

AN ORDINANCE APPROVING THE AMENDED AND RESTATED POWER SUPPLY AND ADMINISTRATION AGREEMENT AMONG THE MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION D/B/A MISSOURI ELECTRIC COMMISSION AND MEMBERS OF THE SOUTHWEST MISSOURI PUBLIC ENERGY POOL.

WHEREAS, the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission (“MEC”), and the Missouri cities of Monett, Mt. Vernon, and Lockwood (collectively, the “Parties”) are currently parties to a Power Supply and Administrative Agreement dated January 1, 2023, with respect to the purchase, sale, and transmission of electric power and energy; and

WHEREAS, the Parties desire to enter into the Amended and Restated Power Supply and Administration Agreement.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMAN OF THE CITY OF MOUNT VERNON, MISSOURI, AS FOLLOWS:

Section 1. The Amended and Restated Power Supply and Administration Agreement, attached hereto as Exhibit A, is hereby approved by the Board of Alderman of the City of Mount Vernon, Missouri, and the Mayor is hereby authorized to execute the same on the City’s behalf.

Section 2. This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED by the Board of Alderman of the City of Mount Vernon, Missouri and APPROVED by the Mayor of the City of Mount Vernon, Missouri, this 26th day of March 2024.



Jason Haymes, Mayor

Attest:



April Hale, City Clerk



Amended and Restated
Power Supply and Administration Agreement
among
Missouri Joint Municipal Electric Utility Commission
and
Members of the Southwest Missouri Public Energy Pool

This Power Supply and Administration Agreement (“Agreement”) is made by and among Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission (“MEC”), a body public and corporate of the State of Missouri, and the MEC member cities that are signatories to this Agreement and listed in Exhibit A.

WITNESSETH:

WHEREAS, MEC is a joint municipal utility commission formed and operated in accordance with Sections 393.700 to 393.770 of the Revised Statutes of the state of Missouri (“RSMo”); and

WHEREAS, MEC was formed for the purpose of procuring electric energy and capacity for the benefit of, and pursuant to the governance and direction of, MEC’s members; and

WHEREAS, each City is a municipality and a member of MEC; and

WHEREAS, the Cities desire to purchase full-requirements electric capacity and energy and related services from MEC at cost-based rates, and MEC is willing to provide such products and services to the Cities collectively comprising the Southwest Missouri Public Energy Pool (“SWMPEP”), all pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises, the mutual promises and agreements set forth herein and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE ONE: DEFINITIONS

Capitalized terms used in this Agreement that are not defined in this Article One shall have the meanings assigned to them in the SPP Tariff.

1.1 Agreement shall mean this Power Supply and Administration Agreement among the Cities and MEC.

1.2 Balancing Authority shall mean the responsible entity, recognized by NERC, that integrates resource plans ahead of time, maintains load-interchange-generation balance within a particular area, and supports interconnection frequency in real time.

1.3 Board of Directors shall mean the Board of Directors of MEC as provided for in the Joint Contract and Bylaws.

1.4 Business Day shall mean any weekday (*i.e.*, other than Saturday or Sunday) that is not a holiday observed by banks in the State of Missouri.

1.5 Bylaws shall mean the bylaws of MEC approved by the Board of Directors as they may be amended by it from time to time.

1.6 Cancellation occurs when a Party or Parties put an end to the Agreement for breach by another Party or Parties, or when an Event of Default occurs under Section 15.1.

1.7 Central Prevailing Time, or CPT, shall mean Central Daylight Savings Time or Central Standard Time, as then being observed in Missouri.

1.8 City shall mean a MEC member that has executed this Agreement, either as an original party or by joinder in the form of Exhibit F, and that is named in Exhibit A.

1.9 City's Percentage shall mean, for each City, its contribution to the most recent aggregate annual coincident peak of the Cities (irrespective of whether any or all of the Cities' loads were served hereunder at the time of such annual peak), subject to adjustment pursuant to Section 15.4.

1.10 Direct Costs shall mean all costs MEC incurs in connection with acquiring, providing, arranging or financing the provision of Full Requirements Service hereunder, including without limitation all payments MEC is required to make (including reserves and debt service coverages MEC is required to maintain pursuant to any bond indenture, financing lease or loan-agreement) under contractual and/or financial commitments and obligations entered into by MEC in order to procure, deliver, or finance resources intended to provide Full Requirements Service, without regard to whether any particular resource is available to or used by any particular City. Direct Costs shall include all delivery-related costs incurred under transmission agreements and/or under FERC-approved transmission tariffs, to the extent such costs are associated with MEC's provision of Full Requirements Services hereunder; such costs shall include, without limitation, costs of transmission service and/or acquiring transmission facilities, ancillary services, service provided over distribution facilities, transmission and distribution losses, financial transmission rights, administrative charges and/or congestion management charges assessed by transmission providers, and costs incurred by MEC in centralized energy markets, as all such relate to the provision of Full Requirements Services for SWMPEP. Direct Costs shall also include amounts required to fund SWMPEP capital and/or operating reserves as established from time to time by the SWMPEP Committee and included in annual budgets approved by MEC. Direct Costs

shall also include any Replacement Cost credits provided by MEC to any City pursuant to Section 6.3.

1.11 EDE shall mean Empire District Electric Company d/b/a Liberty.

1.12 Effective Date shall mean (i) _____, 2023 for MEC and those Cities that have executed the Agreement on or before that date, and (ii) for any other City that joins after that date, the effective date stated in the joinder executed by MEC and such City.

1.13 Event of Default shall have the meaning assigned to it in Section 15.1.

1.14 FERC shall mean the Federal Energy Regulatory Commission or its successor.

1.15 Force Majeure shall mean causes beyond the control of the Party affected, which such Party could not reasonably have been expected to avoid by exercise of due diligence and foresight in accordance with Good Utility Practice, including, but not limited to, storm, flood, lightning, earthquake, fire, explosion, damage to facilities upon which performance is dependent, failure of manufacturers to make scheduled deliveries of equipment, act of the public enemy, sabotage, civil disturbance, labor disturbance, strike, impact of war or mobilization, national emergency, law, regulation, restraint or order by court or by public authority.

1.16 Full Requirements Service shall mean the capacity and energy and related products and any other services sold by MEC and utilized by each City hereunder, as described in Section 3.1.

1.17 Good Utility Practice shall mean any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be an acceptable practice, method, or act generally accepted in the region, consistent with applicable legislation, rules, regulations, and safety standards.

1.18 Governmental Authority shall mean any applicable federal, state, county or other government, quasi-government or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal, or any political subdivision of any thereof. For the avoidance of doubt, NERC and its regional entities shall be deemed Governmental Authorities for purposes hereof.

1.19 Joint Contract shall mean that contract dated as of May 1, 1979 and amended from time to time, by and among municipalities of the State of Missouri, which established MEC to serve its members through joint action.

1.20 Late Interest Rate shall mean, for any date, the lesser of (a) 1/365 of the sum of the per annum prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published) plus two percentage points (200 basis points) and (b) the maximum rate permitted by applicable law. In applying the Late Interest Rate, interest shall be compounded daily.

1.21 MEC is the fictitious trade name of the Missouri Joint Municipal Electric Utility Commission, created by all MEC members through the Joint Contract as a separate governmental entity for various reasons and purposes including those named in the Recitals, and for all other reasons as allowed in the Joint Contract and the Joint Municipal Utility Commission Act of Missouri.

1.22 NERC shall mean the North American Electric Reliability Corporation.

1.23 NITSA shall mean the Network Integration Transmission Service Agreement between MEC and SPP pursuant to which SPP will provide Network Integration Transmission Service to MEC for purposes of serving the loads of the Cities hereunder.

1.24 Party shall mean MEC or a City; Parties shall mean two or more of MEC and/or the Cities, or MEC and the Cities collectively, as the context requires.

1.25 Payment Default shall have the meaning assigned in Section 0(a).

1.26 Person shall mean an individual, a corporation, a partnership, a limited liability company, an association, a joint-stock company, a trust, an unincorporated organization or any government or political subdivision thereof.

1.27 Point(s) of Delivery shall mean the point(s) for each City where the City agrees to receive its energy, and MEC agrees to deliver the energy. The specific Point(s) of Delivery for each City are shown on Exhibit A.

1.28 President and CEO shall mean the principal or chief executive officer of MEC that, by the Joint Contract, is given responsibility for the planning, operations, and administrative affairs of MEC and the coordination thereof pursuant to policies and programs approved by the Board of Directors from time to time.

1.29 Projected Peak Load shall mean a reasonable estimate of a City’s greatest rate of need for electricity taking into account prior years’ actual peaks, expected changes in customer usage, and anticipated conditions, in accordance with Good Utility Practice.

1.30 PURPA shall mean the Public Utility Regulatory Policies Act of 1978, as amended.

1.31 Replacement Cost means the actual cost incurred by a City, acting in a commercially reasonable manner, for the purchase of energy delivered at the Point of Delivery as a replacement for any Full Requirements Service not delivered by MEC, plus

costs reasonably incurred by the City in purchasing such substitute product; provided, however, in no event shall the Replacement Cost include any penalties, ratcheted demand or similar charges.

1.32 Resource Obligations shall mean MEC's financial, power-supply, fuel-supply, delivery-related and other obligations related to long-term resources which were entered into by MEC for the benefit of the SWMPEP Committee and the Cities, including long-term contracts, financial transmission rights, and owned generating or transmission facilities. To qualify as a Resource Obligation under this Agreement, MEC's financial, power-supply, fuel-supply delivery-related and/or other obligations in connection with a resource must (a) be for an initial period of two years or longer, and (b) not be subject to automatic reduction or abatement commensurate with loss of any City. Resource Obligations shall include all capitalized equipment and software acquired by MEC in connection with the provision of Full Requirements Services hereunder for which MEC will recover costs over a period of more than five years, and all related contracts entered into for a period of more than five years.

1.33 Sale Agreement shall mean an agreement between MEC and any purchaser of wholesale capacity, energy, and/or ancillary services, entered into by MEC pursuant to Section 4.5, which is used by MEC to dispose of energy and/or capacity that was committed under a Supply Agreement but is determined by MEC, using commercially reasonable assumptions, to be (a) excess to the resources needed to provide Full Requirements Service to the Cities hereunder for some period, or (b) advantageously sold to third parties when other resources are available to serve the Cities' loads. For the avoidance of doubt, "Sale Agreement" shall include sales into the SPP Integrated Marketplace pursuant to the SPP Tariff or into other centralized markets, auctions, or the like for day-ahead energy, real-time energy, capacity, and/or ancillary services, and may include transactions with another pool administered by MEC.

