NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: Moody's: "A2"
Fitch: "A"
See "RATINGS" herein

In the opinion of Gilmore & Bell, P.C., Bond Counsel to MEC, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2023 Bonds is (1) excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, and (2) is exempt from income taxation by the State of Missouri. The Series 2023 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Series 2023 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

MPUA
Missouri Public Utility Alliance

$94,175,000
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION d/b/a MISSOURI ELECTRIC COMMISSION
POWER PROJECT REVENUE REFUNDING BONDS (IATAN 2 PROJECT) SERIES 2023

Dated: Date of Delivery **Due: As shown on the inside cover page**

The Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2023 (the "*Series 2023 Bonds*") offered hereby are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"), which initially will act as securities depository as described herein. Purchases of Series 2023 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Semiannual interest on the Series 2023 Bonds is payable each January 1 and July 1, commencing January 1, 2024, as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2023 Bonds, payments of the principal of and interest on such bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants (see "THE SERIES 2023 BONDS – Book-Entry Only System" herein).

The Series 2023 Bonds will be issued by the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission ("*MEC*") to provide funds, along with available cash to (a) currently refund and defease all of MEC's outstanding Power Project Revenue Bonds (Iatan 2 Project), Series 2014A, and (b) pay costs of issuance of the Series 2023 Bonds.

The Series 2023 Bonds and the interest thereon will be special, limited obligations of MEC, payable by MEC out of the Net Revenues (as defined herein) relating to the ownership and operation of the Iatan 2 Project (as defined herein) and certain other funds held under the Indenture referred to herein, and will be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined herein) to the Trustee under the Indenture in favor of the owners of the Series 2023 Bonds.

The Series 2023 Bonds are **not** subject to redemption prior to their respective stated maturity dates.

The Series 2023 Bonds and interest thereon will not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and will not constitute a pledge of the faith and credit of the State of Missouri or of any political subdivision thereof, but will be payable solely from the funds provided for in the Indenture. The issuance of the Series 2023 Bonds will not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

MATURITY SCHEDULE – See Inside Cover

The Series 2023 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to prior sale or withdrawal or modification of the offer without notice, and the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to MEC. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP. It is expected that the Series 2023 Bonds will be available for delivery in book-entry form through DTC in New York, New York on or about October 17, 2023.

RBC Capital Markets **Wells Fargo Securities**

BofA Securities **Citigroup** **Goldman Sachs & Co. LLC** **Stephens Inc.**

The date of this Official Statement is September 27, 2023.

$94,175,000

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
d/b/a MISSOURI ELECTRIC COMMISSION
POWER PROJECT REVENUE REFUNDING BONDS
(IATAN 2 PROJECT)
SERIES 2023

MATURITY SCHEDULE

Base CUSIP: 606092*

SERIAL BONDS

Maturity (January 1)	Principal Amount	Interest Rate	Yield	CUSIP*
2025	$ 9,355,000	5.000%	3.890%	LS1
2026	9,815,000	5.000	3.800	LT9
2027	10,305,000	5.000	3.690	LU6
2028	10,815,000	5.000	3.650	LV4
2029	11,360,000	5.000	3.700	LW2
2030	7,695,000	5.000	3.710	LX0
2031	8,080,000	5.000	3.780	LY8
2032	8,485,000	5.000	3.800	LZ5
2033	8,905,000	5.000	3.830	MA9
2034	9,360,000	5.000	3.920	MB7

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. None of MEC, its agents, or counsel, or the Underwriters or their counsel, assumes responsibility for the accuracy of such numbers The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023 Bonds.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
d/b/a MISSOURI ELECTRIC COMMISSION

2200 Maguire Boulevard
Columbia, Missouri 65201
(573) 445-3279

Officers

Gregory S. Beavers, *Chairperson*
Beverly Hicks, *Vice Chairperson*
Joe Hegendeffer, *Secretary/Treasurer*
Darrin Gordon, *Member at Large*
Mark Petty, *Chairman, Engineering & Operating Committee*
Richard Shockley, *Chairman, Budget & Finance Committee*
Chad Davis, Chairman, *Power Contract Cities Committee*
Darrell Dunlap, *Chairman, MISO Committee*
John Stephens, *Chairman, SPP Committee*
JT Hardy, *Immediate Past Chairperson*

Management

John Twitty, *President and Chief Executive Officer*
John Grotzinger, *Chief Electric Operations Officer*
Michael J. Loethen, *Chief Finance and Treasury Officer*
Rebecca Atkins, *Chief Markets Officer*
Connie Ford, *Chief Member Services Officer*
Ken Reasoner, *Chief Financial Performance Officer*

BOND COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

FINANCIAL ADVISOR

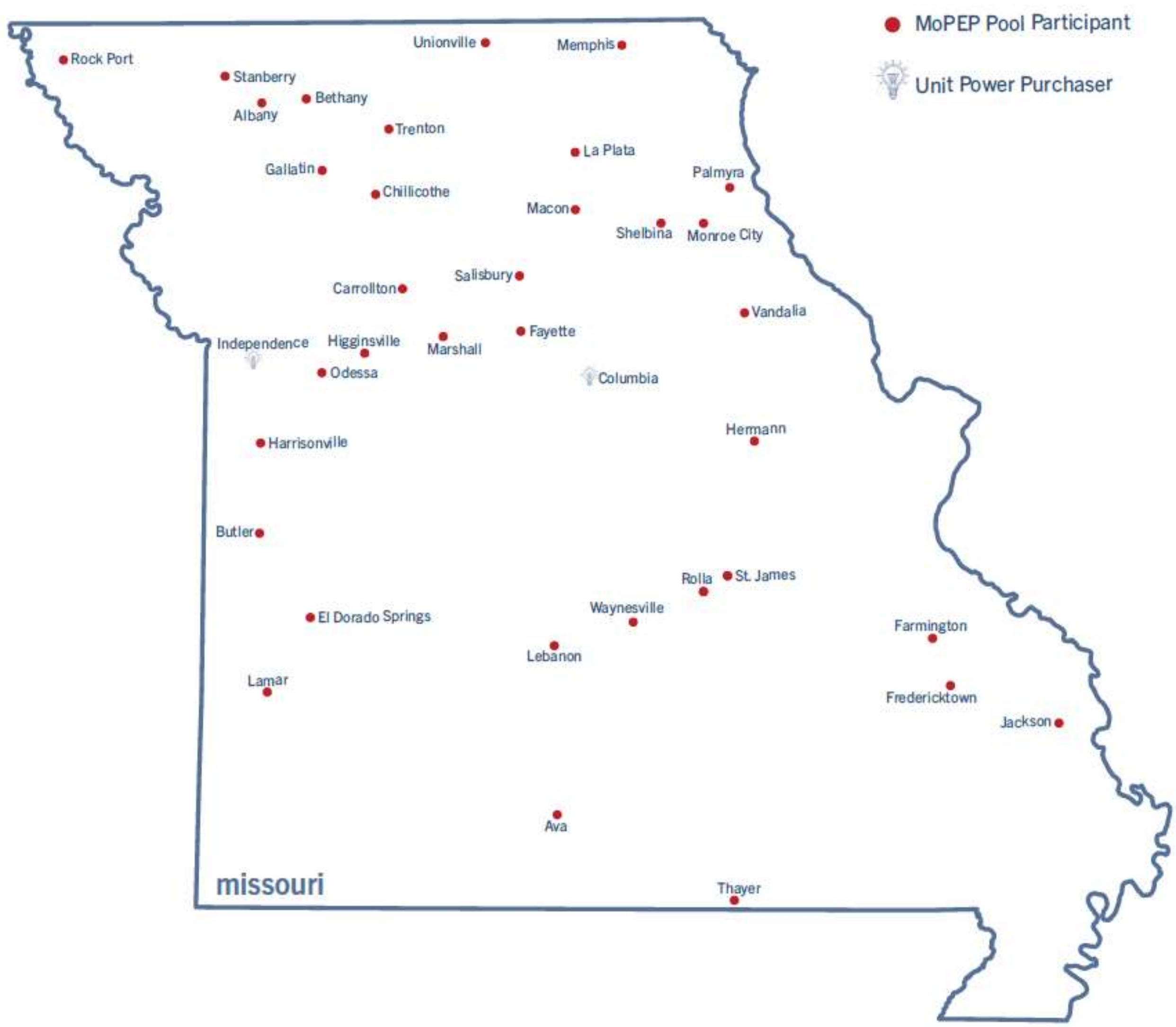
Ramirez & Co., Inc.
New York, New York

TRUSTEE, BOND REGISTRAR,
PAYING AGENT, AND ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
Chicago, Illinois

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
d/b/a MISSOURI ELECTRIC COMMISSION

POOL POWER PURCHASERS AND
IATAN 2 PROJECT UNIT POWER PURCHASERS



No dealer, broker, salesman or any other person has been authorized by MEC to give any information or to make any representations, other than the information and representations contained herein, in connection with the offering of the Series 2023 Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by MEC. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2023 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2023 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts. This Official Statement is submitted in connection with the sale of the Series 2023 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth herein has been furnished by MEC, certain of the Power Purchasers and other sources which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of MEC or the Pool Power Purchasers since the date hereof.

When used in this Official Statement, or incorporated by reference herein, and in any continuing disclosure made by MEC, the words or phrases “will likely result”, “are expected to”, “will continue”, “is anticipated”, “estimate”, “project”, “forecast”, “expect”, “plan”, “budget”, “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Exchange Act, and Section 27A of the Securities Act. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Series 2023 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of MEC or any other party described in this Official Statement, since the date of this Official Statement.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXCEPTIONS CONTAINED IN SUCH ACTS. THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS IN ANY STATE.

MEC and certain of the Power Purchasers each maintain a website and certain social media accounts. However, the information presented thereon is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2023 Bonds. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless explicitly specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

[Remainder of page intentionally left blank.]

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Page

OFFICIAL STATEMENT

relating to

$94,175,000

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
d/b/a MISSOURI ELECTRIC COMMISSION
POWER PROJECT REVENUE REFUNDING BONDS
(IATAN 2 PROJECT)
SERIES 2023

INTRODUCTION

The following introductory information is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices, should be considered in its entirety. The offering of the Series 2023 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page and inside cover page hereof and the appendices attached hereto, provides certain information in connection with the issuance by the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission ("*MEC*") of its $94,175,000 Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2023 (the "*Series 2023 Bonds*").

The Series 2023 Bonds are being issued by MEC to provide funds, along with available cash, to (a) currently refund and defease all of MEC's outstanding Power Project Revenue Bonds (Iatan 2 Project), Series 2014A, maturing in the years 2024 through 2034, currently outstanding in the aggregate principal amount of $108,375,000 (the *"Refunded Bonds"*), and (b) pay costs of issuance of the Series 2023 Bonds. See the captions "REFUNDING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2023 Bonds will be issued pursuant to Section 27 of Article VI of the Missouri Constitution, as amended, and the Joint Municipal Utility Commission Act, Sections 393.700 to 393.770, Revised Statutes of Missouri, as amended (the "*Act*"), and under and pursuant to a Trust Indenture dated as of August 1, 2006 (the "*Original Indenture*"), entered into between MEC and The Bank of New York Mellon Trust Company, N.A. (successor to The Bank of New York Trust Company, N.A.), as Trustee (in such capacity, the "*Trustee*"), as amended and supplemented from time to time (collectively, the "*Indenture*"), including Supplemental Trust Indenture No. 5 dated as of October 1, 2023 (the "*Supplemental Trust Indenture No. 5*") to be entered into between MEC and the Trustee, authorizing the Series 2023 Bonds.

The Series 2023 Bonds will be the fifth series of bonds issued pursuant to the Indenture. Following the issuance of the Series 2023 Bonds and the refunding of the Refunded Bonds, the following Bonds will be Outstanding under the Indenture:

Series	Original Principal Amount	Principal Amount Outstanding	Final Maturity
Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2015A (the "*Series 2015A Bonds*")	$80,685,000	$79,090,000	12/1/2038
Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2023 (the "*Series 2023 Bonds*")	$94,175,000	$94,175,000	1/1/2034
Total Outstanding Bonds		$173,265,000	

(1) A portion of the proceeds of the Series 2023 Bonds, along with available cash, will be used to currently refund and defease all of the Series 2014A Bonds as further described under the caption "REFUNDING PLAN" herein.

