

UNION ELECTRIC COMPANY

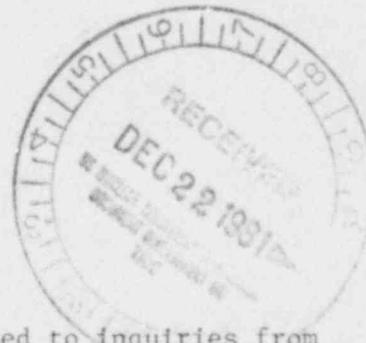
1901 GRATIOT STREET
ST. LOUIS, MISSOURI

DONALD F. SCHNELL
VICE PRESIDENT

December 15, 1981

MAILING ADDRESS:
P. O. BOX 149
ST. LOUIS, MISSOURI 63106

Mr. Jerome Saltzman
Chief - Utility Finance Branch
Division of Engineering
Office of Nuclear Reactor Regulation
Nuclear Regulatory Commission
Washington, D.C. 20055



Dear Mr. Saltzman:

On February 11, 1981 Mr. John K. Bryan responded to inquiries from your office relative to the antitrust review of Union Electric Company in connection with our application for an operating license for the Callaway nuclear plant. Our response to Question 1.h. indicated that you would be informed when the Electric Service Agreement between our subsidiary, Missouri Power & Light Company (MP&L) and the City of Marceline, Missouri (Marceline), had been modified to include certain new language in paragraph 5 of that Agreement.

A new Electric Service Agreement was entered into on October 19, 1981 between MP&L and Marceline, a complete copy of which is enclosed for your files. For your information, Bill No. 35.595, Ordinance No. 35.595 passed by the Marceline City Council on October 19, 1981 authorized the Mayor to execute the Agreement. Paragraph 5 of the Agreement incorporates in substantial form the paragraph quoted in Mr. Bryan's February 11 letter. The only differences between the executed contract and the version in Mr. Bryan's letter are:

- a) reasonable advance written notice is stated to be "at least six (6) months", and
- b) "substantial" new municipal use or resale of energy requiring advance written notice is defined to mean only those additional loads which will "result in a 1000 kW addition or more".

I believe this is the only outstanding item from the February 11 correspondence and so concludes that subject. If you need further information or clarification, please contact me.

Please acknowledge receipt of this information.

Very truly yours,

Donald F. Schnell

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DFS/bjp
Enclosures

cc: w/Enclosures: Messrs. L. A. Esswein
J. E. Birk
D. W. Capone

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PDR ADOCK 05000483
M PDR

ELECTRIC SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 13th day of October, 1981, by and between MISSOURI POWER & LIGHT COMPANY, a Missouri corporation, hereinafter referred to as "Company", and the CITY OF MARCELINE, MISSOURI, a municipal corporation, hereinafter referred to as "Customer".

WITNESSETH: That the parties hereto agree as follows:

1. Company shall supply and Customer shall accept and pay for electric energy it may require for its water works and other municipal operations, street lighting system, and for distribution and resale to its electrical customers. The rates to be charged by the Company under this agreement shall be in accordance with the current Municipal Electric Service Wholesale Rate, a copy of which is attached, or the applicable Municipal Electric Service Wholesale Rate which supersedes the attached rate. Company may change rates to be charged Customer during the term of the contract, but only with the approval of the appropriate regulatory agency having jurisdiction.

2. Company shall stand ready to supply to Customer during the term of this agreement 8,400 kilovolt amperes of electrical capacity, three phase, 60 hertz frequency, at approximately 7970/13,800 wye volts.

3. The points of delivery at which electric service shall be supplied, measured and accepted hereunder shall be at the point of metering between Company's stepdown transformer station located on Customer's electric plant premises and the electric conductors from Customer's distribution system to said point of connection. Company will furnish the necessary electric transmission line, substation, voltage regulating equipment and metering gear. All equipment provided and installed by Company shall remain the property of the Company, unless otherwise provided herein, and may be removed by it should the occasion for removal arise. Customer will furnish the necessary circuit protective equipment to receive and control the electric service supplied by Company.

4. Customer shall provide the right of-way for Company's electric transmission line along the alleys, streets and thoroughfares of the City and the land required for the Company-owned facilities.