1.34 SPP shall mean Southwest Power Pool, Inc.

1.35 SPP Tariff shall mean the SPP Open Access Transmission Tariff, or any applicable successor tariff.

1.36 Supply Agreement shall mean an agreement between MEC and any supplier of wholesale capacity, energy, and/or ancillary services, entered into by MEC pursuant to Sections 4.3 and 4.4, which is used by MEC to provide Full Requirements Service to some or all of the Cities hereunder. For the avoidance of doubt, "Supply Agreement" shall include purchases from the SPP Integrated Marketplace pursuant to the SPP Tariff or into other centralized markets, auctions, or the like for day-ahead energy, real-time energy, capacity, and/or ancillary services, and may include transactions with another pool administered by MEC.

1.37 SWMPEP shall mean the Southwest Missouri Public Energy Pool.

1.38 SWMPEP Committee shall mean the committee established pursuant to Article Eleven of this Agreement.

1.39 Term shall mean the period in which this Agreement is in effect as set forth in Article Two.

1.40 Termination occurs when a Party or Parties, pursuant to a power created by agreement or law, puts an end to the Agreement.

1.41 Transfer shall have the meaning assigned to it in Section 13.1.

1.42 Transferee shall mean a Person to whom a Transfer is permitted and to whom a Transfer is made or proposed to be made, pursuant to Article Thirteen.

1.43 Transferor shall mean a Party making or proposing to make a Transfer to another Person pursuant to Article Thirteen.

1.44 Transmission Provider shall mean any owner or operator of transmission facilities over which capacity and energy are to be transmitted for the purposes contemplated in this Agreement.

1.45 Transmission Service Agreement shall mean any contract (including without limitation the NITSA and any Network Operating Agreement) entered into by MEC to obtain transmission service from a Transmission Provider for purposes of delivering capacity and energy under this Agreement.

1.46 True-Up Interest Rate shall mean, for any date, the lesser of (a) 1/365 of the per annum prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published) and (b) the maximum rate permitted by applicable law. In applying the True-Up Interest Rate, interest shall be compounded daily.

ARTICLE TWO: TERM

2.1 Commencement of Term. As between MEC and each City, this Agreement shall be effective and binding as of the applicable Effective Date.

2.2 Commencement of Agreement. The Agreement shall commence (i) for each City that is an original signatory to this Agreement, at the hour ending 0100 CPT on _____, 2024, and (ii) for each City that subsequently becomes a Party hereto at the hour ending 0100 CPT on the date set forth for such City in its joinder per Exhibit F.

2.3 Termination or Cancellation. This Agreement will continue in effect until terminated or cancelled as follows by MEC, or by all Cities:

- (a) A City may terminate this Agreement as to its participation upon no less than five (5) years' written notice given after execution of this Agreement.
- (b) MEC may cancel this Agreement upon no less than ninety (90) days written notice with respect to a particular City who fails to maintain MEC membership.
- (c) Cancel upon the occurrence of an Event of Default by a City or by MEC pursuant to Section 15.1 of this Agreement.

2.4 Termination of Prior Agreements. This Agreement constitutes the entire agreement between the parties and terminates and supersedes any and all prior agreements and understandings (whether written or oral) between the parties with respect to the subject matter of this Agreement.

ARTICLE THREE: FULL REQUIREMENTS SERVICE

3.1 During the Agreement for each City, MEC agrees to provide and each City agrees to utilize Full Requirements Service as provided by MEC. Each City shall pay for Full Requirements Service at rates established by the SWMPEP Committee consistent with sections 9.1, 9.2 and 9.3. For each City, Full Requirements Service consists of (a) all capacity and energy needed by the City to supply all of the electrical needs of its retail customers and any internal use by the City (except as expressly provided in Section 5.2), including transmission and distribution losses, (b) any transmission and ancillary services needed to deliver such capacity and energy to the SPP or any other necessary transmission system, and (c) subject to Section 4.7, service over transmission and distribution facilities owned and/or operated by SPP, EDE, any other necessary Transmission Provider, and related ancillary services necessary for delivery of energy to the City at the Point(s) of Delivery. All electric energy delivered under this Agreement shall be of the character commonly known as three-phase, sixty-cycle energy and shall be delivered at the nominal voltage(s) at the Point(s) of Delivery to the City. Exhibit D contains a list of services MEC will arrange for each City to have in quantities sufficient to meet the City's Full Requirements Service.

3.2 MEC shall have no obligation to provide any service the City may require on the load side of the Point(s) of Delivery for the City (*i.e.*, over distribution facilities owned and/or operated by any Person).

3.3 MEC and the Cities agree, in furtherance of the purposes of this Agreement, to submit a request to FERC for waiver of the Cities' PURPA purchase obligations and MEC's undertaking of such PURPA purchase obligations, all for the period of the Agreement hereunder, in accordance with MEC Resolution 04-2022, adopted by the MEC Board of Directors on October 7, 2022. MEC shall be responsible for filing the request and taking such actions as it deems reasonable to obtain FERC's approval thereof. MEC's costs of preparing and making such filing and other activities in

connection with FERC proceedings to obtain or retain such approvals shall be included in the administrative charges to the Cities hereunder. Each PURPA purchase made by MEC in a City's stead pursuant to the FERC waiver shall be a Supply Agreement.

ARTICLE FOUR: MEC'S OBLIGATIONS

4.1 The MEC Board of Directors hereby authorizes the President and CEO and the President and CEO's designees to carry out MEC's responsibilities as set forth in this Agreement.

4.2 The Parties recognize that because the Cities are currently located within SPP, energy sufficient to supply their electrical needs will be provided by SPP's economic dispatch pursuant to the SPP Tariff. MEC will register with SPP to be the Load Responsible Entity and Market Participant for each City's load during that City's Agreement, and as such will be responsible for settling with SPP for all charges related to the Cities' loads pursuant to the SPP Tariff. All such charges shall be passed through to the Cities pursuant to Articles Nine and Ten.

4.3 In order to satisfy resource adequacy requirements under the SPP Tariff and/or to stabilize the energy costs of Full Requirements Service for a substantial portion of the Cities' aggregate needs, in accordance with Good Utility Practice, and upon approval of the SWMPEP Committee for Supply Agreements with a duration of five years or longer, MEC shall enter into Supply Agreements to serve the projected needs of the Cities. Cities recognize that MEC's ability to enter into any such Supply Agreement is subject to a seller's willingness to hold open an offer during any period preceding the SWMPEP Committee's approval thereof.

4.4 MEC shall, from time to time in accordance with Good Utility Practice, and upon approval of the SWMPEP Committee for Supply Agreements with a duration of five years or longer, enter into and utilize other Supply Agreements to obtain additional products, including but not limited to Supply Agreements needed to serve loads of any additional City(ies) becoming Party(ies) hereto by joinder. Cities recognize that MEC's ability to enter into any such Supply agreement is subject to a seller's willingness to hold open an offer during any period preceding the SWMPEP Committee's approval thereof.

4.5 During the Agreement, MEC shall use commercially reasonable efforts to enter into Sale Agreements as appropriate in light of the Cities' expected needs for energy and/or capacity and other factors such as market conditions. MEC shall credit all revenues from such sales to the Cities. However, Cities shall be responsible for all costs incurred by MEC in connection with making such sales, and shall remain responsible for all costs under the Supply Agreements to the extent such costs exceed net revenues from MEC's sales. Any proposed Sale Agreement with a duration of one year or longer shall be subject to the approval of the SWMPEP Committee.

4.6 MEC shall arrange for transmission service to the SPP or any other necessary transmission system to support deliveries of energy under Supply Agreements,

to the extent such Supply Agreements are sourced outside of the SPP transmission system and do not include transmission service.

4.7 Each of the Cities currently takes Network Integration Transmission Service directly from SPP. The Parties intend that during the Agreement for each City MEC will be the transmission customer for the City's load under the terms of the SPP Tariff, and therefore MEC will enter into and perform the transmission customer duties under a Network Integrated Transmission Service Agreement or any other required contracts with SPP. The Parties shall cooperate and coordinate with SPP as may be necessary to effectuate the transition from each City being the transmission customer to MEC being the transmission customer for the applicable Agreement; such transition may include changes to the manner in which SPP reflects the Cities' loads in its network and commercial models. If, despite the Parties' efforts, it is not possible for MEC to serve as the transmission customer for the entirety of the Agreement for any City(ies), such City(ies) shall have the responsibility to arrange and pay all costs of Network Integration Transmission Service or any other necessary transmission service under the SPP Tariff, and MEC's obligations with respect to providing transmission service on the SPP transmission system to support deliveries hereunder shall be suspended during any such period.

4.8 During the Agreement for each City, MEC shall provide day-to-day energy management services on behalf of such City, including but not limited to scheduling and tagging of energy deliveries under the Supply Agreements (to the extent necessary to deliver any such energy to SPP), performing Market Participant duties with respect to the City's load and the resources used to supply the combined loads of the Cities, and administrative services such as support to the SWMPEP Committee, review and payment of invoices from SPP and under Supply Agreements and Transmission Service Agreements, and invoicing and receiving payments from the Cities for Full Requirements Service. MEC may arrange for certain of these services to be provided by third parties.

4.9 In performing its duties hereunder, MEC shall at all times act in accordance with Good Utility Practice and with the express directions of the SWMPEP Committee (provided, however that MEC shall not be required to follow any such directions that would require MEC to violate Good Utility Practice, applicable requirements of any Governmental Authority, or the terms of any Supply Agreement, Transmission Service Agreement, the SPP Tariff or any other applicable tariff).

ARTICLE FIVE: CITIES' OBLIGATIONS

5.1 Each City shall, throughout the Term, be a member in good standing of the Missouri Association of Municipal Utilities, and a member of MEC.

5.2 No City may, during its Agreement, buy power from any other Person or operate (or allow operation of) any electrical generator(s) for peak shaving on its system. A City may, during its Agreement, buy power from any other Person or operate (or allow operation of) any electrical generator(s) only in the event of, and only to the extent of, (i)

the failure or inability of MEC to deliver power hereunder, (ii) the City's inability to receive deliveries from MEC due to outage conditions on the City's side of the Point of Delivery, (iii) periodic testing of emergency generators to ensure that they will be available to the City when needed, or (iv) a legal requirement to purchase renewable or other power pursuant to (A) a state or federal renewable portfolio standard that imposes greater demands on the City than can be met through the Supply Agreements, (B) applicable state net metering laws, or (C) PURPA, but only to the extent that FERC has not granted waiver of the City's PURPA purchase obligation as anticipated pursuant to Section 3.3. Any City subject to a legal requirement to purchase renewable or other power in excess of 100 kW capacity shall provide as much notice as possible to MEC and the SWMPEP Committee of its expected purchase requirement and shall coordinate with MEC in negotiating arrangements with the proposed seller of the power. A local renewable energy requirement adopted by a City itself shall not qualify as a legal requirement hereunder. A local ordinance that is necessary to carry out state or federal requirements shall not violate this provision. Disclosing to the City's customers the availability of net metering, as required by any applicable state law, shall not violate this provision.

5.3 Each City shall, in a timely fashion, make all arrangements necessary for any service the City may require on the load side of its Point(s) of Delivery (*i.e.*, over distribution facilities owned by any Person). Each such City shall bear all costs of such arrangements, including without limitation any penalties or damages owed as a result of any interruptions or curtailments of distribution service thereunder.