The Series 2015A Bonds are secured on parity with the Series 2023 Bonds. As described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – Additional Bonds and Subordinated Bonds" herein, MEC may issue additional bonds under the Indenture on parity with the Series 2015A Bonds and the Series 2023 Bonds as to security and source of payment. The Series 2023 Bonds, together with the Series 2015A Bonds and all additional bonds issued under the Indenture on a parity therewith are referred to herein as the *"Bonds."*

MEC has previously issued certain bonds pursuant to three other separate trust indentures between it and the Trustee to finance its acquisition of undivided interests in certain other generating facilities. MEC may issue additional bonds or other obligations in the future pursuant to such trust indentures or pursuant to one or more other trust indentures or other financing documents in the future in connection with its acquisition of additional generating facilities and/or transmission facilities (or undivided interests therein). No such bonds or other obligations will be payable from the revenues to be derived by MEC from the Iatan 2 Project (as defined herein) or the funds and accounts established pursuant to the Indenture, and the Bonds will not be payable from any revenues to be derived by MEC from any such other or additional generating facilities and/or transmission facilities or the funds and accounts established pursuant to any such other indenture or other financing documents. See "MISSOURI PUBLIC ENERGY POOL #1 – The Power Supply System" and "– Non-Iatan 2 Project Facilities" herein.

Capitalized terms used but not otherwise defined herein have the respective meanings to be set forth in the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions" in APPENDIX C hereto.

Missouri Electric Commission

The Missouri Joint Municipal Electric Utility Commission, d/b/a Missouri Electric Commission, is a body public and corporate of the State of Missouri (the "*State*"), was created by contract as of May 1, 1979 (the "*Joint Contract*"), for the purpose of permitting cities, incorporated towns and villages of the State that own and operate retail electric utility systems and that become parties to such contract (the "*Members*") to secure, by joint action among themselves, or by contract with other utilities, an adequate, reliable and economical supply of electric power and energy. MEC's Members currently consist of 72 municipally-owned retail electric systems ranging in size from approximately 206 meters to approximately 120,008 meters.

In 1989, MEC created two additional categories of membership, referred to as "advisory membership" and "associate membership," to allow entities that, in accordance with the Act and the Joint Contract, do not qualify for regular membership to participate in MEC's power supply programs and projects. Advisory Membership is open to municipalities located outside the State who operate electric utility systems. Associate Membership is open to rural electric cooperatives or federal power agencies located within or outside of the State and municipalities located outside the State. MEC's Advisory Members currently consist of four municipally-owned retail electric systems located in the State of Arkansas (collectively, the "*Advisory Members*"). See "MEC – Membership" herein.

MEC supplies the electric power and energy requirements of several members through three full requirements energy pools: the Missouri Public Energy Pool #1 ("*MoPEP*"), which consists of 35 municipal members; the Mid-Missouri Municipal Power-Energy Pool ("*MMMPEP*"), which consists of 14 municipal members; and the Southwest Missouri Public Energy Pool ("*SWMPEP*"), which consists of 3 municipal members.

Through MEC's ownership interests in various generating and transmission facilities, MEC provides a diversified portfolio of cost-based, reliable resources on a long-term basis to meet its Members' and Advisory Members' load requirements and to replace power and energy that previously was purchased under long- and short-term contracts.

Iatan 2 Project

The Iatan Power Station is located just outside of the City of Weston, Missouri, and consists of two units: Unit 1, a single 670 MW (net) sub-critical coal-fired unit placed in service in 1980 (*"Iatan Unit 1"*) and Unit 2, a super-critical coal-fired electric generating unit of conventional design placed in service in January 2011 (*"Iatan Unit 2"*). Iatan Unit 2 achieves an output of 870 MW (net).

MEC's undivided interest in Iatan Unit 2 and certain associated common facilities of 11.76% (which interest is referred to herein as the *"Iatan 2 Project"*) entitles MEC to approximately 102 MW (net) of the capacity and output of Iatan Unit 2. See the caption "IATAN UNIT 2 AND THE IATAN 2 PROJECT" for additional information.

Power Purchasers

General. As shown in the table below, approximately 71 MW (net) of the capacity of the Iatan 2 Project is sold to the Missouri cites of Columbia and Independence (collectively, the *"Unit Power Purchasers"*) pursuant to separate unit-specific, life-of-unit, take-or-pay power purchase agreements (as amended, the *"Unit Power Purchase Agreements"*) between MEC and each of the Unit Power Purchasers. The balance of the capacity of the Iatan 2 Project (approximately 31 MW (net)) is assigned to MoPEP to provide a portion of the electric power and energy requirements of its members (collectively, the *"Pool Power Purchasers"*). The Pool Power Purchasers and the Unit Power Purchasers are collectively referred to herein as the *"Power Purchasers."*

Power Purchasers	Purchase Percentage	Capacity (MW) (net)[(1)]
Unit Power Purchasers		
Columbia	20%	20
Independence	50	51
Pool Power Purchasers	30	31
Total	100%	102

(1) Based on 870 MW (net)

Unit Power Purchasers. The Unit Power Purchase Agreements entitle each Unit Power Purchaser to a specified percentage share of the capacity and output of the Iatan 2 Project, and require that each Unit Power Purchaser pay to MEC its proportionate share of (a) the fixed and variable costs MEC incurs in connection with the Iatan 2 Project, and (b) MEC's administrative and other reasonable costs associated with its role as power supplier to the Power Purchasers. Each Unit Power Purchaser's obligation to make such payments and to pay other amounts under its Unit Power Purchase Agreement is a special limited obligation payable solely out of the revenues of its municipal electric system. Such payments are payable on a "take-or-pay" basis (*i.e.*, whether or not Iatan Unit 2 is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part), are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise and are not conditioned upon the performance or nonperformance of MEC or any other person under the Unit Power Purchase Agreements or any other agreement for any cause whatsoever.

The City of Independence ("Independence") has announced its desire to study the financial viability of its municipal electric utility and has requested proposals to (i) perform a cost benefit analysis for the City for the purposes of assessing the options of selling or maintaining the electric utility, and (ii) present a long-term strategic plan for the option of maintaining ownership of the municipal electric utility. Once these studies are completed, if the City were to decide to recommend a sale of the municipal electric utility, a public vote on necessary City Charter changes and electric utility ownership is expected to be held no later than November 2025. See "CERTAIN INFORMATION REGARDING THE UNIT POWER PURCHASERS – CITY OF INDEPENDENCE, MISSOURI – SERVICE TERRITORY, TRANSMISSION AND DISTRIBUTION SYSTEM" in APPENDIX B hereto for more information.

Any sale or transfer of ownership by Independence of its municipal electric system would need to address the interest of Independence in the Iatan 2 Project, as required by the Resolution and the Unit Power Purchase Agreement. Any transfer or assignment of Independence's share of the capacity of the Iatan 2 Project, as well as other actions under the Unit Power Purchase Agreement, are subject to the provisions of the Indenture, including a covenant that MEC will not consent to such a transfer, assignment, or action unless certain conditions are met. See "THE UNIT POWER PURCHASERS – The Unit Power Purchase Agreements – Transfer, Assignment, or Modification of the Unit Power Purchase Agreements" herein. While MEC does not know whether any such transaction will occur or what form such a transaction might take, MEC will take such actions as are necessary to ensure that the requirements of the Unit Power Purchase Agreement as required by the Resolution for the benefit and protection of the bond holders.

The Unit Power Purchase Agreements also contain "step-up" provisions that require each Unit Power Purchaser to increase its Purchase Percentage (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS – Net Revenues; Power Purchase Agreements – Unit

Power Purchase Agreements" and "SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS" in APPENDIX E for more information on the step-up provisions.

See the caption "THE UNIT POWER PURCHASERS" and "CERTAIN INFORMATION REGARDING THE UNIT POWER PURCHASERS" in APPENDIX B and "SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS" in APPENDIX E hereto for additional information related to the Unit Power Purchasers and the Unit Power Purchase Agreements.

MoPEP – Pool Power Purchasers. The Pool Power Purchasers currently consist of 35 of MEC's Members, all of whom have taken full requirements service from MoPEP since March 1, 2013. MoPEP had a coincident peak load of 531 MW for the calendar year 2022, which occurred on July 5, 2022, and currently has a coincident peak load of 543 MW for the calendar year 2023, which occurred on August 21, 2023.

The Pool Power Purchasers are obligated to pay a proportionate share of all of MoPEP's operating expenses, including all of MoPEP's allocable costs associated with the Iatan 2 Project and the Bonds. Pursuant to the Amended and Restated Missouri Public Energy Pool #1 Agreement (the "*Pool Power Purchase Agreement*") among MEC and each Pool Power Purchaser, the allocation of expenses, including debt service, is calculated based on a combination of each Pool Power Purchaser's proportion of coincident peak load, capacity, and energy consumed. Such combination is referred to herein as the Member's "proportionate share."

See the caption "MISSOURI PUBLIC ENERGY POOL #1" and "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT" in APPENDIX D hereto for additional information related to MoPEP, the Pool Power Purchasers and the Pool Power Purchase Agreement.

[Remainder of page intentionally left blank.]

REFUNDING PLAN

A portion of the proceeds of the Series 2023 Bonds, along with available cash, will be applied to currently refund and defease all outstanding Series 2014A Bonds (collectively, the *"Refunded Bonds"*):

Maturity Date (January 1)	Outstanding Amount	Redemption Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP (606092)
2024	$ 9,280,000	$ 9,280,000	5.00%	--	--	FX7
2025	9,745,000	9,745,000	5.00	January 1, 2024	100.00%	FY5
2026	10,225,000	10,225,000	5.00	January 1, 2024	100.00	FZ2
2027	10,735,000	10,735,000	5.00	January 1, 2024	100.00	GA6
2028	11,270,000	11,270,000	5.00	January 1, 2024	100.00	GB4
2029	11,835,000	11,835,000	5.00	January 1, 2024	100.00	GC2
2030	8,195,000	8,195,000	5.00	January 1, 2024	100.00	GD0
2031	8,605,000	8,605,000	5.00	January 1, 2024	100.00	GE8
2032	9,035,000	9,035,000	5.00	January 1, 2024	100.00	GF5
2033	9,485,000	9,485,000	5.00	January 1, 2024	100.00	GG3
2034	9,965,000	9,965,000	5.00	January 1, 2024	100.00	GH1

To effect the refunding of those Refunded Bonds maturing after January 1, 2024, the MEC will enter into an Escrow Trust Agreement dated as of October 1, 2023 (the *"Escrow Agreement"*) with The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the *"Escrow Agent"*). On the date of issuance of the Bonds, a portion of the proceeds from the sale of the Bonds will be transferred to the Escrow Agent for deposit in the Escrow Fund and the Escrow Agent will use such funds to purchase direct non-callable obligations of the United States of America (the *"Escrowed Securities"*) and to fund a beginning cash deposit in the Escrow Fund. The principal amount of the Escrowed Securities, together with interest income thereon, will be payable at such times and in such amounts, together with the moneys held uninvested by the Escrow Agent, to pay, when and as due, all principal of, redemption premium, if any, and interest on the Refunded Bonds to the redemption date thereof. The Escrow Agreement provides that the Escrowed Securities and the moneys held uninvested by the Escrow Agent are irrevocably pledged to the payment of such Refunded Bonds and the interest thereon and may be applied only to such payment. See the caption "VERIFICATION OF ESCROW" herein.

The moneys held in the Escrow Fund will not be available to pay debt service on any Bonds other than the Refunded Bonds.

Certain of the Underwriters or affiliates thereof may hold certain of the Refunded Bonds and as a result may receive a portion of the proceeds of this offering in connection with the redemption of such Refunded Bonds.

VERIFICATION OF ESCROW

Upon delivery of the Bonds, Samuel Klein and Company, Certified Public Accountants, independent certified public accountants (the *"Escrow Verifier"*), will deliver to MEC and the Underwriters a report stating that the firm, at the request of MEC, has verified the mathematical accuracy of certain computations relating to (a) the sufficiency of the net cash flow from the maturing Escrowed Securities in the Escrow Fund without consideration of any reinvestment thereof, and the uninvested cash in the Escrow Fund, to pay all principal of, redemption premium, and interest on the Refunded Bonds on the respective dates such payments are due and (b) the actuarial yield on the Escrowed Securities and on the Bonds. The Escrow Verifier expresses no opinion on the attainability of the assumptions, the related cash flow projections or the tax status of the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The table below sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2023 Bonds.

Sources of Funds:	
Principal Amount	$94,175,000.00
Original Issue Premium	5,544,736.30
Other Available Funds	11,054,632.30
Total Sources	$110,774,368.60
Use of Funds:	
Deposit to Escrow Fund	$109,811,998.02
Costs of Issuance[1]	962,370.58
Total Uses	$110,774,368.60

(1) Includes underwriters' discount, trustee and escrow agent fees, and legal fees and expenses and other costs of issuance.

THE SERIES 2023 BONDS

The following is a summary of certain terms and provisions of the Series 2023 Bonds. Reference is hereby made to the Series 2023 Bonds and the provisions with respect thereto in the Indenture for the detailed terms and provisions thereof.

