the period from June 1, 2001 to May 31, 2005 to another UtiliCorp affiliate, Merchant Energy Partners, which in turn established MEPPH as the entity to perform under the Power Sales Agreement.

G. Contract Term Four years or less.

MPS selected these criteria to ensure that the purchased capacity and energy would meet MPS' needs while minimizing the risks of excessive costs for MPS ratepayers. The criteria called for relatively fixed prices for energy and capacity from designated specific resources. The criteria were not designed to favor any particular power supplier, either MEPPH or anyone else.

7. The following table shows how the each of the eight proposals complied with or otherwise addressed each of the seven criteria listed above. As can be seen from the table, only the AEMC proposal complied with all criteria. All remaining proposals did not comply with one or more of the criteria.

Proposal Compliance with RFP Criteria

Bidder Name	Criteria						
	A	B	C	D	E	F	G
AEMC	Y	Y	Y	Y	Y	Y	1-4
Party B	Y	N	Y	Y	Y	N	4
Party C	Y	A	Y	Y	Y	Y	10
Party D	Y	Y	N	Y	Y	N	3
Party E	Y	N	N	Y	Y	N	3
Party F	Y	A	N	Y	Y	Y	3
Party G	Y	Y	Y	Y	Y	N	4
Party H	Y	N	Y	Y	Y	A	4

Notes: Y = Yes, N = No, A = Addressed but no specific terms
Parties C, D, E, and F contract terms begin 6/1/2001.
Only AEMC and Parties B, G, and H are available beginning 6/1/2000.

8. The unanticipated supply shortages and subsequent increase in market price and volatility of the summer of 1998 had significant impact on critical elements of the resources selection and evaluation process. The more important events are described below. Exhibit 5 contains a chronology of the evaluation process and provides added insight into the evaluation process.

9. The changing wholesale market gave rise to the following events which had significant impact on the evaluation process.

A. In mid-September 1998, UtiliCorp formed Merchant Energy Partners ("MEP"), a subsidiary formed to develop, own and manage UtiliCorp's portfolio of EWG, IPP and cogeneration facilities. At that point, the portion of the AEMC proposal for the period June 1, 2001 to May 31, 2004 was assigned to MEP. MPS considered MEP to be an external entity that wished to supply power to MPS and as such we treated MEP in the same manner and subjected its proposal to the same evaluation process as any other proposal submitted to MPS. MPS had treated AEMC as a third party from the beginning of the process and continued to do so.

B. In mid-October, Party D notified MPS that it was undergoing changes in its organizational structure and would no longer be able to honor its proposal. It assigned its proposal to the parent of Party E who was one of the original bidders. Party D was subsequently purchased by another company and ceased to exist.

C. Party C would not accept a contract term of less than ten years and was not comfortable with committing to a fixed price given the increasing price of generation equipment. As a result, it withdrew its proposal in mid September.

D. Party H decided that it needed at least a seven year contract term and was not comfortable owning assets which would be far from its operational base. As a result, it withdrew its proposal in mid November.

E. In early September, 1998, UtiliCorp reached tentative agreement to purchase the excess capacity of Sunflower Electric Cooperative of Hays, KS. This potential resource became a candidate to meet a portion of the capacity needs of MPS in both 2000 and 2001. These agreements were subsequently finalized and executed and filed with and approved by the Kansas State Corporation Commission. Because the Sunflower contracts are now publicly available, I will refer to Sunflower herein by name.

10. As a result of the above events, the remaining power supply options available to MPS were those shown in the following table.

MPS Final Supply Side Options

June 1, 2000 - May 31, 2001	June, 2001 - May 31, 2004
AEMC	Party E
Party G	MEP
Sunflower	Party F
Party B	Party G
	Sunflower (2001 only)

11. Preliminary analysis of the proposals conducted in July and early August, 1998 by the independent engineering and consulting firm of Burns & McDonnell indicated that one of the three following portfolios would offer the lowest cost supply side resources in the 2000 - 2004 time frame:

A. AEMC (2000 only) and a purchase contract with Party C (2001+)
B. AEMC (2000 only) and a purchase contract with an Exempt Wholesale Generator affiliate of UtiliCorp United Inc. (MEP)
C. AEMC (2000 only) and purchase contracts with Parties D, F, G, and H.

12. The results of the preliminary analysis were presented to the staff of the Missouri Public Service Commission ("MPSC") and the Office of Consumer Council ("OCC") on August 24, 1998. A copy of the August 1998 report by Burns & McDonnell is included in Exhibit 6.

13. As a result of the preliminary evaluation, the proposal from Party B was dropped from active evaluation due to its high capacity price and the fact that it was not a component of any of the low cost portfolios.

14. In mid-August 1998, it became evident that the analysis process was being complicated by the energy price volatility and equipment shortages resulting from the sharp increase in the spot market price of energy in June and July, 1998. As a consequence, in early September 1998, MPS requested that all bidders reconfirm their interest in being a power provider to MPS and to update their proposals.