5.4 If any City wishes to make any changes to or to replace its Point(s) of Delivery, or to add an additional Point of Delivery, it may request MEC to seek such changes under the NITSA between MEC and SPP, or such other appropriate agreement. MEC shall take commercially reasonable efforts to pursue such requests pursuant to the SPP Tariff or other appropriate tariff or contract in coordination with the City. The City shall be obligated to pay all costs of such modifications or new Point(s) of Delivery. Once completed, any such changes shall be reflected on a revised Exhibit A. Notwithstanding Section 19.13, such modifications to Exhibit A shall be made by agreement solely as between MEC and the affected City.

5.5 Each City whose load for purposes of this Agreement is measured by metering equipment owned by a Person other than EDE, MEC or the City itself shall ensure that such metering equipment is maintained and periodically tested consistent with the requirements set forth in Section 8.2.

5.6 Prior to the commencement of the Agreement for each City, the City shall make the necessary arrangements to enable MEC to receive a real-time signal of City's load. To the extent that the necessary metering equipment, phone circuit and remote terminal unit equipment are not already in place to allow transmission of a real-time signal for a given City, that City shall be responsible for the installation of such facilities at its own cost.

5.7 Each City shall develop jointly with MEC a forecast of the City's Projected Peak Load for each year of the City's Agreement to be included in Exhibit C, and shall promptly advise MEC of any known or expected significant change in its load. The Cities acknowledge that MEC will enter into Supply Agreements and Sale Agreements in reliance on such Projected Peak Load forecasts.

5.8 Each City shall promptly advise MEC of any planned changes to its system which may require modifications in any Supply Agreement(s) or Transmission Service Agreement(s), or affect the level or nature of the Full Requirements Service to be provided by MEC hereunder. Without limitation, each City shall coordinate with MEC prior to implementing any proposed demand response or net metering program, and all such programs shall be subject to review by the SWMPEP Committee and the provisions of Section 5.2.

5.9 Each City shall operate and maintain its electric system in good repair in accordance with Good Utility Practice, and shall control voltage and power factor on its system to within tolerances established by the applicable Balancing Authority. No City may operate its system in a manner inconsistent with its own or MEC's obligations for load control and power factor under the Transmission Service Agreements, SPP Tariff, or any other applicable requirements to which MEC or the City is subject. In the event MEC incurs extra costs as a result of a City's failure to operate its system in accordance with these requirements, such extra cost shall be billed to and paid by the City, in accordance with Section 9.3.

5.10 Each City shall establish, maintain and collect such rates, fees and charges for the electric service of its electric utility system so as to provide revenues at least sufficient to enable City to make all payments required to be made by it under this Agreement and any other agreements with respect to its electric utility, and all other operating expenses of City's electric system. MEC shall, upon request of a City, perform or cause to be performed studies of the City's revenues and potential methods of ensuring the City's ability to satisfy this obligation. If such study is requested and performed, MEC may charge and the City shall pay all actual costs incurred in the development and delivery of the study.

5.11 The obligations of each City to make payments under this Agreement shall be limited to the obligation to make payments from revenues of its electric utility system and available electric utility system reserves. All payments made by a City pursuant to this Agreement shall constitute operation and maintenance expenses of its electric utility system. No City shall be obligated to levy any taxes for the purpose of paying any amount due under this Agreement. No City may issue any evidence of indebtedness with a lien on electric system revenues that is prior to the payment of operating and maintenance expenses.

5.12 No City may sell at wholesale any of the electric power and energy delivered to it hereunder to any Person for resale by such Person.

5.13 No City shall sell, lease or otherwise dispose of all or substantially all of its electric system except on ninety (90) days' prior written notice to MEC (which notice shall be provided after obtaining required City voter approval for such disposition) and, in any event, shall not so sell, lease or otherwise dispose of the same unless the following conditions are met: (i) the City shall assign this Agreement and its rights and interest hereunder to the purchaser or lessee of the electric system and such purchaser or lessee shall assume all obligations of the City under this Agreement; (ii) if and to the extent necessary to reflect such assignment and assumption, MEC and such purchaser or lessee shall enter into an agreement supplemental to this Agreement to clarify the terms on which power and energy are to be sold hereunder by MEC to such purchaser or lessee; (iii) the senior debt of such purchaser or lessee shall be rated in one of the four highest whole rating categories by at least one nationally recognized bond rating agency; (iv) MEC shall have received an opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by MEC stating that such sale, lease or other disposition will not adversely jeopardize the tax-exempt status of the interest on any bonds issued by MEC as that status is governed by Section 103(a) of the Internal Revenue Code of 1954, as amended, and the Treasury Regulations or any ruling as promulgated thereunder or as affected by a decision of any court of competent jurisdiction; (v) opinions shall be obtained from counsel for assignee and counsel for MEC that the assignment is permitted under applicable law and is valid and binding on the parties; and (vi) the rates to be paid by the assignee have been approved by applicable regulatory authority(ies).

5.14 No City may take any action the effect of which would be to prevent, hinder or delay MEC from the timely fulfillment of its obligations under this Agreement, any outstanding bonds or any bond resolution of MEC.

5.15 No City may use or permit to be used any of the power and energy acquired under this Agreement in any manner or for any purpose or take any other action or omit to take any action which would jeopardize the tax-exempt status of the interest on any bonds issued by MEC as that status is governed by Section 103(a) of the Internal Revenue Code of 1954, as amended, and the Treasury Regulations or any rulings promulgated thereunder or as affected by a decision of any court of competent jurisdiction.

5.16 Nothing herein shall limit any City's present or future right to issue bonds, notes or other evidences of indebtedness or incur lease obligations which are payable on a parity with operating expenses or payable from revenues after payment of operating expenses; provided, however, no City may issue bonds, notes or other evidences of indebtedness or incur lease obligations which are payable from the revenues derived from its electric system superior to the payment of the operating expenses of its electric system.

5.17 The Parties recognize that some or all of the Supply Agreements, and information obtained by MEC thereunder and provided to the Cities hereunder either orally or in writing, will be deemed confidential and subject to certain restrictions pursuant to the Supply Agreements. Each City shall abide by all such restrictions on the

use of confidential information it obtains hereunder. The Parties recognize that any confidentiality restrictions hereunder must be consistent with applicable open-meeting laws.

5.18 Each City shall permit duly authorized representatives and employees of MEC to enter upon its premises for the purpose of reading or checking meters, inspecting, testing, repairing, renewing or exchanging any equipment owned by MEC located on such premises, or for the purpose of performing any other work necessary in the performance of this Agreement. Each City shall have a similar right of access with respect to MEC's premises.

5.19 Each City grants to MEC permission to install, maintain and operate, or cause to be installed, maintained and operated, on the City's premises, the necessary equipment, apparatus and devices required for the performance of this Agreement. Any and all equipment, apparatus, devices, and facilities, placed or installed, or caused to be placed or installed, by MEC on or in the premises of a City shall be and remain the personal property of MEC, regardless of the mode or manner of annexation or attachment to real property. Upon the termination of the Agreement (unless the City and MEC enter into a new agreement under which MEC will supply the City's energy requirements), (i) MEC shall have the right to enter upon the premises of the City and shall, within one year, remove or be fairly compensated for such equipment, apparatus, devices or facilities, and (ii) if such equipment, apparatus, devices or facilities are not removed within one year, they will become the property of the City.

5.20 Each City shall cooperate with MEC and keep accurate records and accounts.

5.21 Each City, upon request by MEC, shall name MEC as the City's Aggregator of Retail Customers ("ARC") for participation in any demand response programs, as administered by SPP or any other Person. No City shall name any third party as, or allow any third party to act as, an ARC for the City's customers. Upon request by a majority of the Cities, MEC shall develop a demand response program(s) for the Cities, with such costs and benefits residing with the Cities.

ARTICLE SIX: FORCE MAJEURE; CONTINUITY OF SERVICE

6.1 No Party shall be considered to be in breach or default in respect of any obligation hereunder, other than making a payment when due, if unable to fulfill such obligation by reason of Force Majeure. Any Party unable to fulfill any obligation by reason of Force Majeure shall exercise due diligence to remove such disability with reasonable dispatch.

6.2 Full Requirements Service under this Agreement shall be furnished by MEC and received by each City continuously during the applicable Agreement except for interruptions or curtailments in service implemented or permitted by SPP pursuant to the SPP Tariff. Such interruptions or reductions in service shall not constitute a breach of this Agreement, and no Party shall be liable to any other Party for damages resulting

therefrom. Except in case of an emergency, and to the extent such matters are within the knowledge and/or control of a Party, each Party shall give the other reasonable advance written notice of the temporary interruptions or curtailments in service necessary for such installation, maintenance, repair and replacement of equipment, and shall schedule such interruptions or curtailments so as to cause the least inconvenience to the Parties hereto. Interruptions or curtailments of service to a City may reduce the City's energy charges under Section 9.2, but shall not reduce the City's other charges.

6.3 If MEC fails to deliver Full Requirements Service to a City, the affected City shall nonetheless make payment to MEC for all Direct Costs based on its full metered load (grossed up for applicable transmission and distribution losses), provided, however, that if MEC's failure is not excused pursuant to Section 6.2, MEC shall credit to the affected City an amount equal to the City's Replacement Cost on the next invoice following receipt of documentation from the affected City reasonably supporting the calculation of the Replacement Cost for each hour in which MEC had an unexcused failure to deliver Full Requirements Service. Such Replacement Cost credit will be included in MEC's costs of providing Full Requirements Service to be paid by all Cities.

6.4 If a City fails to receive Full Requirements Service for any reason (including but not limited to MEC's failure to deliver such services), it shall nonetheless be obligated to make payment to MEC hereunder based on its full metered load (grossed up for applicable transmission and distribution losses) as though it had received such Full Requirements Service.

ARTICLE SEVEN: TITLE, WARRANTY, DISCLAIMER AND LIMITATION OF LIABILITY

7.1 Title to Full Requirements Service shall pass from MEC to each City at its Point(s) of Delivery. As between MEC and each City, (i) MEC shall be deemed to be in exclusive control of the Full Requirements Service from the point of generation to the Point(s) of Delivery, and (ii) the City shall be deemed to be in exclusive control of the Full Requirements Service at and from the Point(s) of Delivery.

7.2 MEC warrants title to all Full Requirements Service delivered hereunder, and sells such Full Requirements Service to Cities free from liens and adverse claims, to the Point(s) of Delivery. **THIS IS MEC'S ONLY WARRANTY CONCERNING THE FULL REQUIREMENTS SERVICE PROVIDED HEREUNDER, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE. MEC DOES NOT GUARANTEE UNINTERRUPTED SERVICE AND SHALL NOT BE LIABLE FOR ANY DAMAGES SUSTAINED BY CITIES (EXCEPT AS SET FORTH HEREIN) BY REASON OF ANY FAILURE, ALTERATION OR INTERRUPTION OF SERVICE. NO PARTY SHALL BE RESPONSIBLE UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF**

PROFITS, OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE, INCURRED BY ANY OTHER PARTY.