General Terms

The Series 2023 Bonds will be issued in the aggregate principal amount of $94,175,000, will be dated the date of their delivery, will bear interest from the date thereof or from the most recent interest payment date to which interest has been paid at the rates of interest per annum set forth on the inside cover page hereof, payable semiannually on January 1 and July 1 of each year, beginning on January 1, 2024, and will mature on January 1 in each year as set forth on the inside cover page hereof. The Series 2023 Bonds will be issued as fully registered bonds in the denominations of $5,000 and any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"). Purchases of beneficial interests in the Series 2023 Bonds will be made in book-entry only form (as described under the caption "– Book-Entry Only System" below), in the denomination of $5,000 or any integral multiple thereof. Beneficial Owners (hereinafter defined) of the Series 2023 Bonds will not receive certificates representing their interests in the Series 2023 Bonds purchased.

So long as the Series 2023 Bonds are in book-entry form, the principal of and interest on the Series 2023 Bonds will be paid, and notices and other communications to Bondowners will be given, directly by the Trustee to DTC or its nominee, Cede & Co. The principal of and interest on such Series 2023 Bonds will be redistributed by DTC, the Direct Participants (hereinafter defined) and the Indirect Participants (hereinafter defined) and notices and other communications will be given to

Beneficial Owners of the Series 2023 Bonds through DTC, as described below under the caption "– Book-Entry Only System." In the event the Series 2023 Bonds are not in a book-entry only system, payment of principal of and interest on the Series 2023 Bonds will be made and such notices and communications will be given as described in the Indenture.

The principal of all Series 2023 Bonds will be payable by check or draft at maturity to the persons in whose names such Series 2023 Bonds are registered on the bond register maintained by the Trustee at the maturity date thereof, upon the presentation and surrender of such Series 2023 Bonds at the principal corporate trust office or at such other office designated by the Trustee for such purpose.

The interest payable on each Bond on any interest payment date will be paid by the Trustee to the registered owner of such Bond as shown on the bond register at the close of business on the "*Record Date*," which Record Date is the 15th day (whether or not a business day) of the calendar month next preceding an interest payment date, (a) by check or draft mailed to such registered owner at its address as it appears on the bond register or at such other address as is furnished to the Trustee in writing by such owner, or (b) with respect to Series 2023 Bonds held by a Securities Depository, or at the written request addressed to the Trustee by any owner of Series 2023 Bonds in the aggregate principal amount of at least $1,000,000, by electronic transfer to such owner upon written notice to the Trustee from such owner containing the electronic transfer instructions (which shall be located in the continental United States) to which such owner wishes to have such transfer directed, provided such written notice is given by such owner to the Trustee not less than 15 business days prior to the applicable Record Date. Any such written notice for electronic transfer shall be signed by such owner and shall include the name of the bank, its address, its ABA routing number and the name, number and contact name related to such owner's account at such bank to which the payment is to be credited.

Bonds Not Subject to Redemption

The Series 2023 Bonds are not subject to redemption prior to their respective stated maturity dates.

Book-Entry Only System

The information in this Section concerning DTC and DTC's book-entry system has been obtained from DTC and MEC takes no responsibility for the completeness or accuracy thereof. MEC cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Series 2023 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2023 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2023 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Section. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as Securities Depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond certificate will be issued for each issue of the Series 2023 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023 Bond documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MEC as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from MEC or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or MEC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MEC or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2023 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2023 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2023 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2023 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2023 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2023 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to MEC or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2023 Bond certificates are required to be printed and delivered.

MEC may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and DTC's book-entry system has been obtained from sources MEC believes to be reliable. However, MEC takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements on all parity bonds after the issuance of the Series 2023 Bonds and as a result of the refunding of the Refunded Bonds. The debt service requirements shown below are computed on an accrual basis for January 1 through December 31 of each year:

Fiscal Year Ending December 31,	Debt Service After Refunding[(1)] Series 2014A	Series 2015A	Series 2023	Total
2023	$13,764,007	$ 3,886,860	$ 967,910	$ 18,618,777
2024		3,886,619	14,063,750	17,950,369
2025		3,887,640	14,056,000	17,943,640
2026		3,886,681	14,055,250	17,941,931
2027		3,888,806	14,050,000	17,938,806
2028		3,937,577	14,054,250	17,991,827
2029		8,126,450	9,821,250	17,947,700
2030		8,122,740	9,821,500	17,944,240
2031		8,125,198	9,822,500	17,947,698
2032		8,124,521	9,818,250	17,942,771
2033		8,124,331	9,828,000	17,952,331
2034		18,586,625		18,586,625
2035		18,583,563		18,583,563
2036		7,049,250		7,049,250
2037		7,045,750		7,045,750
2038		7,047,219		7,047,219
Total	$13,764,007	$122,309,830	$120,358,660	$256,432,497

(1) Totals may not add due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS

Special, Limited Obligations

The Bonds (including the Series 2023 Bonds) and the interest thereon will be special, limited obligations of MEC payable solely out of the Net Revenues and certain other funds held under the Indenture (the "*Trust Estate*"), and will be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the Bonds (including the Series 2023 Bonds), as provided in the Indenture.

The Bonds (including the Series 2023 Bonds) and interest thereon will not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and will not constitute a pledge of the faith and credit of the State or of any political subdivision thereof, but will be payable solely from the funds provided for in the Indenture. The issuance of the Bonds (including the Series 2023 Bonds) will not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Net Revenues; Power Purchase Agreements

"*Net Revenues*" are defined in the Indenture as total Revenues less total Operation and Maintenance Expenses. "*Revenues*" generally include: (a) all revenues, income, rents and receipts derived or to be derived by MEC relating to the Iatan 2 Project or to the payment of the costs thereof, including all revenues received or to be received by MEC or the Trustee under the Unit Power Purchase Agreements and the Pool

Power Purchase Agreement (the Unit Power Purchase Agreements and the Pool Power Purchase Agreement are referred to herein collectively as the *"Power Purchase Agreements"*) or under any other arrangement by MEC for the sale or use of the Iatan 2 Project or any of the capacity or energy thereof; (b) the proceeds of certain insurance, including the proceeds of any self-insurance fund; and (c) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund. "*Operation and Maintenance Expenses*" generally include all of MEC's costs and expenses related to the operation and maintenance of the Iatan 2 Project or the satisfaction of MEC's obligations under the Power Purchase Agreements. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Pledge and Assignment of Trust Estate" in APPENDIX C hereto.

Pool Power Purchase Agreement

The Pool Power Purchase Agreement requires that the MoPEP rates be sufficient to recover from each Pool Power Purchaser its proportionate share of all costs associated with MEC's performance under the Pool Power Purchase Agreement, including established capital and/or operating reserves. Charges based on such rates will be assessed and billed monthly. Rates are required to be established at least annually, and shall be adjusted to recognize variances between budgeted and actual costs no less frequently than at six-month intervals. Each Pool Power Purchaser's obligation to make such payments is a special limited obligation payable solely out of the revenues of its municipal electric system. The obligation of each Pool Power Purchaser to pay all MoPEP rates and charges is not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and is not conditioned upon performance by MEC of its obligations under the Pool Power Purchase Agreement or any other agreement. The Pool Power Purchase Agreement specifically provides that each Pool Power Purchaser must pay in full all invoiced MoPEP charges for power and energy and delivery services regardless of whether any one or more resources or other facilities utilized or acquired by MEC for MoPEP to provide services are operating or operable at any time.

MEC further covenants and agrees in the Indenture to include in the Annual MoPEP Budget for each Fiscal Year, and collect in rates and charges under the Pool Power Purchase Agreement, an amount which is at least 10% of the aggregate amount payable in such Fiscal Year for all bonds, notes or other evidence of indebtedness, including capital leases, or the allocable portion thereof, issued by MEC and secured, in whole or in part, by payments due to MEC pursuant to the Pool Power Purchase Agreement. (See "Rate Covenant for the Iatan 2 Project").

See "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT" in APPENDIX D hereto.

Unit Power Purchase Agreements

Under each Unit Power Purchase Agreement, the Unit Power Purchaser thereunder is required to make payments to MEC for deposit into the Revenue Fund established pursuant to the Indenture, in amounts sufficient to pay that Unit Power Purchaser's proportionate share of (a) the fixed and variable costs MEC incurs in connection with the Iatan 2 Project, and (b) MEC's administrative and other reasonable costs associated with its role as power supplier to the Power Purchasers. Each Unit Power Purchaser's obligation to make such payments and to pay other amounts under its Unit Power Purchase Agreement is a special limited obligation payable solely out of the revenues of its municipal electric system. Such payments are payable whether or not Iatan Unit 2 is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise and are not conditioned upon the performance or nonperformance of MEC or any other person under the Unit Power Purchase Agreements or any other agreement for any cause whatsoever.

The Unit Power Purchase Agreements contain "step-up" provisions that require each Unit Power Purchaser to increase its Purchase Percentage, up to a cap of 200 percent of its original Purchase Percentage, if an event of default has occurred with respect to the other Unit Power Purchaser and such defaulting Unit Power Purchaser's entitlement rights to the output of the Iatan 2 Project are terminated in accordance with the provisions of its Unit Power Purchase Agreement.

See "SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS" in APPENDIX E hereto.

Pledge and Assignment under the Indenture

Under the Indenture, MEC has pledged and assigned to the Trustee, for the benefit of the owners of the Series 2023 Bonds, on a parity with the Series 2015A Bonds, and all other Series of Bonds that may be issued under the Indenture, all right, title and interest of MEC in and to the Trust Estate, which includes (a) certain proceeds of sale of the Bonds, (b) all Net Revenues, (c) all money and securities in the Funds held by the Trustee under the Indenture (except for the Rebate Fund) including the investments thereof, and (d) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Pledge and Assignment of Trust Estate" in APPENDIX C hereto.

Flow of Funds

Under the Indenture, as soon as practicable in each month after the deposit of Revenues into the Revenue Fund, but in any case no later than the last business day of such month, MEC will be required to withdraw from the Revenue Fund and credit to, or transfer to the Trustee for deposit in, the following Funds and Accounts in the following order the amounts set forth below:

(a) To the Operation and Maintenance Fund (1) for credit to the Operating Account such amount as will be necessary for the payment of all Operation and Maintenance Expenses which are unpaid and which are estimated to become due prior to the end of the following calendar month in the Annual Iatan 2 Budget, and (2) if the amount on deposit in the Operating Reserve Account in the Operation and Maintenance Fund is less than the Operating Reserve Requirement, for credit to the Operating Reserve Account, the amount required to restore the balance in the Operating Reserve Account to the Operating Reserve Requirement, over a period of 24 months in equal monthly installments.

(b) To the Debt Service Fund, for credit to each Series Debt Service Account established with respect to each Series of Bonds pursuant to a Supplemental Indenture, on a parity with the transfer to each other Series Debt Service Account, the amount, if any, required so that the balance in said Account will equal the Accrued Debt Service with respect to such Series of Bonds as of the last day of the then current month.

(c) To the Debt Service Reserve Fund, for credit to the Common Debt Service Reserve Account and to any Series Debt Service Reserve Account established with respect to any Series of Bonds pursuant to a Supplemental Indenture, the amount, if any, required (1) to restore any deficiency in said account as described in the Indenture and (2) to fund the applicable Debt Service Reserve Requirement as described in the Indenture.

(d) To the Subordinated Bond Fund, for credit to each Series Subordinated Bond Account established with respect to Subordinated Bonds pursuant to a Supplemental Indenture, such amounts as are required by the Supplemental Indenture authorizing such Subordinated Bonds.

(e) To the Reserve and Contingency Fund (1) commencing with the month during which Iatan Unit 2 is placed in service, the amount of $50,000 each month until such time as the amount on deposit in the Reserve and Contingency Fund has reached the Reserve and Contingency Requirement, and (2) thereafter, if the amount on deposit in the Reserve and Contingency Fund is less than the Reserve and Contingency Requirement, the amount required to restore the balance in the Reserve and Contingency Fund to the Reserve and Contingency Requirement, over a period of 24 months in equal monthly installments.

(f) To the General Reserve Fund, the remaining balance, if any, of moneys in the Revenue Fund after making the above credits, transfers and deposits.

See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Payments into Certain Funds" in APPENDIX C hereto.