5. In order to maintain the reliability and integrity of the interconnected system, to provide for the safe operation of the Company's facilities, and to ensure the flow of necessary information so that Company may, on a logical basis, plan for additional load on its supply and transmission facilities, Customer shall give Company reasonable advance written notice of at least six (6) months of proposed new municipal use or resale of this electrical energy which will result in a 1000 KW addition or more and shall consult with Company prior to such use or resale to determine that such use or resale is consistent with safe and reliable system operation.

6. The Company is to furnish and the Customer is to take and pay for electric energy under the terms of this agreement until July 24, 1983. Thereafter, this contract shall be automatically renewed for successive one (1) year periods unless terminated as provided in this paragraph. This contract shall not be terminable by either party under this paragraph for the first year of the agreement. Either party intending to terminate service under this agreement after the expiration of

the first year shall deliver to the chief executive officer of the other party not less than ninety (90) days written notice of such intent specifying the date of termination and, in the case of notice delivered by the Customer, also specifying the source of electric energy to be utilized upon the termination of service. The party which shall have delivered a written notice in compliance with this paragraph may, at any time prior to the date specified therein, withdraw the notice by delivering to the other party in compliance herewith either a written notice of withdrawal or a new written notice of its intent to terminate service not less than ninety (90) days thereafter. Service under this agreement shall be terminated on the date specified in any delivered and pending written notice complying with this paragraph. Nonetheless, service between the parties may be continued by their mutual consent or order of any regulatory body having jurisdiction, under the rates and conditions then in effect.

7. To support Company's investment in the facilities necessary to serve Customer, Customer shall pay a minimum amount of Four Thousand Dollars (\$4,000.00) per month, said minimum charge including kilowatt hours billed under the terms of this contract. The minimum charge shall apply for any calendar month in which service is available to Customer under this agreement.

8. Company shall render bills for service furnished pursuant to the terms of this agreement on or about the first of the month following that in which service is rendered and payment shall be due within ten (10) days after the bills are rendered. In the event that such bills are not paid within ten (10) days after written notice of delinquency, the Company may suspend the supply of energy upon reasonable notice; provided, however, that nothing contained herein shall release Customer from the payment of any sum due for service furnished at the time the supply may be so suspended or from the other provisions of this agreement regarding the responsibilities of Customer.

9. Company shall use reasonable diligence in furnishing a regular and uninterrupted service, but in case such service should be interrupted and fail by an Act of God or public enemy, fire, explosion, flood, strike, insurrection, mob violence, governmental interference, breakdown or injury to machinery or distributing lines, extraordinary repairs or other accident or causes not reasonable within its control, Company shall not be liable in damages to or loss of property or injuries (including death) to persons caused directly or indirectly by any such interruption of service and such interruption shall not constitute a breach of this agreement on the part of Company.

10. Should Customer be prevented from taking service herein agreed upon by reason of fire, explosion, flood, mob violence, insurrection, governmental interference, strike of City employees or accident, rendering necessary complete cessation of City's operation for a period in excess of thirty (30) days, this agreement shall be suspended temporarily until such time as operation can be resumed. In the event of such temporary discontinuance of service, this contract shall be extended for a period equal to the term of suspension.

11. Neither party to this agreement shall be liable or responsible to the other party for any loss or damage to property or injury to or death of persons, whether suffered by its agent or employees or by any third person, persons, or corporation, resulting from the location, use or operation of the electrical or other equipment located beyond the point its service lines connect with those of the other or from electrical energy present therein or escaping therefrom, and each party shall indemnify and save the other harmless from all such loss, damage, injury or death. Neither party shall be liable or responsible to the other under any circumstances for loss by fire, regardless as to how said fire originated.

12. This contract is executed in triplicate and shall inure to and be binding upon the successors and assigns of the respective parties hereto. No modification hereof shall be binding unless in writing duly accepted by Company and Customer and approved by their respective officers.

13. This agreement is subject to approval by all regulatory bodies having jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective proper officers thereunto duly authorized, as of the day and year first above written.