ARTICLE EIGHT: METERING

8.1 All capacity and energy delivered by MEC hereunder shall be metered at the Point(s) of Delivery to each City. Subject to any requirements to which MEC and/or the City(ies) are subject under any applicable Transmission Service Agreement or generally applicable rules or regulations, metering and communications equipment, which may include but is not limited to hardware and software, shall be installed that will determine:

- (a) kilowatt-hours delivered to the City;
- (b) the kilowatt demand at the metering point provided by 30-minute interval recording demand type meters; and
- (c) kilovolt-ampere-hours reactive delivered to the City.

The metering and communications equipment shall provide sufficient information in a manner suitable for use in scheduling, dispatching, billing, forecasting and planning. If Good Utility Practice necessitates changes to the aforesaid equipment, such changes shall be made. Each City shall reimburse MEC any costs it incurs for equipment for City's Point(s) of Delivery.

8.2 All metering equipment owned by EDE that is used to measure the provision of Full Requirements Service hereunder shall be maintained and tested in accordance with the provisions of the Network Operating Agreement to which MEC and EDE are parties. If MEC or any City owns metering equipment used to measure the provision of Full Requirements Service hereunder, such equipment shall be maintained by the owner thereof. The Party owning such meters shall make periodic tests and inspections of its meters at its own expense at intervals not greater than one year and shall advise the other Party (MEC or the City at whose Point of Delivery the meter is located, as the case might be) when tests are to be made so that the other Party may witness such tests if it desires. The Party conducting the test shall promptly forward the results of any test showing inaccuracy of more than two percent (2%) to the other Party. Following any meter test, the meter shall be left as close to 100% accurate as possible. Each Party will make additional tests of its meters at the request of the other Party, but the expense of such test will be borne by the Party requesting such test if the meter is found to be within two percent (2%) of accuracy. If any test shows that a meter is inaccurate by more than two percent (2%), the meter shall be calibrated and a correction shall be made from the date reasonably determined to be the date at which the inaccuracy began. If that date cannot be reasonably determined, then the correction shall apply to the last half of the period since the latest test, but not more than six months preceding the test that reveals the inaccuracy.

ARTICLE NINE: COST RESPONSIBILITY

9.1 It is the Parties' intention that each City will be responsible for its proportionate share of (a) the Direct Costs MEC incurs in connection with the provision of Full Requirements Service hereunder, and (b) MEC's administrative and other reasonable costs associated with its role as power supplier to the Cities. Each City's obligation to pay for its proportionate share of such costs shall be effective upon the applicable Effective Date and continue until all amounts due hereunder are paid in full notwithstanding the occurrence of any event, or the taking of any action permitted by this Agreement. The provisions that follow are intended to implement, but not to narrow, this intention.

9.2 Rates established by the SWMPEP Committee to the Cities shall include recovery of MEC's Direct Costs. Rates shall be established so as to charge each City its proportionate share of all Direct Costs associated with MEC's performance under the Agreement. Charges based on such rates shall be assessed and billed monthly and each City shall pay such charges as provided in Article Ten. Rates shall be reviewed at least annually and shall be adjusted to recognize variances between budgeted and actual costs no less frequently than six-month intervals. In the event that the SWMPEP Committee fails to establish rates in accordance with this Article Nine, MEC may establish rates as deemed necessary to prevent an event of default under any bond indenture, lease or loan agreement.

9.3 In addition to the charges set forth in Section 9.2, MEC will include in a City's monthly invoices any extraordinary costs that the City causes MEC to incur in connection with MEC's performance under this Agreement. MEC shall provide appropriate documentation to support any such charges if requested by the City.

9.4 The Cities acknowledge that the Direct Costs under the Supply Agreements and Transmission Service Agreements and other Direct Costs incurred by MEC in providing Full Requirements Service hereunder will vary from estimated costs provided by MEC to the Cities both prior to and after execution of this Agreement, and that MEC's provision of such estimates to the Cities shall not limit any City's obligation hereunder to pay its share of the Direct Costs.

ARTICLE TEN: BILLING AND PAYMENTS

10.1 Charges for Full Requirements Service will be billed to each City each calendar month during its Agreement, based on MEC's projected costs (including budgeted administrative costs) and the City's projected usage reasonably expected for that month. MEC shall prepare and render such monthly invoices using the most current information available.

10.2 MEC shall provide each monthly invoice by e-mail to each City on or before the fifth Business Day of the month. Each City shall pay the invoiced amount within four (4) days following transmission of the monthly SWMPEP invoice. In the event the due date falls on a weekend or a holiday, the invoiced amount will be due

the Friday immediately following transmission of the monthly SWMPEP invoice; but in no event less than two (2) business days following transmission of the monthly SWMPEP invoice. All payments will be via a bank wire transfer or ACH debit to MEC's bank account in accordance with the instructions provided in writing by MEC. Interest shall be payable on all amounts not paid on or before the payment due date, over the actual number of days elapsed from the payment due date to the date such amounts are paid, at the Late Interest Rate.

10.3 MEC shall include with each invoice a true-up statement and adjustment for the invoice two months prior. Each true-up will reconcile amounts invoiced and paid pursuant to cost and usage projections against actual costs and usage. Subsequent invoices may reflect additional true-ups based on adjustments to invoices rendered to (or revenues received by) MEC under the SPP Tariff, Supply Agreements, Sale Agreements, and/or Transmission Service Agreements, or to reflect budget adjustments or corrections regarding administrative costs. Any overpayments by City shall be credited to City, and any underpayments shall be added to the current invoice.

10.4 If a City disputes any bill issued hereunder or the existence or extent of any obligation to make any payment hereunder, it shall nevertheless make payment of all bills when due with a written protest, submitted at the time of or subsequent to such payment, directed to MEC. Any such protest shall be subject to the limitations set forth in Section 10.6. When any dispute regarding payment is resolved, any refunds due shall be paid (or credited) within ten (10) days thereafter, together with interest at the True-Up Interest Rate, based upon the actual number of days elapsed from the date paid until the date refunded or offset.

10.5 Not more than once a year, the Cities may collectively conduct an audit of (i) records maintained by MEC in connection with this Agreement, and (ii) all costs charged to the Cities hereunder. The costs of such audits shall be borne by the Cities, either directly or through reimbursement to MEC. MEC shall cooperate with one such audit in a given year, by making available documents and other information reasonably requested in connection therewith, during normal business hours.

10.6 No challenge may be raised by a City with respect to the validity of costs incurred by MEC under the SPP Tariff, Supply Agreements or Transmission Service Agreements (or costs incurred or revenues received by MEC under Sale Agreements) except to the extent that MEC can in turn raise the challenge under the SPP Tariff, Supply Agreements, Sale Agreements or Transmission Service Agreements, and the resolution of any such challenge under such tariff and/or agreements shall be dispositive as between the Cities and MEC. Challenges relating to MEC Board approved administrative costs shall be limited to claims of arithmetic errors.

10.7 If, pursuant to the SPP Tariff or any Supply Agreement or Transmission Service Agreement, MEC receives any refunds (as opposed to credits against its monthly bills, which will simply reduce MEC's costs to be passed through to Cities hereunder), it shall promptly pay to each City an appropriate share of such refunds, based on (i) the

City's energy usage for the applicable period of the refund, if the refunds relate to variable costs, (ii) the City's Percentage as it was in effect during the applicable period of the refund, if the refunds relate to fixed costs other than SPP transmission service charges, or (iii) the City's proportionate share of transmission service charges during the applicable period of the refund, if the refunds relate to transmission service costs.

10.8 As soon as reasonably practicable following the end of the Agreement (or following termination as to an individual City), MEC shall issue invoices to the Cities as necessary to (i) true up charges previously invoiced and paid and (ii) obtain any necessary reimbursement of MEC's remaining payments under the Supply Agreements and Transmission Service Agreements and any other costs incurred by MEC in its performance of this Agreement. If the net amount of any invoice is owed by the City, it shall submit payment within ten (10) Business Days of receipt. If the net amount of any invoice is owed by MEC, it shall make payment at the time it issues the invoice. The Parties' obligations under this Section 10.8 shall survive termination of this Agreement.

ARTICLE ELEVEN: SWMPEP COMMITTEE

11.1 The SWMPEP Committee shall determine policy on matters within the scope of this Agreement and shall oversee operation of the pool.

11.2 The SWMPEP Committee shall have the power to adopt, amend or repeal the by-laws of this SWMPEP Committee. The by-laws shall govern the operation of the SWMPEP unless any by-law conflicts with the Agreement, in which case the Agreement shall be controlling.

ARTICLE TWELVE: LIABILITY AND INDEMNIFICATION

12.1 Each City expressly agrees, to the fullest extent permitted by Missouri law, and without waiving any of its rights under the doctrine of sovereign immunity as to the claims of third parties, to indemnify, hold harmless and defend MEC against any and all claims, liability, costs or expenses (including without limitation attorneys' fees and expenses) for loss, damage or injury to persons or property in any manner directly or indirectly connected with or growing out of MEC's role as provider of Full Requirements Service hereunder, unless such loss, damage or injury is the result of bad faith, gross negligence, or reckless or willful misconduct of MEC or its employees acting within the course and scope of their employment.

12.2 To the fullest extent permitted by law, no Party shall be liable to any other Party for punitive, indirect, exemplary, consequential, or incidental damages arising in connection with this Agreement.

ARTICLE THIRTEEN: ASSIGNMENT

13.1 Except as otherwise provided in this Article Thirteen, no Party may sell, lease, assign, transfer, convey or otherwise dispose of in any manner, directly or indirectly (collectively, "Transfer") all or any part of its rights, obligations, benefits, advantages, titles and interest in this Agreement, and any such Transfer in contravention

of this Article Thirteen shall be null and void *ab initio*.

13.2 MEC shall Transfer its entire interest in this Agreement to any affiliate or other Person that succeeds to substantially all of MEC's business, including the Supply Agreements and Transmission Service Agreements. MEC may also assign its interest in this Agreement to a trustee or other Person in connection with any financing undertaken by MEC. No other Transfer by MEC shall be permitted. Each City shall Transfer its entire interest in this Agreement to any Person that acquires substantially all of the City's electric system, by purchase, lease or otherwise, pursuant to Section 5.13. No other Transfer by any City shall be permitted.

13.3 If a Party proposes to Transfer its interest in this Agreement pursuant to Section 13.2 or 13.3 (except where the Transfer is by MEC solely for financing purposes), then no less than ninety (90) days prior to such proposed Transfer, the Transferor shall provide written notice thereof to the other Party. The notice shall identify the proposed Transferee and the date on which the Party proposes to effect the Transfer.