Rate Covenant for the Iatan 2 Project

Under the Indenture, MEC covenants and agrees to fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services of the Iatan 2 Project, as is required to provide Revenues at least sufficient in each Fiscal Year, together with other available funds, for the payment of the amounts required to be paid into the Operating Account and Operating Reserve Account of the Operation and Maintenance Fund during such Fiscal Year, the amounts equal to the Aggregate Debt Service for such Fiscal Year required to be paid into the Debt Service Fund for the payment of principal of, premium, if any, and interest on all Bonds, and all other amounts, if any, required to be paid into any other Fund or Account during such Fiscal Year under the Indenture, and all other charges or amounts payable out of Revenues during such Fiscal Year. MEC further covenants and agrees in the Indenture to include in the Annual MoPEP Budget for each Fiscal Year, and collect in rates and charges under the Pool Power Purchase Agreement, an amount which is at least 10% of the aggregate amount payable in such Fiscal Year for all bonds, notes or other evidence of indebtedness, including capital leases, or the allocable portion thereof, issued by MEC and secured, in whole or in part, by payments due to MEC pursuant to the Pool Power Purchase Agreement.

MEC has also agreed not to furnish or supply or cause to be furnished or supplied any capacity, output, use, or service of the Iatan 2 Project free of charge to any person, firm or corporation, public or private, and MEC may to the extent permitted by law enforce the payment of any and all accounts owing to MEC by reason of the operation of the Iatan 2 Project by discontinuing such capacity, output, use or service, or by filing suit therefor within 120 days after any such accounts are due, or by both such discontinuance and by filing suit. MEC will promptly collect all amounts payable under the Power Purchase Agreements as the same become due, and will at all times maintain and promptly and vigorously enforce its rights against any Power Purchaser who does not pay such charges when due as provided in the Indenture.

See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Rates, Fees and Charges" in APPENDIX C hereto.

The Unit Power Purchasers have also covenanted to 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 it to make all payments required to be made by it under its Unit Power Purchase Agreement. See "THE UNIT POWER PURCHASERS – The Unit Power Purchase Agreements" below.

Debt Service Reserve Fund

Common Debt Service Reserve Account. The Indenture creates a Common Debt Service Reserve Account (the *"Common Debt Service Reserve Account"*) within the Debt Service Reserve Fund (the *"Debt Service Reserve Fund"*) held by the Trustee as additional security for the Series 2014A Bonds, the Series 2015A Bonds, the Series 2023 Bonds and any additional Series of Bonds MEC elects to be secured by the Common Debt Service Reserve Account (the "*Covered Bonds*"). Amounts held in the Common Debt Service Reserve Account of the Debt Service Reserve Fund will be applied only to prevent deficiencies in the payments of principal of and interest on the Covered Bonds (including the Series 2014A Bonds, the Series 2015A Bonds, the Series 2023 Bonds). The Indenture defines "*Common Debt Service Reserve Requirement*" to mean, as of any date of calculation, with respect to any Bonds to be secured by the Common Debt Service Reserve Account, including the Series 2014A Bonds, the Series 2015A Bonds, the Series 2023 Bonds and any additional Series of Bonds MEC elects to be secured by the Common Debt Service Reserve Account, an amount equal to the least of (a) 10% of the aggregate original principal amount (or "issue price," as computed for federal income tax purposes, if original issuance premium or discount is greater than two percent) of the Covered Bonds, (b) Maximum Annual Debt Service on the Covered Bonds, and (c) 125% of the average annual Debt Service on the Covered Bonds; provided, however, that such requirement shall be limited, with respect to any given Series, to the lesser of (i) Maximum Annual Debt Service on said Series, (ii) 10% of the aggregate original principal amount (or "issue price," as computed for federal income tax purposes, if original issue premium or discount is greater than 2%) of said Series, or (iii) 125% of average annual Debt Service on said Series. Upon the issuance of the Series 2023 Bonds, the Common Debt Service Reserve Requirement will be $18,586,625.00. Upon the issuance of any future series of Covered Bonds, any resulting increase in the Common Debt Service Reserve Requirement will be required to be funded in whole at the time of issuance of such future series of Covered Bonds.

Amounts held in the Common Debt Service Reserve Account of the Debt Service Reserve Fund will be applied only to prevent deficiencies in the payments of principal of and interest on the Covered Bonds. **The Series 2023 Bonds are Covered Bonds secured by the Common Debt Service Reserve Account.**

Series Debt Service Reserve Account. The Indenture also allows for the creation of a Series Debt Service Reserve Account (the *"Series Debt Service Reserve Account"*) within the Debt Service Reserve Fund to be held by the Trustee as additional security for any additional Series of Bonds MEC elects to be secured by such Series Debt Service Reserve Account.

Amounts held in a Series Debt Service Reserve Account will be applied only to prevent deficiencies in the payments of principal of and interest on such Series of Bonds. **There is currently no Series Debt Service Reserve Account securing the Series 2023 Bonds.**

Qualified Reserve Facilities. Pursuant to the Indenture, MEC is authorized to fund the Common Debt Service Reserve Account or any Series Debt Service Reserve Account either with moneys or through the deposit of one or more "Qualified Reserve Facilities." See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Debt Service Reserve Fund" in APPENDIX C hereto.

Other MEC Reserves

Operating Reserve Account. The Indenture creates an Operation and Maintenance Fund (the *"Operation and Maintenance Fund"*), which consists of (a) an Operating Account (the *"Operating Account"*) from which MEC will pay operation and maintenance expenses as such costs become due and payable and (b) an Operating Reserve Account (the *"Operating Reserve Account"*). The Indenture provides that the amount required to be on deposit in the Operating Reserve Account (the *"Operating Reserve*

Requirement") on and after the date that Iatan Unit 2 is placed in service, will equal $2,500,000 or such greater amount as may be provided in MEC's Annual Iatan 2 Budget (as defined under the caption *"*MISSOURI ELECTRIC COMMISSION – Annual Budgets*"* herein); provided, however, if MEC is required to fund operating reserves pursuant to the Iatan Unit 2 Ownership Agreement, the amount of such funds deposited by MEC will be credited against the amount of the Operating Reserve Requirement. Moneys in the Operating Reserve Account may be used as working capital and to provide for the payment of operation and maintenance expenses that accrue over time and are payable less frequently than monthly and other non-recurring expenses. As of June 30, 2023, the Operating Reserve Account is fully funded with a balance of $2,615,615. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Operation and Maintenance Fund" in APPENDIX C hereto.

Reserve and Contingency Fund. The Indenture creates a Reserve and Contingency Fund (the *"Reserve and Contingency Fund"*) to provide for the payment of extraordinary operation and maintenance expenses and contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the Iatan 2 Project and the payment of renewals, repairs, additions, betterments and improvements in connection with the Iatan 2 Project necessary to keep the same in good operating condition, or required by any governmental agency having jurisdiction over the Iatan 2 Project or any part thereof or required by the Iatan Unit 2 Ownership Agreement, all to the extent not provided for in the then current Annual Iatan 2 Budget or by reserves credited to the Operation and Maintenance Fund or from the proceeds of Bonds, notes or other evidences of indebtedness issued by MEC to finance or refinance the costs of acquisition and construction of the Iatan 2 Project. The Indenture provides that the amount required to be on deposit in the Reserve and Contingency Fund (the *"Reserve and Contingency Requirement"*) will equal $2,000,000 or such greater amount as may be provided in MEC's Annual Iatan 2 Budget; *provided*, *however*, if MEC is required to fund capital reserves pursuant to the Iatan Unit 2 Ownership Agreement, the amount of such funds deposited by MEC will be credited against the amount of the Reserve and Contingency Requirement. As of June 30, 2023, the Reserve and Contingency Fund is fully funded with a balance of $2,092,549. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Reserve and Contingency Fund" in APPENDIX C hereto.

Additional Bonds and Subordinated Bonds

MEC is authorized under the Indenture to issue additional Bonds for purposes of financing the Iatan 2 Project in one or more Series from time to time under and upon compliance with certain terms and conditions to be set forth in the Indenture and pursuant to one or more Supplemental Indentures. Such additional Bonds may be issued for the purpose of (a) paying all or a portion of the costs of acquisition and construction relating to the Iatan 2 Project, or (b) refunding any outstanding Bonds. The number of Series of Bonds and the aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may be provided in the Indenture or as may be limited by law. All such Bonds shall be equally and ratably secured by the Indenture on a parity with the Series 2015A Bonds and the Series 2023 Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Authorization of Bonds" in APPENDIX C hereto.

The Indenture also authorizes the issuance of Subordinated Bonds for purposes of financing the Iatan 2 Project. Such Subordinated Bonds shall be payable out of and may be secured by a pledge of such amounts in the Subordinated Bond Fund as may from time to time be available therefor; provided, however, that any such payment or pledge is, and is expressed to be, subordinate and junior in all respects to the pledge and lien created under the Indenture as security for the Bonds. There are no Subordinated Bonds outstanding. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Subordinated Bonds" in APPENDIX C hereto.

MISSOURI ELECTRIC COMMISSION

General

The Missouri Joint Municipal Electric Utility Commission, d/b/a Missouri Electric Commission, a body public and corporate of the State, was created pursuant to the Joint Contract by certain of its current Members as of May 1, 1979. Organized and existing under the provisions of the Act, MEC was formed for the purpose of permitting its Members to secure, by joint action among themselves, or by contract with other utilities, an adequate, reliable and economical supply of electric power and energy. Under the Act, MEC has the power, in addition to other powers, to develop, finance, construct, acquire and operate power generation, transmission and distribution facilities and related resources to meet the electric power and energy requirements of its Members' respective municipal electric utility systems in the most economic and feasible manner.

Established by six charter Members, MEC has grown to a membership of 72 municipally-owned retail electric systems ranging in size from approximately 206 to approximately 120,008 meters. New Members may be added in the future (see "– Membership" below).

In the past, MEC used market-based energy contracts and Member-owned generation under contract to provide the electric power and energy requirements of certain of its Members. In order to obtain a diversified portfolio of cost-based, reliable resources on a long-term basis to meet its Members' and Advisory Members' load requirements and to replace power and energy that previously had been purchased under long- and short-term contracts, MEC began participating in several generating facilities, the first of which commenced operations in 2007. Since that time, MEC has acquired ownership interest in the dedicated capacity of over 600 MW from approximately 20 separate generation facilities fueled by coal, natural gas or renewable sources.

Organization and Management

A Board of Directors (the "*Board*"), consisting of one director and one alternate appointed by each Member, directs the business and affairs of MEC. Each Member, through its director, has one vote.

The management of MEC is under the direction of its President and Chief Executive Officer. The following are the members of MEC's management staff and their backgrounds.

> ***John Twitty*** joined MEC in July 2020 and currently serves as President and Chief Executive Officer of MEC. Mr. Twitty has been in the utility industry for approximately 40 years and has served as General Manager for Rolla (MO) Missouri Municipal Utilities and City Utilities of Springfield ("*CU*"), which is MEC's largest member with over 100,000 customers during the time of his tenure. Mr. Twitty retired from CU as General Manger and CEO in 2011. More recently, he served as Executive Director of the Transmission Access Policy Study Group from 2011 to 2020. He served as Chairman of the Board of the American Public Power Association and The Energy Authority. Mr. Twitty is a 1975 graduate of the University of Missouri-Columbia and received a Professional Degree from the University of Missouri-Rolla in 2006.

> ***John Grotzinger*** joined MEC in December 1994 and currently serves as Chief Electric Operations Officer of MEC. Mr. Grotzinger is responsible for overall operation of MoPEP, MMMPEP, SWMPEP and generation assets and is responsible for all electric operations of MEC. This includes engineering, planning and operations of generation resources and transmission. Prior to joining MEC, Mr. Grotzinger was employed by KCPL in system planning before spending 14 years at City Utilities of Springfield, Missouri as a systems planning engineer. Mr. Grotzinger holds

a Bachelor of Science in Electrical Engineering degree from the University of Missouri-Columbia. He is a registered Professional Engineer in Missouri.

Michael J. Loethen joined MEC in 2005 and currently serves as Chief Finance and Treasury Officer of MEC. Prior to joining MEC, Mr. Loethen held the position as a Managing Officer of Boone County National Bank, based in Columbia, Missouri. In addition, Mr. Loethen previously was employed for ten years on the staff of the Missouri Public Service Commission (the "*Missouri PSC*") in positions relating to natural gas distribution operations. He holds Bachelor of Science degrees in Electrical Engineering and in Administration Management (emphasis in Accounting and Finance) from the University of Missouri-Rolla and the University of Missouri-Columbia, respectively.

Rebecca Atkins joined MEC in 2008 and currently serves as Chief Markets Officer of MEC. Ms. Atkins oversees market operations of MEC's three full requirements power pools and generating assets in both Midcontinent Independent System Operator ("*MISO*") and Southwest Power Pool ("*SPP*"). She serves as the modeling contact for all MEC network and commercial model changes in SPP and MISO and assists in load forecasting, resource planning and transmission service requests. She also monitors MISO and SPP stakeholder activity and advocates on behalf of members at the regional transmission ("*RTO*") level and with the Federal Energy Regulatory Commission ("*FERC*"). Ms. Atkins holds a Bachelor of Science in Mathematics-Economics from Furman University and a Master's degree in Economics from the University of Missouri-Columbia.