MISSOURI POWER & LIGHT COMPANY

ATTEST:

Patricia L. Strader
Patricia L. Strader, Assistant Secretary

By David C. Harrison
David C. Harrison, President

CITY OF MARCELINE, MISSOURI

ATTEST:

By Raymond Fessler
Mayor

[Signature]
City Clerk

APPROVED FOR EXECUTION:

Larry Rushing
Director of Industrial Engineering & System Planning

Randall P. Palmer
Attorney

Charles C. [Signature]
Vice President - Operations

MISSOURI POWER & LIGHT COMPANY
FERC Electric Tariff

Electric

Municipal Electric Service Wholesale Rate

Rate Designation - MESWR

Available: To all municipal electric wholesale customers served by Missouri Power & Light Company (Company) or potential municipal electric wholesale customers located in Company's electric service territory.

Applicable: To electric energy delivered by Company as three phase alternating current at a frequency of approximately 60 cycles as may be available at a location approved by Company. If additional investment is required by the Company to serve the customer, the Company will be entitled to a minimum bill guarantee or additional revenue to compensate for the incremental investment.

Demand and Energy Rates:

Demand Charge:

\$7.62 per month per Kva of billing demand

Energy Charge:

1.82¢ (\$.0182) for actual Kwh usage to 300,000 Kwh or the first 100 Kwh per Kva billing demand, whichever is greater

1.56¢ (\$.0156) for additional Kwh usage

Determination of Demand: Shall be by measurement with any instrument or method of measurement suitable to obtain the average load in kilovolt amperes required in any period of fifteen consecutive minutes during the interval between regular monthly meter readings.

Billing Demand for Non-Generating Municipals: The billing demand for any month shall be the highest demand established by the customer during such month.

Billing Demand for Generating Municipals: The billing demand for any month shall be the highest demand established by the customer during a Company designated peak period.

Peak period is defined as a daily period not to exceed eight (8) hours per day or to exceed forty (40) hours per week and does not include Saturdays, Sundays and nationally observed legal holidays. The peak period is to be designated by the Company, but will not be changed more than two (2) times in a calendar year.

Fuel Adjustment: To compensate for changes in Company's fuel cost per kilowatt hour (kwh) of sales, the charges for all kwh delivered by Company under the terms of this rate shall be subject to a monthly adjustment when the Company's weighted average fuel cost per kwh of sales, as determined by Company as set forth below, during the month is greater or less than 1.388¢ per kwh of sales, as follows:

DATE OF ISSUE _____
month day year

DATE EFFECTIVE _____
month day year

ISSUED BY _____
Name of officer

President..... Jefferson City, Mo.
Title Address

MISSOURI POWER & LIGHT COMPANY
FERC Electric Tariff

Electric

Municipal Electric Service-Wholesale Rate

Rate Designation - MESWR

For each increase or decrease in the fuel cost per kwh of sales above or below 1.388¢ per kwh, the unit of increase or decrease in the energy charge applicable to all bills rendered under the terms of rate shall be determined monthly in accordance with the following equation:

$$\text{Cents/Kwh} = \left(\frac{FC}{SC} - 1.388\text{¢} \right) (0.957)$$

Where:

FC = Company's cost of fossil and nuclear fuel during each current (c) monthly period which cost shall consist of the following:

- (1) fossil and nuclear fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants.
- (2) the actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in (3) below.
- (3) the net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less
- (4) the cost of fossil and nuclear fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518, except that Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

SC = All kwh sold by Company during the current (c) period excluding inter-system sales.

1.388 = Company's cost of fossil and nuclear fuel per kwh of sales (in cents/kwh) during the base period which cost consists

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name of officer

President Jefferson City, Mo.
title address

MISSOURI POWER & LIGHT COMPANY
FERC Electric Tariff

Electric

Municipal Electric Service Wholesale Rate

Rate Designation - MESWR

of items (1) through (4) described herein for the calculation of FC and which sales consist of all kwh sold by Company during the base period, excluding inter-system sales.

0.957 = A loss modification factor to properly allow for losses associated only with wholesale sales for resale.

Minimum Monthly Charge: The minimum monthly charge shall be the demand charge applied to the billing demand.

DATE OF ISSUE _____
month day year

DATE EFFECTIVE _____
month day year

ISSUED BY _____ President Jefferson City, Mo.