13.4 As a condition precedent to any permitted Transfer hereunder:

(a) at the time of the Transfer, either (i) the Transferor must not be in default of any of its material obligations under this Agreement or (ii) such default must be cured on or prior to the date of the Transfer; and

(b) the Transferor shall deliver to the other Party documents satisfactory to it evidencing Transferee's acceptance of the Transfer and assumption of all of the Transferor's obligations under this Agreement.

13.5 Notwithstanding anything in this Article Thirteen, no Transfer of this Agreement will be permitted if it would jeopardize the tax-exempt status of any bonds issued by MEC, or if it would violate the terms of any Supply Agreement or Transmission Service Agreement.

ARTICLE FOURTEEN: DISPUTE RESOLUTION

14.1 If a billing dispute permitted under Sections 10.4 and 10.6 arises between or among two or more of the Parties, then the aggrieved Party(ies) may provide written notice thereof to the other Party(ies), including a detailed description of the subject matter of the dispute.

14.2 Representatives of the Parties involved in the dispute shall in good faith attempt to resolve such dispute by informal negotiations within ten (10) Business Days from the date of receipt of a dispute notice under Section 14.1.

14.3 If the dispute is not resolved within ten (10) Business Days following receipt of the dispute notice or such later date as the affected Parties may mutually agree, then each Party involved in the dispute shall promptly designate its most senior executive responsible for the subject matter of the dispute who shall have authority to resolve the

dispute. The senior executives shall obtain such information as may be necessary to inform themselves of the substance and particulars of the dispute and shall meet within twenty (20) Business Days, at a time and place mutually acceptable to the senior executives.

14.4 If the senior executives are unable to resolve the dispute within twenty (20) Business Days of their first meeting or such later date as the senior executives may mutually agree, then the dispute shall, subject to Section 14.5, be resolved solely and exclusively by binding arbitration. The following arbitration procedures will be used absent agreement of the affected Parties to different procedures for a given arbitration:

(a) The dispute shall be finally settled by binding arbitration before a panel of three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, except as modified herein. The Party or Parties seeking relief from one or more other Parties shall prepare and submit a request for arbitration (the "Demand"), which will include statements of the facts and circumstances surrounding the dispute, the legal obligation breached by the other Party(ies), the amount in controversy and the requested relief. The Demand shall be accompanied by all relevant supporting documents.

(b) Arbitration shall be held in Columbia, Missouri. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1 et seq.

(c) The Party asserting a claim for relief and the Party opposing such relief shall each select one arbitrator within thirty (30) days of the receipt of the Demand, or if such Party to the dispute or claim fails to make such selection within thirty (30) days from the receipt of the Demand, the American Arbitration Association shall make such appointment upon the written request of the other Party(ies). If more than two Parties are involved in the arbitration, all Parties seeking relief shall collectively appoint one arbitrator, and all Parties opposing relief shall collectively appoint one arbitrator. The two arbitrators thus appointed shall select the third arbitrator, who shall act as the chairman of the panel. If the two arbitrators fail to agree on a third arbitrator within thirty (30) days of the selection of the second arbitrator, the American Arbitration Association shall make such appointment.

(d) The award shall be in writing (stating the award and the reasons therefor) and shall be final and binding upon the Parties, and shall be the sole and exclusive remedy between such Parties regarding any claims, counterclaims, issues, or accountings presented to the arbitration panel. The arbitration panel shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. Judgment upon any award may be entered in any court having jurisdiction.

(e) This Agreement and the rights and obligations of the Parties shall

remain in full force and effect pending the award in any arbitration proceeding hereunder.

(f) Unless otherwise ordered by the arbitrators, each Party shall bear its own costs and fees, including attorneys' fees and expenses. The Parties expressly agree that the arbitrators shall have no power to consider or award any form of damages barred by this Agreement, or any other multiple or enhanced damages, whether statutory or common law.

(g) Each Party understands that it will not be able to bring a lawsuit concerning the affected dispute, except as necessary to enforce this Section 14.4 or an arbitration award.

14.5 Notwithstanding anything to the contrary in Section 14.4, the Parties acknowledge and agree that (i) a dispute over which a Governmental Authority has exclusive jurisdiction shall, in the first instance, be brought before and resolved by such Governmental Authority, and (ii) monetary damages may not be an adequate remedy at law for the failure of a Party to perform certain material obligations under this Agreement, and under such circumstances, a non-defaulting Party shall have the right, at any time and without regard to whether a request for arbitration has been made or whether arbitration is pending, to seek a court order requiring specific performance by a defaulting Party of such obligations under this Agreement.

ARTICLE FIFTEEN: DEFAULT AND REMEDIES

15.1 It shall constitute an "Event of Default" under this Agreement if any one or more of the following occurs and the corresponding Cure period, if any, shall have expired without Cure:

- a) A City fails to make any required payment, and such failure continues for a period of 30 days after delivery of notice thereof by MEC.
- b) A City fails in any material respect to comply with or observe any material covenant, warranty or obligations under this Agreement (except a payment default as described in Section 15.1(a), and except a failure due to causes excused by Force Majeure or attributable to MEC's wrongful act or wrongful failure to act), such failure shall continue for a period of 90 days after delivery of notice by MEC, or, if such failure cannot reasonably be Cured within such 90 day period, such further period as shall reasonably be required to effect such Cure, provided that such City commences within the first 30 days of such 90 day period to effect such Cure and at all times thereafter proceeds diligently to complete such Cure as quickly as possible.
- c) MEC fails in any material respect to comply with or observe any material covenant, warranty or obligation under this Agreement (except due to causes excused by Force Majeure attributable to a City's wrongful act or wrongful failure to act), and (i) such failure materially adversely affects MEC's ability to furnish to a City the Full Requirement Service due such City during the term of this

Agreement, and (ii) such failure continues for a period of 90 days after delivery of notice by such City, or, if such failure cannot reasonably be Cured within such 90 day period, such further period as shall reasonably be required to effect such Cure, provided that MEC commences within the first 30 days of such 90 day period to effect such Cure and at all times thereafter proceeds diligently to complete such Cure as quickly as possible.

d) A Party becomes insolvent, or generally does not pay its debts as they become due, or admits in writing its inability to pay its debts, or makes an assignment for the benefit of creditors, or insolvency, reorganization, bankruptcy or receivership proceedings are commenced by or against a Party and such proceedings are not dismissed or stayed within 60 days.

15.2 Upon the occurrence of an Event of Default by a City or by MEC with respect to a particular City, the non-defaulting Party may at its option cancel this Agreement with respect to participation by such City by giving twenty-one (21) days' prior notice thereof (or, in the case of a payment default as described in Section 15.1(a) or 15(c), five (5) days' prior notice thereof) to the defaulting Party.

15.3 Upon cancellation, this Agreement shall be of no further effect and neither Party shall have any further obligation to the other under this Agreement except for the payment of any amounts due for Full Requirements Service provided prior to cancellation, and except as set forth in Section 15.4.

15.4 Notwithstanding cancellation under this Article Fifteen, each City shall remain responsible for its proportionate share, as set forth in Exhibit M at the time of the notice of cancellation, of all Resource Obligations entered into by MEC on behalf of the SWMPEP Committee for benefit of the Cities prior to the notice of cancellation. After cancellation (i) the City shall continue to pay MEC monthly charges designed to recover the City's proportionate share of MEC's Direct Costs associated with each of the Resource Obligations incurred or acquired by MEC prior to the City's cancellation, including reasonable and customary charges relating to the administration of such resources, and (ii) MEC shall utilize or sell the City's proportionate share of output in exchange for providing the City a credit or offset equal to the fair market value of such output up to the amount of the obligation. In the event that a City decides to terminate the Agreement and desires to keep the assets assigned to it under Exhibit M, the MEC board would make a good faith attempt to negotiate a mutually acceptable resolution with the City. If the City and the MEC board cannot agree to a mutually acceptable resolution, the assets will remain under Exhibit M for the benefit of the remaining Cities.

15.5 For purposes of identifying each City's obligations upon cancellation under Section 2.3, Exhibit M shall be maintained to list, with reference to each City, its allocation of each Resource Obligation. This allocation will be derived by calculating the system peak power requirement of each City as a percentage of the coincident combined peak requirements of all Cities. Exhibit M shall be updated and approved by vote of the SWMPEP Committee upon each change in SWMPEP Committee Membership and upon MEC's commitment to any new Resource Obligation, and no less frequently than once

each year. The allocation corresponding to each City as shown on Exhibit M will establish the proportionate share of potential obligations and entitlements of such City upon cancellation, as described in Section 2.3. In the event of cancellation pursuant to Section 2.3, a non-defaulting Party shall have the right to seek remedies at law or in equity or damages for the breach of any term, condition, covenant, warranty or obligation under this Agreement, subject to the limitation on damages provided in Section 12.2.

ARTICLE SIXTEEN: REPRESENTATIONS AND WARRANTIES

16.1 MEC's Representations. MEC hereby makes the following representations, warranties and covenants to City as of the Effective Date and through the end of the Term:

- (a) MEC is a governmental entity and body public and corporate duly organized, validly existing and in good standing under the laws of the State of Missouri, and has the legal power to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
- (b) The execution, delivery and performance by MEC of this Agreement have been duly authorized by all necessary action.
- (c) This Agreement constitutes the legal, valid and binding obligation of MEC, enforceable in accordance with its terms.
- (d) There is no pending, or to the knowledge of MEC, threatened action or proceeding affecting MEC before any Governmental Authority which purports to affect the legality, validity or enforceability of this Agreement as in effect on the date hereof. Notwithstanding the foregoing, MEC's sole continuing covenant with respect to this Section 16.1(d) shall be to take all necessary and reasonable actions to defend the enforceability and validity of this Agreement and aggressively defend any lawsuit involving or related to this Agreement.

16.2 City's Representations. City hereby makes the following representations, warranties and covenants to MEC as of the Effective Date and through the end of the Term:

- (a) City is a municipality and political subdivision of the state in which it is located, and has the legal power to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(b) The execution, delivery and performance by City of this Agreement have been duly authorized by all necessary action. This Agreement constitutes the legal, valid and binding obligation of City, enforceable in accordance with its terms.

(c) There is no pending, or to the knowledge of City, threatened action or proceeding affecting City before any Governmental Authority which purports to affect the legality, validity or enforceability of this Agreement as in effect on the date hereof. Notwithstanding the foregoing, City's sole continuing covenant with respect to this Section 16.2(d) shall be to take all necessary and reasonable actions to defend the enforceability and validity of this Agreement and aggressively defend any lawsuit involving or related to this Agreement.

(d) City is and shall remain throughout the term of this Agreement a member or advisory member of MEC.

(e) City is and shall remain throughout the term of this Agreement a "political subdivision" of the state in which it is located within the meaning of Section 103(a) of the Internal Revenue Code.

ARTICLE SEVENTEEN: CREDITWORTHINESS; BUDGETS

17.1 City shall provide such financial information, operating data and opinions as MEC may need in connection with satisfying creditworthiness provisions of any Supply Agreement or Transmission Service Agreements or that may be required to support MEC's financing.