Connie Ford joined MEC in 2017 and currently serves as Chief Member Services Officer of MEC. Ms. Ford has a proven ability in developing programs, leading initiatives, and delivering successful outcomes in the utility industry. Before joining MPUA, Connie worked for the City of Columbia, Missouri, where she gained an in-depth understanding of electric and water utilities, especially in developing renewable energy and demand-side management programs. Ms. Ford has achieved successful outcomes by clearly and persuasively communicating with the public, governmental bodies, the media, and the private industry to build consensus for initiatives.

Ken Reasoner joined MEC in 2022 and currently serves as Chief Financial Performance Officer of MEC. Mr. Reasoner has over thirty years of utility experience in various capacities. He is a Certified Public Accountant and Chartered Global Management Accountant. Mr. Reasoner earned a Bachelor of Science in Business Administration with an emphasis in accounting from Missouri Southern State University. Mr. Reasoner worked for the City Utilities of Springfield and the Hannibal Board of Public Works before joining the MPUA team. Mr. Reasoner has extensive financial and utility operational experience.

Membership

The Joint Contract contains provisions permitting additional cities, incorporated towns and villages of the State that own and operate retail electric utility systems to become Members of MEC, subject to satisfaction of the requirements for membership set forth therein. MEC currently intends to consider requests for membership by any qualifying Missouri city, town or village. In order to become a Member, any such city, town or village must execute and deliver a supplement to the Joint Contract, which supplement must be approved by the affirmative vote of two-thirds of the Board. In addition, any such city, town or village must pay a *pro rata* share of organizational, planning and other MEC expenditures as determined by the Board. Under the Act and the Joint Contract, any such additional Member will be entitled to appoint a director and an alternate to the Board and will be eligible to participate in all activities undertaken by MEC on behalf of its Members.

Advisory Member and Associate Member classifications were created by MEC in 1989 to allow membership by municipalities located outside the State who operate electric utility systems, federal power agencies, and rural electric cooperatives located within or outside the State (both of which, in accordance with the Act and the Joint Contract, do not qualify for regular membership). MEC currently intends to consider requests for advisory or associate membership by any such rural electric cooperative, federal power agency, or municipality. An Advisory Member may aid, consult, or advise MEC, or receive aid, consultation or advice from MEC, to promote the development of, among other things, electric power plants and transmission facilities. An Advisory Member is a non-voting member, and is not bound by the obligations or assessments assumed or imposed on the other Members unless approved by MEC and the Advisory Member. MEC's Advisory Members currently consist of four municipally-owned retail electric systems located in the State of Arkansas.

Energy Pools

There are three full requirements energy pools within MEC: MoPEP, which consists of 35 municipal members; MMMPEP, which consists of 14 municipal members; and SWMPEP, which consists of 3 municipal members.

Missouri Public Energy Pool #1. MoPEP, which commenced operations on January 1, 2000, operates on a "full requirements" basis. The Pool Power Purchase Agreement does not have an established termination date and will remain in effect until cancelled as to all Pool Power Purchasers by MEC and/or the Pool Power Purchasers. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT" herein. Pursuant to the Pool Power Purchase Agreement, MoPEP historically used market-based energy contracts, a generating facility owned by MEC and generating facilities owned by certain of the Pool Power Purchasers ("*Member Capacity*") to provide the electric power and energy requirements of the Pool Power Purchasers. In order to obtain a diversified portfolio of cost-based, reliable resources on a long-term basis to meet MoPEP's growing load requirements and to replace power and energy that previously had been purchased under long- and short-term contracts, the Pool Power Purchasers directed MEC to acquire ownership interests and/or long-term capacity entitlements in several generating facilities. See the caption "MISSOURI PUBLIC ENERGY POOL #1" herein for additional information on MoPEP and the Pool Power Purchasers.

Mid-Missouri Municipal Power-Energy Pool. The first twelve municipal members of MMMPEP initially entered into five-year power purchase contracts with MEC for the full power requirements of their respective municipality. These contracts began on March 1, 2013 and were initially scheduled to expire on May 31, 2018. In 2016, MEC and MMMPEP extended the full power requirement contracts another 10 years to May 31, 2028. A thirteenth city joined the MMMPEP membership in 2016 and began receiving full power requirements in January 2018. A fourteenth city joined the MMMPEP membership in 2022 and began receiving full power requirements in January 2023. MEC and the Members of MMMPEP have negotiated a new power purchase contract that is evergreen and allows MEC to acquire ownership interests and/or long-term capacity entitlements in generating facilities on MMMPEP's behalf in the future.

Southwest Missouri Public Energy Pool. On September 29, 2017, MEC authorized the Missouri Cities of Monett and Mt. Vernon (together, the "*Initial SWMPEP Cities*") to join MEC and execute a power supply contract with the Initial SWMPEP Cities. The Initial SWMPEP Cities and MEC have executed ten-year power purchase contracts for the full power requirements of their respective municipality. Supply pursuant to these contracts began in June 2020 and expire on May 31, 2025. A third city joined SWMPEP as a member in March 2023 and will begin receiving full requirements power in June 2025. MEC and the Members of SWMPEP have negotiated a new power purchase contract in December 2022 that is evergreen and allows MEC to acquire ownership interests and/or long-term capacity entitlements in generating facilities on SWMPEP's behalf in the future.

Annual Budgets

MEC approves an annual budget (the "*Annual Budget*") prior to the commencement of each fiscal year. The Annual Budget includes all projected expenses of MEC and will incorporate separate annual budgets for each generating project in which MEC has an ownership interest or long-term capacity entitlement, including an annual budget for operation of MoPEP.

Revolving Line of Credit

On December 20, 2010, MEC and Wells Fargo Bank, National Association (*"Wells Fargo"*), executed a revolving line of credit, which has subsequently been amended (the "*Revolving Line of Credit*"). The Revolving Line of Credit was most recently renewed in April 2021 and increased to $75 million with an expiration date of April 5, 2024. The Revolving Line of Credit may be drawn upon (i) for working capital to support any MEC operations, (ii) capital expenditures prior to external financing or collection of additional revenues, (iii) posting of collateral under trading agreements, (iv) standby letters of credit up to the amount of the unused portion of the Revolving Line of Credit or (v) for any other purpose agreed upon by MEC and Wells Fargo. MEC uses $7.5 million of the Revolving Line of Credit to provide a $5 million letter of credit to satisfy SPP collateral requirements and a $2.5 million letter of credit to satisfy MISO collateral requirements. In 2022, MEC used a total of approximately $38.8 million for the interim financing of the acquisition of five solar projects (approximately $27.3 million), the acquisition of the Nixa Transmission Assets (as defined herein) (approximately $11.5 million) and the acquisition of the Hannibal Transmission Assets (as defined herein) (approximately $9 million). Additionally, $17 million of the line of credit was utilized to acquire the Nixa solar facility in April 2023. In November 2022, MEC refinanced approximately $27.3 million of the Revolving Line of Credit with permanent financing. Approximately $29.7 million of the Revolving Line of Credit is currently available to MEC.

IATAN UNIT 2 AND THE IATAN 2 PROJECT

General

The Iatan Power Station consists of two units and is located just outside of the City of Weston, in Platte County, Missouri.

Iatan Unit 1 is a single 670 MW (net) sub-critical pulverized coal unit that was placed in service in 1980. Iatan Unit 1 is jointly owned by Evergy Metro, Evergy Missouri West and The Empire District Electric Company (*"Empire"*) (collectively, the *"Iatan Unit 1 Owners"*). Evergy Metro and Evergy Missouri West are each wholly-owned subsidiaries of Evergy, Inc. (*"Evergy"*). Evergy was formed in 2018 with the merger of Westar Energy of Topeka and Great Plains Energy of Kansas City, the parent company of the Kansas City Power & Light Company (*"KCPL"*) the original developer of The Iatan Power Station. Evergy is the operator of Iatan Unit 1. Evergy has announced that Iatan Unit 1 is tentatively scheduled to be decommissioned in 2039.

Iatan Unit 2 was placed into service in January 2011 and achieves an output of 870 MW, of which MEC receives approximately 102 MW. The Iatan 2 Project serves a portion of the load of each of the Power Purchasers. Iatan Unit 2 was originally developed by KCPL and is co-owned pursuant to the Iatan Unit 2 and Common Facilities Ownership Agreement, dated as of May 19, 2006 (the *"Iatan Unit 2 Ownership Agreement"*). The parties to the Iatan Unit 2 Ownership Agreement (collectively, the *"Iatan Unit 2 Owners"*) participated in the development and construction of Iatan Unit 2, and now participate in the operations of Iatan Unit 2 as tenants in common. Each Iatan Unit 2 Owner's percentage ownership interest, which was based on the anticipated net rated output of Iatan Unit 2 pursuant to its original design, is shown in the table below. Evergy is also the operator of Iatan Unit 2.

Power Purchasers

Iatan Unit 2

Owner of Iatan Unit 2	Ownership Interest
Evergy Metro[(1)]	54.71%
Evergy Missouri West[(2)]	18.00
The Empire District Electric Company	12.00
MEC	11.76
Kansas Electric Power Cooperative	3.53
Total	100.00%

(1) Original ownership interest was held by KCPL, prior to the merger of Westar Energy of Topeka and Great Plains Energy of Kansas City.
(2) Original ownership interest was held by KCPL Greater Missouri Operations Company, prior to the merger of Westar Energy of Topeka and Great Plains Energy of Kansas City.

Iatan 2 Project

MEC's undivided interest in Iatan Unit 2 and certain associated common facilities (which interest is referred to herein as the *"Iatan 2 Project"*) entitles MEC to approximately 102 MW (net) of the capacity and output of Iatan Unit 2 which is sold to the Pool Power Purchasers and the Unit Power Purchasers as shown in the table below.

Iatan 2 Project Power Purchasers	Purchase Percentage	Capacity (MW) (net)[(1)]
Unit Power Purchasers	70%	71
Pool Power Purchasers	30	31
Total	100%	102

(1) Based on a net rated output of 870 MW.

See "CERTAIN INFORMATION REGARDING THE UNIT POWER PURCHASERS" in APPENDIX B for information about the study by Independence of the financial viability of its municipal electric utility.

Description of Facilities

General.

Iatan Unit 2 is an 870 MW (net) electric generating unit utilizing a single supercritical pulverized coal-fired boiler of balanced draft combustion design and a single reheat steam turbine, both of which are of conventional design. Steam generated by the boiler is supplied to the steam turbine to complete the power generation cycle. The Iatan Power Station site is located in the 100-year flood plain of the Missouri

River and includes measures to mitigate potential impact of floods on operations. Flood protection was completed during the construction of Iatan Unit 1 and Iatan Unit 2 and includes additional flood mitigation measures that exceed the 100-year flood level, such as impounding the ash landfill area with earthen berms. Evergy has obtained various permits in connection with Iatan Unit 2. The Title V permit for Iatan Unit 2 was renewed on February 7, 2022, in conformity with requirements of the Mercury and Air Toxics Standards (*"MATS"*) rule. See the caption "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY – Climate Change and Possible Future Climate Change Legislation – Additional Environmental Regulations – The Mercury and Air Toxics Standards Rule" herein. Iatan Unit 2 is currently fully compliant with all MATS requirements. All other permits, licenses and approvals required for the operation of Iatan Unit 2 have been granted.

Iatan Power Station Common Facilities.

Iatan Unit 1 includes certain facilities, such as coal handling and rail facilities, which were initially designed to accommodate the development of up to three additional units at the Iatan Power Station site (the *"Common Facilities"*). The Common Facilities include structural facilities, roads, railroad facilities, materials and supplies, coal handling facilities, fuel oil storage facilities, control facilities, shop facilities, tools and equipment, switchyard equipment, elevators, cranes, laboratory equipment and office facilities existing on the Iatan Power Station site and intended for joint utilization by Iatan Unit 1 and Iatan Unit 2.

Upgrades to certain of these facilities were required by and performed in conjunction with the construction of Iatan Unit 2; including modifications to the existing rail facilities to accommodate 150-car unit trains; acquisition of an estimated 330 additional unit train cars; expansion of the coal handling and coal storage facilities; construction of a new road around Iatan Unit 2; expansion of the existing 345-kilovolt (*"kV"*) switchyard at the plant site to support installation of generator step-up and start-up transformers for Iatan Unit 2; addition of a new maintenance facility to house all maintenance crafts; and expansion of the control room.