15. At that time, except for Parties B and G and AEMC, all of the original bidders indicated that they could no longer meet the June 2000 in service date requested in the RFP. Due to the dwindling field of potential suppliers for the capacity needs in the year 2000, analysis efforts for the remainder of September and early October were focused on filling the 265 MW capacity shortfall in the summer of 2000.

16. Thus, for the June 2000 to May 2001 time period, we identified three viable supply options:

A. AEMC (up to 135 MW)
B. Party G (up to 100 MW)
C. Sunflower Electric Cooperative (up to 120 MW)

17. As explained in my affidavit filed in Docket No. ER99-2235-000, we determined that the lowest cost supply option for the June 2000 to May 2001 time period was a combination of supply from AEMC and Sunflower. AEMC filed with FERC its power sales agreement with MPS in Docket No. ER99-2235-000.

18. With respect to the supply options for the period after May 2001, on November 6, 1998 MPS requested that all bidders submit final proposals by November 30, 1998. Of the four possible suppliers, only Party E and MEP chose to update and

resubmit their proposals. Both bidders proposed to construct generation facilities on the MPS system.

19. The Party E proposal was for a seasonal peaking capacity contract with a term of five years. The contract would provide 500 MW to MPS in the months of June through September and 200 MW in the remaining months.

20. The MEP proposal was for a seasonal intermediate capacity contract with a term of four years. The contract would provide 500 MW to MPS in the months of April through September and 200 MW in the remaining months.

21. MPS negotiated with both bidders through December and early January with both bidders being given several opportunities to modify and clarify their respective proposals.

22. Party E submitted its final proposal on January 6, 1999 while MEP submitted its final revision to its proposal on January 12, 1999. On January 14, 1999, Party E was given a final opportunity to improve its proposal and declined to do so.

23. At all times during the contract development process (beginning prior to the issuance of the original RFP and extending through the date of contract execution), I treated MEP as the equivalent of an unaffiliated third party. To ensure that the transaction would not be tainted in any way by the affiliate relationship, whenever MEP modified its proposal, I gave the remaining unaffiliated bidders the opportunity to match the MEP offer. As a result, I believe that the Power Sales Agreement is free from any possibility of affiliate favoritism.

24. The best and final offers from both bidders were modeled in MPS' production costing software and the annual energy supply costs calculated. The annual capacity costs and gas transportation costs were calculated outside the production costing model and were added to the energy supply costs to determine the total annual power supply costs. The assumptions for natural gas commodity and transportation costs as well as market energy price assumptions are contained in Exhibit 7.

25. In addition to evaluating the final proposals from Party E and MEP, MPS recalculated the power supply costs for Case 4, the lowest cost option in the Burns & McDonnell analysis of August 1998. A summary of the results from the base analysis are shown in the following table.

Evaluation Results for June 2001 - May 2005
Supply Side Analysis

	NPV in 2001 $x1,000 Without Off System Sales	NPV in 2001 $x1,000 With Off System Sales
Merchant Energy Partners	467,982	442,894
Party E	467,117	453,535
Case 4	520,660	497,665

27. To test the sensitivity to both natural gas and market energy prices, several different scenarios were created by combining different rates of natural gas price escalation with both low, base and high market energy prices. These scenarios were then analyzed using the MPS production costing model. The results of the sensitivity analysis produced the same results as that obtained in the base case. Summaries of the results for these cases as well as for the base analysis are contained in Exhibit 8.

28. As a final check on its methodology and results, MPS engaged Burns & McDonnell to verify the results of the analysis. The analysis performed by Burns & McDonnell verified the methodology and results obtained by MPS. A copy of the report is included in Exhibit 9.

29. The results of the analysis clearly show that the MEP proposal is the superior supply side resource option available to MPS at this time.

30. In addition, based on my current experience, the pricing in the Power Sales Agreement is significantly below current market prices for the summer 1999 and 2000 periods, and prices can be expected to increase for the summer 2001 period as capacity margins become even tighter.

31. Thus, based on the analysis conducted by both MPS and Burns & McDonnell, the preferred supply side resource plan to meet the capacity and energy needs of MPS in the June 2000 - May 2005 time period is as follows:

   A. Purchase 135 MW from AEMC for the June 2000 - September 2000 time period.

   B. Use 130 MW of the Sunflower contract for MPS needs for the June 2000 to May 2001 time period.

   C. Use 115 MW of the Sunflower contract for MPS needs for the June 2001 to May 2002 time period.

D. Enter into a PPA with MEP which will provide 320 MW during the months of June - September 2001 and provide 500 MW during the months of April to September and 200 MW in the remaining months of the January 2001 - May 2005 time period.

E. Purchase incremental capacity needs through short term contracts.

Dated this 4th day of May, 1999.

Frank A. McBarker

SUBSCRIBED AND SWORN TO before me this 4th day of May, 1999.

Catherine L. Thurman
Notary Public for the State of Missouri

Commission Expires:

May 22, 2002

CATHERINE L. THURMAN
Notary Public State of Missouri
Commissioned in Jackson County
My Commission Expires May 22, 2002

SCHEDULE FAD-29
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