17.2 MEC's projected direct costs of administering this Agreement and an allocation of its reasonable costs associated with its role as power supplier shall be included in a SWMPEP annual budget which shall be incorporated in MEC's annual budget. Each City that is a member of MEC shall have the right to review and vote on MEC's budgets.

17.3 Upon request, City shall provide such financial information and operating data, as MEC is required by contract to obtain from its members and/or which MEC needs to fulfill its continuing disclosure undertakings entered in connection with MEC's financings.

ARTICLE EIGHTEEN: SURVIVAL OF OBLIGATIONS & ASSUMPTIONS OF LIABILITIES

18.1 The Parties' obligations under Sections 15.4 and 15.5 shall survive cancellation of this Agreement. In addition, Committee Member shall remain bound by its obligations and covenants set forth in Sections 5.10, 5.13, 5.14, 5.15 and 5.16 following termination of this Agreement. Surviving documents and agreements include, but are not limited to, the following:

- Exhibit A List of Cities and Their Delivery Points

- Exhibit B Contact/Notice Information for Cities and MEC
- Exhibit C Pool Members' Load Forecasts
- Exhibit D Services
- Exhibit E Resource Credits
- Exhibit F Joinder
- Exhibit G Procedures for Forecasting
- Exhibit H Rating of Diesel and Combustion Turbine Generating Equipment
- Exhibit I Interest Rates
- Exhibit J Dispatch Principles
- Exhibit K Peaking Unit Exercise Standards
- Exhibit L Peaking Unit Reliability Standards
- Exhibit M Power Supply and Transmission
- Exhibit O Joint PURPA Implementation Plan

ARTICLE NINETEEN: MISCELLANEOUS

19.1 The rights and obligations of the Parties under this Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Missouri, without regard to conflicts of law doctrines.

19.2 Unless otherwise expressly provided for in this Agreement, all communications and notices to a Party in connection with this Agreement shall be in writing, by facsimile or by email, and any such notice shall become effective (a) upon personal delivery thereof, including by overnight mail or next Business Day or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, (c) in the case of notice by facsimile, upon transmission thereof, provided that in addition to such transmission a confirmation copy of the notice is also provided promptly by either of the methods set forth in clause (a) or (b) above, or (d) in the case of email, upon transmission thereof, provided that in addition to such transmission a confirmation copy of the notice is also provided by either of the methods set forth in clause (a) or (b) above. All notices provided by the means described in clauses (a), (b), (c) or (d) above shall be sent to the address(es) for the applicable Party(ies) as set forth in Exhibit C. Each Party may update its contact information in Exhibit C by written notice to the other Parties. Notwithstanding Section 19.10, such modifications to Exhibit C shall be made as a ministerial matter and do not require formal amendment.

19.3 This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

19.4 Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law; but if any provision of this Agreement shall be prohibited by or deemed invalid under any applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

19.5 This Agreement shall be binding upon the Parties and their respective successors and permitted assigns.

19.6 Except as expressly provided herein, none of the provisions of this Agreement are intended for the benefit of any Person other than the Parties, their respective successors and permitted assigns.

19.7 This Agreement states the rights of the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, oral or written, with respect thereto.

19.8 Headings and the table of contents used in this Agreement (including headings used in any exhibits attached hereto) are for convenience of reference only and shall not affect the construction of this Agreement.

19.9 The exhibits are incorporated herein by reference and made a part hereof.

19.10 No waiver by any Party of any one or more defaults by another Party in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature. Any delay, less than any applicable statutory period of limitations, in asserting or enforcing any rights under this Agreement shall not be deemed a waiver of such rights. Failure of any Party to enforce any provisions hereof shall not be construed to waive such provision, or to affect the validity of this Agreement or any part thereof, or the right of the Party thereafter to enforce each and every provision thereof.

19.11 This Agreement shall not be construed to create a joint venture or partnership relation between or among the Parties.

19.12 Each Party shall promptly and duly execute and deliver such further documents and assurances for and take such further actions reasonably requested by one or more of the other Parties, all as may be reasonably necessary to carry out the purposes of this Agreement.

19.13 Except with respect to the Exhibits as provided herein, this Agreement may not be amended, supplemented or otherwise modified, other than pursuant to an instrument or instruments in writing executed by MEC and the Cities.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed and delivered under seal by its duly authorized representative as of the date set forth below.

MISSOURI ELECTRIC COMMISSION

By: _____

Name: John Twitty
Title: President and CEO

Attest: _____

Name: Konda Bentley
Title: Manager – Admin. Services

Dated: _____

CITY OF MONETT, MISSOURI

By: _____

Name: Mike Brownsberger

Title: Mayor

Attest: _____

Name: Angie Irwin

Title: City Clerk

Dated: _____

CITY OF MOUNT VERNON, MISSOURI

By: Jason Haymes

Name: Jason Haymes

Title: Mayor

Attest: Joe Kelley

Name: Joe Kelley

Title: City Administrator

Dated: 03/26/2024

CITY OF LOCKWOOD, MISSOURI

By: _____

Name: Linda Schilling

Title: Mayor Pro-Tem

Attest: _____

Name: Joy Finley

Title: City Clerk

Dated: _____

EXHIBIT A

List of SWMPEP Cities and their Delivery Points

Member City	Delivery Point(s)	Delivery Voltage	Metering Point	Metering Voltage	Transformer Capacity At 55° C
Monett	Substation 311 7th and Broadway Streets	69 kV	Low side	12.470 kV	12 MVA
	Substation 352 1500 North Fourth Street	69 kV	Low Side	12.470 kV	7.5 MVA
	Substation 376, Summit and Hickory Streets	69 kV	Low Side	12.470 kV	12 MVA
	Substation 416, 1/4 mile North of Highway 60 on Chapel Drive	69 kV	Low Side	12.470 kV	7.5 MVA
	Substation 460 near Pierce City	12.47 kV	Monett Airport, South of Highway 60 on the west side of Highway 97	12.470 kV	3.75 MVA
Mount Vernon	Substation 348, 200 N. Spring Park Blvd..	69 kV	Low Side	4.160 kV	7.5 MVA
	Substation 420, Kirby and Hamilton Streets	69 kV	Low Side	12.470 kV	7.5 MVA
	Mount Vernon substation, 965 N. Main	68 kV	Low Side	12.470 kV	12.5 MVA

EXHIBIT B

Contact/Notice Information for Cities and MEC

FOR MEC

Chief Electric Operating Officer
Missouri Electric Commission
2200 Maguire Blvd. Columbia, MO 65201
P: 573-445-3279

With a copy to: contractnotices@mpua.org

FOR MONETT

General Manager – Utilities
City of Monett
217 5th Street
Monett, MO 65708
P: 417-235-3300

Email: skip.schaller@cityofmonett.com

FOR MOUNT VERNON

City Administrator
City of Mount Vernon
P.O. Box 70
109 N Hickory
Mount Vernon, MO 65712
P: 417-466-2122

Email: jkelly@mtvernon-cityhall.org

EXHIBIT C

Pool Members' Load Forecasts

EXHIBIT D

Services

MEC will arrange for each City, through SWMPEP, to have the following services, in quantities sufficient to meet the City's full requirements.

- Capacity
- Energy
- Transmission (including congestion management, FTRs, and associated requirements)
- Generation Scheduling and Dispatch
- Reactive Supply and Voltage Control from Generation Sources
- Regulation and Frequency Response
- Energy Imbalance Service
- Operating Reserve – Spinning Reserve Service
- Operating Reserve – Supplemental Reserve Service
- Metering equipment, metering data collection, and similar services
- Market Settlements
- TCR/FTR Management
- RTO Market Administration
- MEC Owned Unit Offers

EXHIBIT E

Resource Credits

SWMPEP will provide the following bill credits to resources made available by a member for Pool use. Peak Unit Energy Quotes and annual hours of availability for scheduling may be stated by a member on a unit-by-unit basis.

EXHIBIT F

Form of Joinder for New Cities

THIS JOINDER to the Power Supply and Administration Agreement (the “Agreement”) among Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission (“MEC”) and the members of SWMPEP (this “Joinder”) is entered into by and between [*New City*] (the “Joining Party”) and MEC as of the [] day of [] (which shall be the “Effective Date” applicable to the City for purposes of the Agreement).

The Joining Party is a member of MEC and, by the execution and delivery of this Joinder, agrees to become a City pursuant to the Agreement. MEC and the Cities that have previously become Parties to the Agreement have consented to the joinder of the Joining Party (and authorized MEC’s execution of this Joinder) pursuant to Section 2.2 of the Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder, as of the date hereof, it shall (without limitation) (i) be deemed to be a signatory to the Agreement, (ii) be deemed to have made the representations and warranties set forth in Article Sixteen to MEC and each other City, (iii) agree that the representations made with respect to the Agreement shall be deemed to include this Joinder, (iv) agree to be bound by the terms of the Agreement, (v) agree that each other City is a third-party beneficiary of this Joinder and (vi) have all of the rights, remedies, powers, privileges and obligations of a City under the Agreement from and after the date of this Joinder, provided, however, that the Joining Party’s Agreement shall not commence until [_____]. The Joining Party’s initial City Percentage shall be [____%], which shall be reflected in an amendment to Exhibit A.

The Joining Party hereby specifies that its address for notices under the Agreement shall be as follows, and Exhibit C will be amended to include this information:

Attention:
[*Joining Participant*]
[*Street*]
[*City, State, Zip Code*]

[Set forth any provisions for reimbursement to earlier-joining Cities for start-up costs and how MEC will collect and distribute the funds.]

IN WITNESS WHEREOF, the undersigned have caused their duly authorized officers to sign this Joinder on the date first set forth above.

[Joining Party]

By _____
Name: _____
Title: _____

Missouri Electric Commission

By _____
Name: _____
Title: _____

EXHIBIT G

Procedures for Forecasting

These procedures will be reviewed annually and may be revised to incorporate experience or to include the treatment of customer-side measures in load and resource forecasts.

Resource Forecasts

Prior to November 1 of each year, each Pool Member will advise MEC of its accredited capacity resources (including each generating unit and power supply contract with an entity other than MEC) available to SWMPEP for scheduling during the forecast period selected by MEC, which shall be at least five calendar years. Each Pool Member shall identify the capacity rating at which it seeks to accredit each resources; such capacity rating shall be the level at which a unit is capable of safely functioning during any and all operating conditions, except during periods of scheduled maintenance or forced outage, consistent with the reliability standards set by the Pool Committee and Article V. Any such capacity rating shall be subject to verification by test based on summer temperatures. In such forecast for each resource, the Pool Member shall make specific note of any changes in a unit rating or contract amount expected to occur during the forecast period, whether due to downgrades, improvements, or otherwise. The Pool Member shall also advise MEC of any plans and preliminary plans for unit retirements during the forecast period, and submit to MEC any proposals for new generating units or new power supply contracts which might be developed by Pool Member during the forecast period, and any proposals to remove any existing units(s) from commitment to SWMPEP. Accreditation for any new unit or power supply contract will be granted only if such new resources are adopted by the Pool Committee as part of the overall supply plan for SWMPEP, and the credits to be provided for any new resources so accredited shall be consistent with the value of such resources to SWMPEP.