Currently, cell 1 of the coal combustion residual landfill is approximately 95% full; cell 2A (constructed in 2016) is approximately 20% full; cell 2B (constructed in 2016) is approximately 35% full; and cell 3 (constructed in 2018) is approximately 0% full.

MEC has a proportionate ownership interest in the Common Facilities. The Iatan Unit 1 Owners hold title to the real estate underlying the entire plant and lease the ground necessary to build, own and operate Iatan Unit 2 and the Common Facilities to the Iatan Unit 2 Owners under a long-term ground lease.

Fuel Supply.

The primary fuel for Iatan Unit 2 is low sulfur coal supplied from mines in the Powder River Basin area of Wyoming and Montana. This fuel is relatively high moisture, low sulfur Western sub-bituminous coal. Number 2 fuel oil is used for the start-up and stabilization of Iatan Unit 2.

Evergy is responsible for purchasing all fuel for Iatan Unit 2. Evergy manages its fuel portfolio for the aggregate requirements of Iatan Unit 1 and Iatan Unit 2, as well as for other coal-fired units in Evergy's generating fleet. The coal contracts in Evergy's portfolio generally have terms in the range of one to five years. Evergy has arranged for coal freight service to Iatan Unit 2 utilizing the existing rail infrastructure from the Burlington Northern Santa Fe Railway ("BNSF"). Evergy currently does not have a contract with BNSF. Iatan Unit 2 is served under BNSF tariff, which at this point is likely to run indefinitely or until Evergy comes to agreement on a contract.

Water Supply.

Raw water is supplied from new collector wells installed adjacent to the Missouri River. Raw water is softened using a clarifier before being transferred to a one-day surge tank. An additional clarifier has recently been added to the process in order to simplify and improve the operation of the water treatment system. The cooling tower make-up is supplied from the softened water surge tank. The cooling tower blowdown is used as make-up to the sulfur dioxide (*"SO_2"*) absorber, and the absorber blowdown is discharged to a zero-liquid discharge system.

Softened water to be used for service water is filtered before transfer to a service water storage tank. Service water is used for coal yard dust suppression, make-up to the bottom ash system, make-up to the flue gas desulfurization system and supply to the demineralized water system.

Potable-quality water for drinking fountains, washrooms, showers and toilet facilities is supplied from the existing potable water system.

Environmental Considerations.

Iatan Unit 2 employs state-of-the-art technology consistent with other plants that have been permitted successfully to control emissions of nitrogen oxides (*"NOx"*), SO_2, mercury and particulate matter. The plant was designed to comply with all emissions regulations and permit conditions, including the previously enacted mercury regulations. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY – Environmental" herein. The air quality control systems include low NOx burners, overfire air and a selective catalytic reduction (*"SCR"*) system to manage NOx emissions and fabric filters to manage emissions of particulates. A powdered activated carbon system removes mercury from the boiler flue gas, if necessary. Emissions controls for SO_2 include a wet flue gas desulfurization (scrubber) system that is designed to utilize a limestone slurry solution to remove SO_2.

Electrical Interconnection.

Iatan Unit 2's turbine generator is connected through a generator step-up transformer to an existing 345-kV switchyard at the plant site, which connects directly to Evergy's existing 345-kV transmission system. The switchyard supports generator step-up and start-up transformers for Iatan Unit 2. Transmission additions related to Iatan Unit 2 also included a 345/161 transformer and 161-kV lines leaving the plant to interconnect to Evergy's 161-kV transmission system and Evergy's 345-kV transmission system. A new 345-kV transmission line was constructed in 2015 that interconnects the Iatan Power Station with a substation at the north end of Kansas City, Missouri, known as the Nashua substation.

Transmission Arrangements

The transmission services required to deliver Iatan 2 Project power and energy to the Power Purchasers' systems are primarily provided by SPP, with service as needed by the MISO, and Associated Electric Cooperative, Inc. (*"AECI"*), pursuant to their respective tariffs and/or agreements with MEC.

Under the Unit Power Purchase Agreements, MEC is obligated to deliver power and energy from the Iatan 2 Project to the Unit Power Purchasers at the interconnection point with Evergy's transmission systems. Each Unit Power Purchaser is responsible for arranging for the delivery of Iatan 2 Project power and energy to its distribution system and for paying the costs for such delivery.

The transmission services that MEC provides to the Pool Power Purchasers under the Pool Power Purchase Agreement are described under the caption "MISSOURI PUBLIC ENERGY POOL #1 – Transmission" herein.

Performance

Since commencing commercial operations, Iatan Unit 2 has performed above expectations. Evergy has maintained an average equivalent availability factor of 82.08% for Iatan Unit 2 over the last five calendar years. For 2022, Iatan Unit 2 achieved an equivalent availability factor of 91.45% and a capacity factor of 53.31%. For the months of January through July 2023, Iatan Unit 2 achieved an equivalent availability factor of 96.60% and a capacity factor of 47.15%.

Through the first half of 2022, most threats to generation were taken care of by staff during the long periods between market dispatched operations. There were, however, some forced outages throughout the year. In April the boiler developed a waterwall tube leak and required an outage of five days to complete repairs. In May, a problem occurred during shutdown when one of the induced draft fans tripped on high vibration. Cracks were found in the support steel of the fan mounts requiring weld repairs. From late June through early July, there was a major failure in the generator neutral box. Iatan Unit 2 was de-rated most of the summer due to issues with fans. As Iatan Unit 2 entered the Fall of 2022, there were once again long periods of shutdown due to soft market prices. Throughout the winter there was an increase in operations, especially during extreme cold weather events. Through the first seven months of 2023, Iatan Unit 2 has maintained high availability, however it has seen reduced operations in the SPP market due to high wind generation in the SPP geographical footprint. The SPP market relies heavily on Iatan Unit 2 during extreme winter weather events and prolonged summer heat waves.

Coal pile inventories continue to be effectively managed by Evergy and delivered by BNSF. Iatan Unit 2 has a current coal inventory level of approximately 45 days, which is within the targeted range of coal inventory.

Iatan Unit 2 remains fully compliant with all environmental permits and regulations. In addition, Evergy has a strong safety culture as demonstrated by a continuous excellent safety record.

Operations and Maintenance

Iatan Unit 2 continues to be one of the lowest variable operating cost units in the SPP region. The unit is bid into the SPP market and operates when called upon by the market. While online, Iatan Unit 2 has a wide range of operation and will be controlled by SPP using automatic generation control (AGC). With the addition of the 345-kV line to the Nashua substation (located on the north side of Kansas City, Missouri), MEC expects that turndowns related to congestion should be further limited in the future.

Evergy is the plant operator and provides routine maintenance activities. Evergy also operates Iatan Unit 1 and coordinates operations and maintenance of the two units for efficiency. The plant is operated on a three-shift basis with all routine start-up and shutdown operations being executed from a central control room. The labor force responsible for operations is represented by the International Brotherhood of Electrical Workers, Local 42 ("*IBEW*") under a collective bargaining agreement. By sharing staff with Iatan Unit 1, Iatan Unit 2 benefits from added flexibility and each unit is able to operate with fewer on-site staff per unit. In addition to employees represented by IBEW, Evergy supplies on-site staff as required for routine maintenance activities. Maintenance support for major shutdown work (boiler upgrades, specialized repairs, steam turbine overhauls, etc.) is performed by third parties.

As an owner and the operator of Iatan Unit 2, Evergy gives employee training a high priority. Iatan Unit 2 staff dedicate thousands of man-hours to training quarterly and, along with a simulator, allow Evergy to produce highly skilled operators. Maintenance craft training is also a top priority to ensure employees working at the generating facility continue to perfect their skills. In addition to operator and maintenance training, Evergy runs a training program which allows hourly employees the opportunity to train as a shift foreman, wherein the employee in training shadows a current shift foreman and attends classroom training to develop the necessary supervisory skills. The program is well received and has resulted in internal promotions in recent months.

Iatan Unit 2 has its next scheduled outage beginning in September 2023, which is scheduled to run 31 days. Among potential work items, Evergy currently expects to complete work on several balance of plant auxiliary equipment, including rebuilds of an industrial draft fan and forced draft fan, boiler feed water pump system, and an Air Compressor are scheduled, as well as replacements of burner tips and SCR catalyst systems and an upgrade of distributed control systems for fuel systems.

In the Spring of 2027, Iatan Unit 2 is scheduled to take a 78-day outage to complete a major overhaul of the steam turbine.

MISSOURI PUBLIC ENERGY POOL #1

General

MEC manages a power pool, MoPEP, for the benefit of those of its Members that are Pool Power Purchasers. MEC provides service to the Pool Power Purchasers pursuant to the Pool Power Purchase Agreement. The Pool Power Purchase Agreement provides for MEC to supply the full energy requirements of each Pool Power Purchaser and includes a mechanism for Pool Power Purchasers to dedicate their Member Capacity to MoPEP. MoPEP provides billing credits to Pool Power Purchasers for the use of Member Capacity and economically dispatches the Member Capacity as necessary to meet its obligations. See "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT – Member-Owned Resources" in APPENDIX D hereto.

The location of the Pool Power Purchasers and their proximity to the Iatan 2 Project is illustrated on the map on page (iii) of this Official Statement.

The Power Supply System

Pursuant to a Trust Indenture, dated as of December 1, 2011, entered into between MEC and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as trustee (as amended and supplemented from time to time, the *"MoPEP Power Supply System Indenture"*), MEC has issued several series of bonds to finance or refinance the acquisition and/or construction of undivided ownership interests in the Power Supply System dedicated to MoPEP. The "*Power Supply System*" is defined in the MoPEP Power Supply System Indenture to mean all properties and interests in properties of MEC, which may include electric production, transmission, distribution, conservation, load management, general plant and related facilities, equipment or property, lands, easements and rights of way and any mine, well, pipeline, plant, structure or other facility for the development, production, manufacture, storage, fabrication or processing of fossil, nuclear or other fuel of any kind or any facility or rights with respect to the supply of water, or any rights to the output or capacity thereof, and contract rights and other tangible and intangible assets including without limitation a contract right or other contractual arrangement for the long term or short-term interconnection, interchange, exchange, pooling, wheeling, transmission, purchase or sale of electric power and energy and other similar arrangements with entities having generation and transmission capabilities and located within or without the State, in each case for use by MEC in connection with its obligation to deliver full requirements power and energy pursuant to the Pool Power Purchase Agreement.

The Power Supply System includes: (i) MEC's interests in MEC's undivided 16.4% ownership interest in a 610 MW nominal combined-cycle natural gas-fired electric generating facility located at the Dogwood Energy Station in Pleasant Hill, Cass County, Missouri (the "*Dogwood Generating Facility*"); (ii) a two-unit natural gas fired turbine peaking capacity generating facility located in Fredericktown, Madison County, Missouri (the "*Fredericktown Energy Center*"); and (iii) eleven (11) solar power electric generating facilities of approximately 3.2 MW (DC) of net energy and capacity (per facility) located in the MoPEP Member cities of Macon, Trenton, Rolla, Waynesville, Marshall, Chillicothe, Lebanon, Higginsville, Farmington, El Dorado Springs, and Butler, Missouri (collectively, the "*Solar Projects*").

Notwithstanding the foregoing however, the term "*Power Supply System*," and the trust estate under the MoPEP Power Supply System Indenture do not include any properties or interest in properties of MEC that are Non-Power Supply System Facilities or revenues generated by MEC from any Non-Power Supply System Facilities, including the Iatan 2 Project. See the captions "IATAN UNIT 2 AND THE IATAN 2 PROJECT" and "MISSOURI PUBLIC ENERGY POOL #1 – Non-Power Supply System Facilities" herein.

The Iatan 2 Project is not part of the Power Supply System and the Bonds, including the Series 2023 Bonds, are not secured by the properties or revenues generated from the Power Supply System, the MoPEP Power Supply System Indenture or the trust estate established thereunder.

Pool Power Purchasers

Each Pool Power Purchaser owns and operates an electric system for the distribution of electric power and energy, together with the additional facilities necessary to conduct its business. Twelve Pool Power Purchasers operate electric generating facilities, all the capacity of which is dedicated solely to MoPEP.

Retail electric service in areas adjoining the service areas of the Pool Power Purchasers is provided by investor-owned utilities ("*IOUs*") or rural electric cooperatives which, in some instances, also serve a limited number of customers within the corporate limits of the Pool Power Purchasers. Missouri law controls the boundaries of an electric utility's assigned service area, and changes to these boundaries must be approved by the Missouri PSC.

MoPEP has grown significantly since the pool commenced operations with 19 Pool Power Purchasers in 2000. Based on the U.S. Census Bureau population estimates for 2020, the total population within the corporate limits of all of the Pool Power Purchasers combined was approximately 189,000.

