



**City of Kirkwood**

139 South Kirkwood Road  
Kirkwood, Mo. 63122-4393

September 27, 1984

50-483A

Mr. Robert E. Roundtree  
General Manager  
City Utilities of Springfield  
301 East Central  
Box 551  
Springfield, MO. 65801

Dear Mr. Roundtree:

This is a follow up to our conversation at the M.A.M.U. convention regarding the purchase of energy from Springfield. I discussed the purchase and wheeling of energy to Kirkwood with our Chief Administrative Officer and he indicated that he is very interested in proceeding if all the details can be worked out.

As you know, Kirkwood is presently a full requirement customer of Union Electric so any energy purchase, for now, would be for firm energy. We discussed the possibility of Springfield issuing a letter of commitment for twenty megawatts of firm energy to be wheeled into Kirkwood. The letter of commitment would give Kirkwood the opportunity to obtain a wheeling contract from Union Electric. When a wheeling contract has been obtained from Union Electric, a wheeling path can be determined with the assistance of the Pooling Commission.

In addition to a wheeling problem, Kirkwood has other concerns which must be resolved such as the energy cost, wheeling cost, and the biggest problem of all, the present rate filing of Union Electric for partial requirement customers.

The present rate filing by Union Electric for partial requirement customers, if upheld by F.E.R.C., would be \$29.00 on peak demand whereas a full requirement customer would only pay \$19.00 on peak demand. Our attorney in Washington, D.C. does not believe that F.E.R.C. will allow this rate for partial requirement customers. A settlement conference will be held some time during the next couple of weeks and this issue may be resolved.

I have also talked to Owen Ransdell of Hannibal about sharing the twenty megawatts of energy from Springfield. Owen expressed the same concern I had about the partial requirement rate but did express interest in such an arrangement. Owen and I both felt that Union Electric would be hard pressed to refuse two (2) municipals a wheeling contract. Kirkwood would be very interested in receiving a letter of commitment from Springfield for energy so a wheeling contract can be obtained.

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Mr. Roundtree  
Letter of Commitment  
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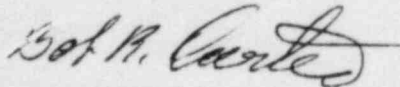
I also talked to Mike Brown, our administrator, about participating in your new generation plant. He expressed interest in the project. When the project moves to the point that you are actively soliciting participants, Kirkwood would be willing to sit down with Springfield and discuss Kirkwood participation in the project.

You realize, of course, that many questions would have to be resolved before our mayor and council would support such a project. I believe this is a case where we have to crawl before we can walk. I refer to the fact that before Kirkwood can participate in any generation project, a wheeling contract becomes an absolute must.

If you have any question or you feel that a meeting is in order prior to sending a letter of commitment for energy, please let me know. I and, possibly, Mike Brown would be very willing to come to Springfield for such a meeting.

I thank you for your concern and your willingness to help Kirkwood obtain a wheeling contract from Union Electric.

Sincerely yours,



Bob R. Carter  
Director, Electric Dept.

BRC/dc

cc: Michael Brown, Chief Administrative Officer  
William Lambe, N. R. C.