Each Pool Member shall also advise MEC of a significant change in resources identified between such annual submissions.

Each Pool Member shall fully inform MEC of any physical, contractual, or permit limitations applicable to each of its resources. A Pool Member may indicate seasonal ratings applicable to a resource.

MEC will compile all such information provided on Pool Member resources (modified as indicated by any tests performed in accordance with Section 5.5) together with any other resources available to SWMPEP. This compiled information shall be submitted to the Pool Committee for approval as the SWMPEP Resource Forecast.

Load Forecasts

Prior to November 1 of each year, each Pool Member will advise MEC of the general state of load growth or decline on its system and will identify any specific significant load gains and load losses anticipated during the forecast period selected by MEC, which shall be at least five calendar years, that would distort historical trends. It is anticipated that MEC's load forecaster will visit each Pool Member annually to discuss and see the status of city development.

MEC will use a time-series (trending from historical data) method to forecast capacity and energy loads, modified for significant identified new loads and load losses that would distort historical trends. Load forecasting for generation resource planning will be on a "top down" (combined system) basis. Transmission planning will use a "bottom up" (individual city) approach. The forecast will be reviewed annually and improved by experience.

MEC will combine the development data provided by members with metered load data, make needed adjustments for weather and other factors, and produce the SWMPEP forecasts of monthly and annual loads.

A range of forecasts is to be produced: low, expected, and high loads. Such forecasts shall be submitted to the Pool Committee for approval as the SWMPEP Load Forecast.

Resource & Load Forecasts for any Pool Member shall both use values net of internal plant load, provided that if net figures are not convenient or accurate, then gross figures shall be used for both resources and loads of that member.

EXHIBIT H

Rating of Diesel and Combustion Turbine Generating Equipment

EXHIBIT I

Interest Rates

Interest Rates

Late Interest Rate shall mean, for any date, the lesser of (a) $1/365$ of the sum of the per annum prime lending rate as may from time to time be published in The Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published) plus two percentage points (200 basis points) and (b) the maximum rate permitted by applicable law. In applying the Late Interest Rate, interest shall be compounded daily.

EXHIBIT J
Dispatch Principles

EXHIBIT K

Peaking Unit Exercise Standards

EXHIBIT L

Peaking Unit Reliability Principles

EXHIBIT M

Power Supply and Transmission

**Exhibit M - Transmission
2023**

City	Peak in 2023	%	Allocation of MW	Allocation of MW
			Path X	Path Y
Monett	46.0	75.41%	0.0	0.0
Mt Vernon	15.0	24.59%	0.0	0.0
SWMPEP Total	61.0	100.00%	0.0	0.0

**Exhibit M - Power Supply
2023**

City	Peak in 2023	%	Allocation of 25 MW
			Dogwood
Monett	46.0	75.41%	18.9
Mt Vernon	15.0	24.59%	6.1
SWMPEP Total	61.0	100.00%	25.0

EXHIBIT O
Joint PURPA Implementation Plan
SOUTHWEST MISSOURI PUBLIC
ENERGY POOL
PURPA IMPLEMENTATION
POLICY

I. Overview of Policy

This PURPA Implementation Policy ("Policy") sets forth the manner in which the Missouri Joint Municipal Electric Utility Commission DBA Missouri Electric Commission ("MEC"), as operator of the Southwest Missouri Public Energy Pool ("SWMPEP"), and the authorizing SWMPEP members will implement the requirements imposed upon them under Section 210 of the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA") and the rules adopted by the Federal Energy Regulatory Commission ("FERC") thereunder.

The SWMPEP Pool Committee has adopted this Policy to be applicable to all SWMPEP members that have provided to MEC their written authorization to participate in this Policy (each such member being referred to herein as an "Authorizing Member"). Appendix I to this Policy is a list of the Authorizing Members. This list will be updated to include additional Authorizing Members as necessary.

MEC and the Authorizing Members are electric utilities subject to the purchase and sale obligations under PURPA. MEC is a non-jurisdictional joint action agency and a body corporate and politic of the State of Missouri authorized by

legislation to construct, operate and maintain facilities for the production and transmission of electric power for its members, to purchase and sell wholesale electric power and energy, and to enter into agreements with any person for transmission of electric power. It is organized on a statewide basis to promote efficient wheeling, pooling, generation, and transmission arrangements to meet the power and energy requirements of municipal utilities in the state.

SWMPEP is a power pool operated by MEC pursuant to the Amended and Restated Missouri Public Energy Pool #1 Agreement. SWMPEP currently has 2 municipal electric utility members. MEC, as administrator of SWMPEP, is the full-requirements supplier for the SWMPEP members, and meets their wholesale capacity and energy requirements through certain resources contributed by the pool members, and through generating and purchased-power resources owned or otherwise arranged for by MEC. The SWMPEP members are municipal electric utilities serving retail customers in their service territories.

This Policy is intended to advise the public of the basic approach and general guidelines for allowing QFs to interconnect with the electric utility systems of MEC and the Authorizing Members, to sell electric energy and capacity to MEC, and to purchase retail electric service from the Authorizing Members.

Under this Policy,

- MEC will purchase all energy and capacity offered by QFs to MEC or any of the Authorizing Members, (unless such energy is net metered in accordance with Missouri law¹)

¹ This Policy is not applicable to energy provided by any QF that is also a "qualified electric energy generation unit" that has requested net metering and interconnection with an Authorizing Member pursuant to the Net

- The Authorizing Members will sell, at retail, all energy and capacity required by QFs located in their retail service territories; and
- If a QF seeks to interconnect with MEC-owned transmission facilities that are not located within the retail service territory of an Authorizing Member, upon request, MEC will assist the QF in locating a supplier of supplemental, backup, maintenance, and interruptible power.

MEC will offer a standard purchase rate or a negotiated rate for energy and capacity (if avoided) produced by QFs interconnected with MEC or an Authorizing Member. The standard purchase rate will be determined by MEC based on its "avoided cost," *i.e.*, the costs to MEC of the electric energy that MEC would otherwise generate or purchase from another source if not purchased from the QF. The rate and methodology will be reviewed periodically, and will be subject to revision based on future changes to various factors, which may include MEC's delivered cost of fuel, plant generation characteristics, capacity needs, cost of purchased power, transmission costs, operating experience with QFs, MEC's (or Southwest Power Pool's) ability to dispatch the QF, the expected or demonstrated reliability of the QF, the terms of any legally enforceable obligation, the extent to which the QF's scheduled outages can be usefully coordinated with those of MEC's other generating resources, the usefulness of the QF's energy and capacity during system emergencies and the QF's ability to separate its load from its generation, the individual and aggregate value of energy and capacity from QFs, and/or the smaller capacity increments and shorter lead times available with additions of capacity from QFs. MEC reserves the right to analyze each QF's cost impact and adjust rate provisions to reflect power supply characteristics.

Metering and Easy Connection Act, MO REV. STAT. § 386.890.1 (2015). Arrangements between such QFs and the applicable Authorizing Member shall be made in accordance with the Missouri net metering law.

Upon request by a QF located within an Authorizing Member's retail service territory, the Authorizing Member shall offer supplemental, back-up, and maintenance power on a firm or interruptible basis. The Authorizing Members will sell energy and capacity to QFs located within their retail service territories under their applicable retail tariffs or at rates equal to the rates to the Authorizing Members' other customers with similar load and other cost-related characteristics. Each Authorizing Member has undertaken to sell energy and capacity at rates that are nondiscriminatory, just and reasonable, and in the public interest.

Implementation of the purchase and sale requirements in this manner will provide QFs with a market for their power at rates comparable to the rates the Authorizing Members could offer and will meet the needs of QFs for supplementary, back-up, and maintenance power in a manner consistent with the retail functions of the Authorizing Members.

This Policy does not include a form of the contract to be entered into between MEC and a QF for the purchase of the QF's output. Nor does this Policy include a form of the contract to be entered into between an Authorizing Member and a QF for the interconnection of the QF to the Authorizing Member's municipal electric system and/or the provision of retail electric service to the QF. The terms and conditions of such contracts are expected to vary depending on the nature of the QFs. However, MEC and the Authorizing Members intend to require such contracts be executed by each QF. Such contracts will provide detailed terms and conditions including interconnection requirements, metering, rates, and those terms necessary to accommodate safety and reliability concerns.

MEC intends to file with FERC, on behalf of itself and the Authorizing Members,

a petition seeking waiver of Sections 292.303(a) and 292.303(b) of FERC's Regulations² to permit this Policy to be placed in effect as proposed. If granted, the effect of the waiver will be to transfer the must-purchase obligation of the Authorizing Members from them to MEC, and place the must-sell obligation on the Authorizing Members. Additionally, MEC intends to file with FERC one or more applications seeking waiver of MEC's must-purchase obligation for QFs greater than 20 MW pursuant to Section 292.309(a) of FERC's Regulations.³

FERC has granted waivers under Section 292.303(a) and 292.303(b) in other similar situations.⁴ This Policy is similar to policies adopted by other joint action agencies and cooperatives and their members. FERC has also granted waivers of must-purchase obligations with respect to QFs greater than 20 MW pursuant to Section 292.309(a) in the Southwest Power Pool⁵ and for joint action agencies in other Regional Transmission Organizations.⁶ If the requested waivers are not granted, MEC and the Authorizing Members will take such other actions, if any, as may be required to comply with PURPA and the rules adopted thereunder by FERC.

MEC and the Authorizing Members believe that the integrated approach to PURPA implementation as described herein will not adversely affect QFs. Indeed,

² 18 CFR §§ 292.303(a) and (b) (2014).

³ 18 CFR § 292.309(a).

⁴ See *Oglethorpe Power Corp.*, 32 FERC ¶ 61,103 (1985), *reh'g granted in part and denied in part*, 35 FERC ¶ 61,069 (1986), *aff'd sub nom. Greensboro Lumber Co. v. FERC*, 825 F.2d 518 (D.C. Cir. 1987); *Seminole Electric Cooperative, Inc.*, 39 FERC ¶ 61,354 (1987); *Missouri Basin Municipal Power Agency*, 69 FERC ¶ 62,250 (1994); *Com Belt Cooperative*, 68 FERC ¶ 62,249 (1994); *Southern Illinois Power Cooperative*, 66 FERC ¶ 62,010 (1994); *Northwest Iowa Power Cooperative*, 57 FERC ¶ 62,079 (1991); *Soyland Power Cooperative, Inc.* 50 FERC ¶ 62,072 (1990); *Western Farmers Electric Cooperative*, 115 FERC ¶ 61,323 (2006); *Missouri Basin Municipal Power Agency*, Docket No. EL09-13-000, Letter Order (Feb. 6, 2009); *Arkansas Public Service Comm'n, et al.*, Docket No. EL09-37-000, Letter Order (April 30, 2009); *Missouri River Energy Servs.*, 145 FERC ¶ 62,022 (2013).