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As of December 31, 2022, MoPEP achieved a 2022 coincident peak of 531 MW on July 5, 2022, an increase from the 2021 coincident peak of 525.9 MW. As of August 23, 2023, MoPEP achieved a 2023 coincident peak of 543 MW, which occurred on August 21, 2023. The following table lists the Pool Power Purchasers, and shows their coincident peak loads as of December 31, 2022:

POOL POWER PURCHASERS - PEAK LOADS

City	2022 Peak Load (MW)[1]	Percent of Total
Rolla	60.2	11.3%
Lebanon	51.5	9.7
Farmington	45.7	8.6
Jackson	38.7	7.3
Marshall	36.3	6.8
Harrisonville	26.0	4.9
Chillicothe	23.0	4.3
Macon	19.6	3.7
Lamar	15.4	2.9
Trenton	14.0	2.6
Higginsville	13.6	2.6
Ava	13.9	2.6
St. James	13.0	2.4
Carrollton	13.9	2.6
Waynesville	13.5	2.5
Odessa	12.0	2.3
El Dorado Springs	11.4	2.1
Butler	11.6	2.2
Fredericktown	11.0	2.1
Hermann	11.0	2.1
Bethany	8.7	1.6
Palmyra	7.9	1.5
Monroe City	7.9	1.5
Shelbina	5.7	1.1
Fayette	5.8	1.1
Albany	4.5	0.8
Memphis	4.8	0.9
Vandalia	5.8	1.1
Unionville	4.3	0.8
Salisbury	4.6	0.9
Gallatin	3.8	0.7
Thayer	4.0	0.8
Rock Port	2.8	0.5
Stanberry	2.7	0.5
La Plata	2.4	0.5
Total	531.0	100%

Total Pool Power Purchasers Served by MoPEP as of December 31, 2022 ………..35

[1] Coincident peak occurred July 5, 2022.

For the calendar years 2021 and 2022, the Pool Power Purchasers whose percentage of the Pool Power Purchasers' combined coincident peak demand through December 31, 2022, was in excess of 5% (the *"Large Pool Power Purchasers"*) included the Missouri cities of Lebanon, Farmington, Marshall, Jackson and Rolla Municipal Utilities. The Large Pool Power Purchasers represented 43.7% and 43.8% of the aggregate coincident peak load of the Pool Power Purchasers during calendar year 2021 and 2022, respectively. During the year ended December 31, 2022, the Large Pool Power Purchasers provided retail electric service to approximately 38,275 customers, sold an aggregate of 1,099,979 megawatt-hours ("*MWh*") of energy, experienced a combined demand of approximately 232.4 MW during the same hour that MoPEP experienced its peak load and received approximately $104,000,000 in revenues from their customers.

Pool Committee and Annual MoPEP Budget

MoPEP operations are governed by a committee (the "*Pool Committee*") consisting of one representative from each Pool Power Purchaser. Each Pool Power Purchaser is entitled to one vote of equal weight through its representative or alternate in any vote of the Pool Committee. In general, a majority vote of the representatives of all Pool Members present will authorize any action or determination by the Pool Committee.

The Pool Committee is responsible for accepting Member capacity and establishing rates that MoPEP will pay for Member capacity and associated energy pursuant to procedures set forth in the Pool Power Purchase Agreement. The Pool Committee is also charged with setting rates for all services to Pool Power Purchasers.

The Pool Committee also is responsible for developing an annual budget (the "*Annual MoPEP Budget*") which includes all costs MEC incurs in connection with acquiring, providing, arranging or financing the provision of full requirements service ("*Direct Costs*"). Direct Costs include, without limitation, all payments MEC is required to make, or reserves or coverage MEC is required to maintain, pursuant to any bond indenture, financing lease or loan agreement or other financial contract 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 Pool Power Purchaser. Direct Costs also include amounts required to fund MoPEP capital and/or operating reserves as may be established from time to time by the Pool Committee. The Annual MoPEP Budget, as developed by the Pool Committee, is incorporated into the Annual Budget and approved by MEC.

Pool Rates and Charges

Rates established by the Pool Committee for services to Pool Power Purchasers are based on recovery of all of MEC's expenses, including all amounts required to satisfy the pool rate covenant described above, included in the Annual MoPEP Budget. Rates are established so as to charge each Pool Power Purchaser its proportionate share of all costs associated with MEC's performance under the Pool Power Purchase Agreement. Charges based on such rates are assessed and billed monthly. Each Pool Power Purchaser is required to pay all such charges when due, as provided in the Pool Power Purchase Agreement. Rates are required to be established at least annually and adjusted to recognize variances between budgeted and actual costs at least every six months. Currently, the rates are adjusted monthly to true-up revenues to actual costs. If the Pool Committee fails to establish rates in accordance with the Pool Power Purchase Agreement, MEC may establish rates as deemed necessary to prevent an event of default under any bond indenture, lease or loan agreement.

Pool rates have fluctuated over the last five years. Much of the fluctuation is attributable to market prices and price increases related to an existing contract, weather conditions, and improved performance of recently constructed generation. MEC anticipates continued reliable performance in its constructed generating facilities that have been in service for approximately a decade and will help stabilize rates for the Pool Power Purchasers. The table below shows the system average rate for all energy delivered during the last five calendar years. Charges include all costs for capacity, energy, transmission, load monitoring, scheduling, dispatch and ancillary services and all administrative costs for managing MoPEP. System average rates include average bill credits for the use of Member Capacity. If MEC did not apply such credits as an offset to MoPEP participants' energy bills, MEC's average cost of delivered energy and annual revenues for MoPEP would be approximately 5-10% higher and MEC's operating expenses for MoPEP would be higher by an equal amount.

AVERAGE COST OF MoPEP DELIVERED ENERGY

Year	$/MWh
2018	59.66
2019	60.84
2020(1)	63.78
2021(2)	67.14
2022	65.03

(1) MoPEP's costs modestly increased in 2021 by approximately 5% over 2020 costs as a result of its diversified portfolio.
(2) A major winter ice storm with widespread impacts across the United States in February 2021 ("*Winter Storm Uri*") was a factor in higher rates for 2021.

Current Power Supply Operations

To meet the power and energy requirements of the Pool Power Purchasers, MEC presently obtains power and energy from the following resources: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) certain MEC owned generation included as part of the Power Supply System, consisting of the Dogwood Generating Facility, the Fredericktown Energy Center and the Solar Projects; (iii) an allocation of Non-Power Supply System Facilities (including the Iatan 2 Project); (iv) Member Capacity; and (v) spot market purchases.

In 2021, MEC purchased 2,514,342 MWh of energy (including approximately 150,000 MWh of energy generated from Member Capacity). In 2022, MEC purchased 2,587,670 MWh of energy (including approximately 149,000 MWh of energy generated from Member Capacity).

Power Purchase Contracts

The capacity and energy available under the following contracts is fully dedicated as a Resource Obligation for MoPEP under the Pool Power Purchase Agreement (with the exception of the long-term power purchase agreement with Iron Star Wind Project, LLC, which is committed as described below). See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT."

MEC's existing long-term firm power purchase contracts include: (i) four contracts with the Southwestern Power Administration that together will provide a total of 24 MW with staggered 15-year maturities (with expected extensions beyond that) and (ii) a 30 MW renewable energy purchase agreement with Cimarron Bend Wind Project III, LLC that will remain in effect until 2033.

MEC currently receives energy under several unit-specific long-term power purchase contracts. These contracts include: (i) a 5 MW contract with the Loess Hills Wind Farm, LLC, for the service from the wind farm located in City of Rock Port which expires in 2028; (ii) an approximately 57 MW take-or-pay contract with the Omaha Public Power District ("*OPPD*") to purchase a share of the capacity and energy of OPPD's Nebraska City Unit 2 ("*NC2*") which expires in May 2049 (the "*NC2 PPA*" as more fully described below); (iii) an approximately 50 MW contract with Plum Point Energy Associates ("*PPEA*"), a Delaware limited liability company, to purchase a share of the capacity and energy of PPEA's interest in the Plum Point Energy Station which expires in 2042 (the *"Plum Point PPA"*); and (iv) a 7.6 MW contract with the City of Lamar for all of the output and energy of a landfill gas-fired generating facility, which expired in 2022, however a one year extension of this contract was approved and the parties are in the process of renewing or extending for an additional term. MEC is considering terminating the Plum Point PPA in connection with MEC's potential purchase of additional ownership interest in the Plum Point Energy Station. See the caption "MISSOURI PUBLIC ENERGY POOL #1 – Non-Iatan 2 Project Facilities – *Plum Point Project*" herein for further discussion.

The NC2 PPA, dated January 15, 2004, entitles MEC to 56.83 MW of capacity and energy from NC2, a nominal 680 MW coal-fired generating station that commenced commercial operations in May 2009. The NC2 PPA commits MEC to pay 8.3% of NC2 costs, including debt service, whether or not the unit is operating or operable. OPPD has retained approximately 50% of NC2 for its own use. Other take-or-pay NC2 participants include Falls City, Nebraska Utilities; the City of Grand Island, Nebraska Utilities Department; the City of Independence, Missouri Power & Light Department; Nebraska City, Nebraska Utilities; the Nebraska Public Power District; and the Central Minnesota Municipal Power Agency. The NC2 PPA includes provisions that require the participants to increase their entitlement shares, with a cap of 160% of the initial entitlement share, under certain circumstances in the event of a participant default.

In September 2013, MEC executed a long-term power purchase agreement with Marshall Wind Energy, LLC for the purchase of 20.0 MW capacity and energy from its wind farm. The facility commenced commercial operation in May 2016.

In January 2014, MEC executed a long-term power purchase agreement with Black Oak Power Producers, LLC for the purchase of 3.8 MW capacity and energy from its landfill gas-powered electric generating facility located in Hartville, Missouri. The facility entered commercial operation in March 2015.

In January 2017, MEC executed a long-term power purchase agreement with Iron Star Wind Project, LLC for a quantity based on binding contractual commitments obtained from MEC members (not less than 100 MW), to begin delivery after the Grain Belt Express becomes fully operational and available. Currently MEC has 136 MWs committed from members in the following quantities: 60 MWs for MoPEP, 35 MW for Columbia, 25 MW for Kirkwood, 15 MW for Hannibal, and 1 MW for Centralia. In October 2021, this power purchase agreement was assigned to Sante Fe Wind Project, LLC. The Grain Belt Express is not expected to be placed in service before 2028.

Power Supply System Facilities – The Dogwood Generating Facility

General

The Dogwood Generating Facility is a nominal 610 MW combined-cycle natural gas-fired electric generating facility located in Pleasant Hill, Missouri. In March 2012, MEC acquired an initial undivided 8.2% (approximately 50 MW of capacity) ownership interest with the proceeds of MEC's Power Supply System Revenue Bonds (MoPEP Facilities), Series 2012, which are no longer outstanding. In 2018, MEC acquired an additional 8.2% ownership interest with the proceeds of bonds issued under the MoPEP Power Supply System Indenture (for a combined total of a 16.4% ownership interest and approximately 100 MW of capacity). MEC has dedicated the approximately 100 MW of Dogwood Generating Facility output of capacity and energy as a Resource Obligation for MoPEP which equates to approximately 20% of MoPEP's peak capacity requirement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT."

All MEC Dogwood Generating Facility costs associated with its combined 16.4% undivided ownership after the acquisition, including operating and maintenance and debt service costs, are paid with revenues received by MEC from MoPEP.

MoPEP did not initially fully need 100 MW of capacity and energy from the Dogwood Generating Facility. MoPEP members have directed MEC to use a portion of the capacity and energy from the Dogwood Generating Facility to serve MMMPEP during that time period. In September 2017, MEC, MMMPEP and MoPEP approved through a joint resolution a memorandum of understanding among the parties (the "*MMMPEP MOU*"). The MMMPEP MOU entitled MMMPEP to purchase 50 MW of MoPEP's 100 MW capacity and energy output from MoPEP's Dogwood Generating Facility Resource Obligation beginning June 1, 2018 through May 31, 2021, at which time the 50 MW portion was reduced to 25 MW until May 31, 2024, when the contract expires and the 25 MW returns to MoPEP (the "*MMMPEP Dogwood Resource*"). Revenues received by MEC from MMMPEP related to the MMMPEP Dogwood Resource will be credited against MoPEP's obligations to pay for Resource Obligations pursuant to the terms of the Pool Agreement. In the event of a shortfall in revenues received by MEC from MMMPEP, the MMMPEP MOU provides that MoPEP will remain obligated to pay any such shortfall to MEC in order for MEC to make payments of principal of or interest on the associated bonds issued under the MoPEP Power Supply System Indenture.