⁵ *E.g., Xcel Energy Servs., Inc.*, 122 FERC ¶ 61,048 (2008), *reh'g denied*, 124 FERC ¶ 61,073 (2008).

⁶ *E.g., Missouri River Energy Servs.*, 145 FERC ¶ 62,023 (2013) (approving a joint action agency's request to waive the must-purchase obligation for resources greater than 20 MW in Midcontinent Independent System Operator, Inc.).

MEC and the Authorizing Members believe the proposed approach will facilitate the development of QFs.

II. Introduction

A. Intent of Policy

This Policy is intended to set forth the basic approach and general guidelines for allowing QFs to interconnect with MEC and Authorizing Members' electric utility systems in accordance with rules adopted by FERC implementing PURPA Section 210.

B. Utilities Subject to Policy

MEC and all Authorizing Members, as listed in Appendix I, are subject to this Policy. This Policy addresses purchases from and sales to all QFs seeking to interconnect to transmission or distribution facilities owned by MEC or any Authorizing Member, except for QFs that are also "qualified electric energy generation units" that have requested net metering and interconnection with an Authorizing Member pursuant to the Net Metering and Easy Connection Act.

III. STATEMENT OF POLICY

A. The Policy

It is the policy of MEC and the Authorizing Members: (i) to permit any QF to interconnect with the electric systems of MEC or any Authorizing Member; (ii) to permit any QF (unless the energy provided by the QF is net metered in accordance with Missouri law), to sell energy and capacity to MEC at rates equal to MEC's avoided costs

or at a negotiated rate; and (iii) to permit any QF to purchase supplemental, back-up and maintenance power from an Authorizing Member on either a firm or interruptible basis, at rates that are nondiscriminatory, just and reasonable, and in the public interest. In order to effectuate this Policy, MEC and the Authorizing Members expressly undertake the following obligations: (a) MEC will be ready and willing to purchase power from any QF from which an Authorizing Member would otherwise be required to purchase; (b) no QF will be subject to duplicative interconnection charges or duplicative charges for wheeling power to MEC across the lines of an Authorizing Member; (c) no QF will be subject to duplicative charges or additional fees as a result of MEC's purchase of QF power that would otherwise be purchased by an Authorizing Member; (d) no QF will be subject to duplicative interconnection charges or duplicative charges for wheeling of supplemental,

back-up, or maintenance power from an Authorizing Member; and (e) no QF interconnected

directly with MEC and purchasing supplemental, back-up, or maintenance power from an Authorizing Member will be charged for the cost of facilities required to receive such power other than the cost of such facilities had the QF purchased such power from MEC. MEC and the Authorizing Members' undertakings expressed above are, in each case, subject to the other express and implied terms and conditions of this Policy and the other requirements imposed by law.

Because this Policy outlines the basic approach that MEC and the Authorizing Members intend to use to fulfill their separate obligations under PURPA, MEC and/or a given Authorizing Member may depart from this Policy to the extent authorized by law if they mutually determine that the departure is reasonably necessary in connection with a particular QF. In addition, the Pool Committee shall amend this Policy from time to time as necessary or appropriate to comply with requirements imposed by FERC or any other governmental entity having jurisdiction over MEC and/or the Authorizing Members, or any other entity with authority to establish reliability requirements applicable to, or impose such requirements on, MEC and/or the Authorizing Members.

This Policy reflects an integrated approach to implementing MEC's and the Authorizing Members' obligations under PURPA and the FERC Rules. This approach recognizes the function of MEC as wholesale supplier to the Authorizing Members and the retail service function of the Authorizing Members, while assuring each QF of both a market for its power and (where the QF is connected to an Authorizing Member) a source of any necessary back-up, maintenance, and supplemental service, on either a firm or interruptible basis. Pursuant to Section 292.303(a) of FERC's Regulations,⁷ an electric utility is obligated to purchase only the energy and capacity which is "made available" from a QF. Section 292.304(d) of FERC's Regulations⁸ clarifies that each QF shall have the option to determine the amount of energy or capacity "available" for purchase. Accordingly, this Policy does not require a QF to sell all of its energy and capacity to MEC, but rather just the amount the QF wishes to make "available" for such purchases.

No QF will be permitted to interconnect and operate in parallel with the electric system of MEC or an Authorizing Member without the prior knowledge and approval of

⁷ 18 CFR §292.303(a).

⁸ 18 CFR §292.304(d).

such utility and without entering into a satisfactory written contract. A QF interconnecting with an Authorizing Member and selling to MEC will not be subject to duplicative interconnections or wheeling charges. To the extent that additional costs of wheeling (*i.e.*, beyond the Authorizing Member's facilities) are necessitated by MEC's purchases of the QF's power (rather than the Authorizing Member's purchases), such costs will be borne by MEC (rather than the QF). This Policy does not require any Authorizing Member to transmit QF output in connection with sales to a purchaser other than MEC.

Where a QF is interconnected to transmission or distribution facilities owned by MEC or an Authorizing Member and located within the retail service territory of an Authorizing Member, the purchase of capacity and energy by the QF will be made pursuant to separate arrangements between the QF and the applicable Authorizing Member and shall be in accordance with applicable law and the Authorizing Member's applicable rates, rules, and regulations governing retail service. The terms of the arrangements between MEC, the Authorizing Member, and the QF shall be consistent with the Authorizing Member's tariff or consistent with rates to the Authorizing Member's other customers with similar load or other cost-related characteristics.

Where a QF seeks to interconnect with MEC-owned transmission facilities that are not located within the retail service territory of an Authorizing Member, upon request MEC will assist the QF in locating a supplier of supplemental, backup, maintenance, and interruptible power. MEC makes no commitments regarding the availability of such suppliers, nor their rates and charges or terms of service.

B. Metering Requirements

MEC and the Authorizing Members require as a condition to the purchase of capacity and energy from a QF the installation of proper metering equipment to permit

inclusion of the quantities in MEC's monthly energy and capacity accounting. The amount of energy and capacity purchases from the QF by MEC shall not normally be netted against the energy and capacity purchased by the QF from the Authorizing Members, unless required by applicable rules and regulations adopted by entities having jurisdiction over MEC and the Authorizing Members.

MEC shall adopt nondiscriminatory policies and procedures concerning metering requirements applicable to QFs as required. MEC shall make such policies and procedures available to QFs for review.

C. Additional Interconnection Requirements

The following additional requirements shall apply to all purchases from QFs under this Policy:

- (i) The operator of the QF shall be responsible for all costs associated with electric interconnection of the QF to MEC's or the Authorizing Member's system, including such automatic relaying and system protection which MEC or the Authorizing Member believes necessary for safety reasons, electric wiring and apparatus, protective equipment and an interconnection switch. MEC and the Authorizing Members have the right to refuse to interconnect or to discontinue the QF's connection if wiring and apparatus do not meet appropriate safety requirements and all applicable codes, including, but not limited to, the National Electrical Code, National Electrical Safety Codes, or other local, state, or national codes.
- (ii) MEC or the Authorizing Members shall own, install and maintain the required metering equipment to integrate the input quantities into MEC's monthly source energy and power accounting. The operator of the QF shall be responsible for all reasonable costs for purchase, installation and maintenance

of such metering equipment and shall provide adequate access to its premises so that MEC or the Authorizing Members may install and maintain such metering equipment. MEC or the Authorizing Members may assess interconnection costs against a QF on a nondiscriminatory basis with respect to other customers with similar load characteristics and shall determine how such payments are to be made.

- (iii) Neither MEC nor any Authorizing Member will permit interconnection between its system and a QF unless the QF meets the applicable standards and/or regulations, rules and policies for interconnection, safety, and operating reliability, as the same may be amended from time to time. Further, in order to remain interconnected, the QF must continue to satisfy appropriate safety and reliability standards.
- (iv) MEC and the Authorizing Members reserve the right to adopt additional nondiscriminatory policies and procedures concerning interconnection requirements applicable to QFs. MEC shall make such policies and procedures available to QFs for review.

IV. REQUEST FOR WAIVER

The FERC Rules require each wholesale electric utility, such as MEC, and each retail electric utility, such as the Authorizing Members, to buy energy and capacity from, and to sell energy and capacity to, QFs. Through this Policy, MEC and the Authorizing Members will have adopted an integrated approach to implementing their obligations under PURPA, and the FERC Rules, under which (1) MEC will purchase energy and capacity from QFs (unless such energy is net metered in accordance with Missouri law), and the Authorizing Members will provide retail service to QFs located within their retail service territories, and (2) upon request, MEC will assist any QF that is

connected to MEC- owned transmission facilities that are not located within an authorized Members' retail service territory in finding a retail power supplier.

MEC and the Authorizing Members will request waivers of certain of the FERC Rules implementing PURPA in order to allow MEC and the Authorizing Members to implement this Policy. Specifically, MEC will request, on behalf of the Authorizing Members, a waiver of the Authorizing Members' must-purchase obligation and, on behalf of itself, a waiver of its must-sell obligation. MEC and the Authorizing Members have concluded that, given the benefits of the proposed integrated approach to PURPA implementation, requiring the Authorizing Members to purchase from QFs and MEC to sell to QFs is not necessary to facilitate cogeneration and small power production. MEC and the Authorizing Members have determined that purchases by MEC on behalf of the Authorizing Members will adequately facilitate cogeneration and small power production in part because each Authorizing Member's avoided costs should be equal to MEC's avoided costs. Therefore, by centralizing purchases from QFs, QFs will be afforded a greater market for their power while at the same time receiving the same price for their power as they would have by selling to an individual Authorizing Member. In addition, MEC intends to request a waiver of the mandatory purchase requirement with respect to QFs of greater than 20 MW that have access to centralized markets.

This Policy is premised on the waivers previously described. Because this integrated approach will not adversely affect QFs and is intended to facilitate cogeneration and small power production, MEC and the Authorizing Members intend to operate under this Policy during the pendency of the waiver requests. If FERC denies any of the requested

waivers, this Policy will be revised or may be terminated. Any revision required as a result of a denial of a waiver request, or upon order of FERC as a condition to the waiver, will be made available as soon as practicable.

Persons desiring information about this waiver request, including a copy of the waiver request filed by MEC and the Authorizing Members with FERC, may contact:

Chief Electric
Operations Officer
MEC
2200 Maguire Blvd.
Columbia, MO 65201

IV. Additional Information

Persons requiring additional information concerning the interconnection of a QF with MEC or an Authorizing Member, or the rates, terms and conditions of purchases from or sales to QFs, should contact the following:

Chief Electric
Operations Officer
MEC
2200 Maguire Blvd.
Columbia, MO 65201

APPENDIX I
AUTHORIZING MEMBERS

[TO BE ADDED AS MEMBERS AUTHORIZE THE RULES]