The Dogwood Owners

Dogwood Energy, LLC has several similar, but separate, asset purchase agreements with MEC, Independence, the Kansas Power Pool ("*KPP*"), a municipal power pool in the State of Kansas, the Unified Government of Wyandotte County/Kansas City, Kansas ("*KCBPU*") and Kansas Municipal Energy Agency ("*KMEA*"), a municipal power pool in the State of Kansas. Upon each co-owner's acquisition of an undivided interest in Dogwood Generating Facility, each co-owner became a party to a Participation Agreement, among Dogwood Energy, LLC and the owner(s) of any additional undivided interest in the Dogwood Generating Facility (the "*Participation Agreement*"). Pursuant to the Participation Agreement, each party thereto participates in the ownership and operation of the Dogwood Generating Facility and each of the parties thereto is entitled to a percentage of the capacity and output of the Dogwood Generating Facility corresponding to its ownership percentage.

The current list of co-owners of the Dogwood Generating Facility and their percentage ownership are as follows:

Owner	**Ownership Interest**
MEC	16.4%
City of Independence, Missouri	12.3
Kansas Power Pool	10.3
Kansas City, Kansas Board of Public Utilities	17.0
Kansas Municipal Energy Agency	10.1
Dogwood Energy, LLC	33.9
Total	100.0%

Dogwood Energy, LLC has publicly announced its intention to sell all or a part of its remaining interest in the Dogwood Generating Facility. In January 2023, MEC entered into three asset purchase agreements with Dogwood Energy, LLC for the acquisition of an additional 75MW of energy and capacity follows: (a) in 2024, an amount not to exceed a 3.9% ownership interest (approximately 25 MW) for the benefit of MMMPEP, (b) in 2025, an amount not to exceed a 3.9% ownership interest (approximately 25 MW) for the benefit of SWMPEP, and (c) in 2026, an amount not to exceed 3.9% ownership interest (approximately 25 MW) for the benefit of the City of Carthage, Missouri.

In order to obtain property tax exemption for the Dogwood Generating Facility, Dogwood Energy, LLC has transferred all of its interest in the Dogwood Generating Facility to Cass County, Missouri ("*Cass County*") which, in turn, has leased the Dogwood Generating Facility back to Dogwood Energy, LLC. Contemporaneously with its acquisition of the additional undivided interest in the Dogwood Generating Facility, MEC exercised an option contained in the lease with Cass County, Missouri to purchase its additional undivided interest, and thereafter MEC's additional interest in the Dogwood Generating Facility will not be subject to the Cass County lease. Independence also exercised such an option and is not subject to the Cass County lease. All other non-Missouri joint owners have not exercised such an option and together with Dogwood Energy, LLC continue to be subject to the Cass County lease.

The Dogwood Generating Facility

The Dogwood Generating Facility is contained within a 67-acre parcel located within Pleasant Hill, Missouri, approximately 20 miles southeast of Kansas City, Missouri. The generating station includes two Siemens Westinghouse model 501FD2 gas-fired turbines were upgraded in 2009 to model 501FD3 specifications, two Toshiba heat recovery steam generators ("*HRSG*"), a Toshiba steam turbine, three generator step-up transformers, associated building(s), and ancillary support facilities. The generating station was constructed by Black & Veatch. With duct-firing and power augmentation, the plant has a 656 MW summer output capacity.

Dispatch, Operations and Maintenance

The Dogwood Generating Facility has previously been operated as a merchant plant prior to 2012 and dispatched when market conditions in the SPP reliability region provide economic benefits. The Dogwood Generating Facility is within the SPP RTO geographical footprint and participates in the SPP Day-Ahead Market (the "*Market*"). The Dogwood Generating Facility continues to benefit from its place in the Market, especially due to the Dogwood Generating Facility's relative short startup time when outages occur with the larger units in SPP. There are additional generation opportunities when wind generation resources drop off from the grid.

Pursuant to the Participation Agreement, the Participants entered into an initial Project Management Agreement with Dogwood Power Management, LLC who provides project management services for all of the Participants. Dogwood Energy, LLC, on behalf of the Participants, currently contracts with North American Energy Services Corporation ("*NAES*") to operate and maintain the plant and with Westar Energy, Inc. ("*Westar*") to dispatch the plant and schedule energy into the SPP RTO marketplace and elsewhere. Dogwood Power Management, LLC is a limited liability company that has been put in place to manage the plant and oversee the contracts with NAES and Westar.

In 2022, the Dogwood Generating Facility scheduled and completed scheduled maintenance activities to sustain successful operations and reliability performance. The steam turbine received a minor overhaul, which included the planned replacement of the "Stage 1" diaphragm which was recommended by the manufacturer due to fleet-wide defects. Coming out of those maintenance activities, the units met or exceeded MEC's performance expectations. In both 2021 and 2022, the Dogwood Generating Facility has met operational expectations and in 2023 to date, it has shown strong reliable operations as well. Dogwood

Generating Facility's proximity to the Kansas City area makes it a favorite of SPP for operations to help support any transmission constraints in the area.

Fuel Supply

The Dogwood Generating Facility's combustion turbine generators are single-fuel (natural gas) units. The Dogwood Generating Facility includes an approximately seven-mile long 16-inch diameter natural gas lateral pipeline that interconnects with both Southern Star and Panhandle Energy Pipe Line Company ("*Panhandle*") interstate transmission pipelines near Harrisonville, Missouri. Agreements for firm natural gas transportation are in place with both Southern Star and Panhandle.

Water Supply

Process water for the Dogwood Generating Facility is supplied by the City of Kansas City via a 30-inch pipeline. Service is provided under an initial twenty-year contract entered into in 1999, which includes provisions for automatic five-year contract renewals. The Dogwood Generating Facility is a zero-discharge facility whereby process wastewater is reused and any remaining solids are disposed off-site.

Electrical Interconnection

The Dogwood Generating Facility is within the SPP RTO Balancing Authority Area ("*BAA*"). The plant is located adjacent to an existing substation owned and operated by KCPL - GMO and includes three 161-kV interconnections and two 345-kV interconnections. One 161-kV line has direct connection to MEC's MoPEP member, the City of Harrisonville, Missouri.

Air Quality Controls

The Dogwood Generating Facility is designed to meet best available air pollution control technology. The plant currently complies with all emissions regulations and permit conditions, including all state and federal regulations. To date, the operations of the plant have not been impacted by the limits or conditions in any permit or regulation.

Power Supply System Facilities – The Fredericktown Energy Center

General

MEC constructed and is the sole owner and operator of the Fredericktown Energy Center, a two-unit natural gas fired turbine peaking capacity generating facility. The capacity and power of MEC's ownership interest in the Fredericktown Energy Center is fully dedicated to MoPEP power supply needs as a Resource Obligation under the Pool Power Purchase Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT."

MEC financed or refinanced the construction costs for the Fredericktown Energy Center through the issuance of bonds issued under the MoPEP Power Supply System Indenture.

The Fredericktown Energy Center

The Fredericktown Energy Center includes two single-shaft turbine generators with a nominal net output capacity of approximately 12 MW each. The Fredericktown Energy Center was constructed to allow easy retrofitting for future potential combined-cycle operations, similar to MEC's Laddonia Project.

On January 31, 2013, turbines were operated up to full speed with no load for the first time. Additional third-party electrical interconnection upgrades to connect the plant to the power grid, final tuning, testing and startup followed before the Fredericktown Energy Center commenced operations at the end of June 2015. Compliance tests were completed for both turbines and submitted to the Missouri Department of Natural Resources for review. Test reports show the units of the Fredericktown Energy Center performed well below their permitted limits. To date, all permits necessary for operation of the Fredericktown Energy Center remain in place.

Dispatch, Operations and Maintenance

The Fredericktown Energy Center serves as an efficient natural gas peaking power supply resource within the MoPEP power supply portfolio and is interconnected into the SPP RTO BAA and participates in the real-time market. The turbines have been equipped for remote operations from MEC's Columbia, Missouri office as well as MoPEP Member Macon Municipal Utilities. New Solar Turbine Operator Workstations allow for operational redundancy between Macon Municipal Utilities and MEC. SPP contacts MEC's energy schedulers when making notifications for unit operations. The energy schedulers then remotely start and operate the turbines for the required schedule based on SPP requirements. The turbines short start time characteristics and flexible operating parameters have proven to be a reliable source to SPP and a valuable asset and resource mix to MoPEP.

During the first quarter of 2022, Spire Marketing ("*Spire*"), a subsidiary of Spire, Inc., notified MEC that it expected to transition MEC's natural gas supply billing from Spire's interruptible tariff rates to its large general service tariff, which increased the facility's natural gas rates from approximately $3.50 MMBTU to $7.50 MMBTU, making Fredericktown Energy Center's turbines less economically favorable for market operations. In May 2022, conditions improved and the units experienced an increase in market commitments. Natural gas prices continued to rise into the Summer of 2022, which made Fredericktown turbines more economical to run. The summer and fall months saw a significant increase in operations, including a few overnight runs. Fredericktown wrapped up 2022 as one of the strongest for the facility, especially during the extratropical cyclone known as "Winter Storm Elliott", which created winter storm conditions, including blizzards, high winds, snowfall, or record cold temperatures across the majority of the United States and parts of Canada during December 2022 ("Winter Storm Elliot"), when the units ran around the clock through the entire event. During the first quarter of 2023, Fredericktown Energy Center again saw limited operations due to natural gas rates but have seen operations normalize since April 2023. The summer months of June, July and August have seen significant increases in dispatch for the units.

MEC has a maintenance agreement with Solar Turbines, Inc. ("*Solar*"), the turbines' original equipment manufacturer ("*OEM*"). MEC staff and the member cities of Macon and Fredericktown assist MEC with operations of the Fredericktown Energy Center.

Fuel Supply

Natural gas supply is delivered to the project site through pipelines owned and operated by Spire, the local distribution company, who receives supply from the Mississippi River Transmission Company's interstate transmission pipeline. With natural gas commodities prices increasing nationally, Fredericktown Energy Center continues to be dispatched in the SPP market.

Air Quality Controls

The Fredericktown Energy Center is designed to meet best available air pollution control technology. The plant design complies with all emissions regulations and permit conditions, including all state and federal regulations. The two turbines successfully completed permit required stack testing in

August 2021, with both turbines' emissions rates testing well below emission permitted levels. Fredericktown completed stack testing on August 30, 2023. Similar to years past, the units are operating well below their permitted limits.

Non-Power Supply System Facilities

General

Beginning in 2006, MEC began exploring opportunities to participate in the development and construction of generating units to meet its Members' and Advisory Members' growing load requirements and to replace power it had previously purchased under long- and short-term contracts. A portion of MEC's interests in the following projects has been dedicated as a Resource Obligation for MoPEP under the Pool Power Purchase Agreement. However, MEC's interests in the following projects and the Iatan 2 Project constitute "Non-Power Supply System Facilities" under the MoPEP Power Supply System Indenture. See the caption "IATAN UNIT 2 AND THE IATAN 2 PROJECT" herein.

The Series 2023 Bonds will not be payable from any revenues to be derived by MEC from any of the Plum Point Project, the Prairie State Project or the Laddonia Project, or any other or additional generating facilities or the funds and accounts established pursuant to any such indenture or other financing documents other than the Iatan 2 Project and the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS" herein.

Plum Point Project

In March 2006, MEC acquired an undivided 22.1% interest in the Plum Point Energy Station, a 665 MW (net) coal-fired generating plant constructed in northeast Arkansas (*"Plum Point"*), which interest entitles MEC to approximately 147 MW (net) of the capacity and output of such generating plant (such interest is referred to herein as the *"Plum Point Project"*). The Plum Point Energy Station commenced commercial operations on September 1, 2010. MEC has sold 127 MW of the capacity of the Plum Point Project to three of its Members (the Missouri cities of Poplar Bluff, Carthage and Malden) and to the four Advisory Members that are Arkansas cities (the cities of North Little Rock, Osceola, Benton and Piggott) pursuant to separate unit power purchase contracts. Plum Point is operated by NRG Energy, Inc. (*"NRG"*).

In the first two months of 2022, Plum Point operated at high capacity with just a short two-day outage for repairs. Natural gas prices kept the unit operating close to full load. On average, daily capacity factors were in the mid to upper 90% range. However, in late February, the unit was forced offline for a week to address bottom ash buildup in the submerged flight conveyor.

Plum Point's Spring 2022 outage was postponed until June by MISO. Some of the major work completed included circulating water pump repair and motor replacement, condensate pump repair and motor replacement, pulverizer motor reconditioning, boiler hydro valve installation, cooling tower inspection and repairs along with several other balance of plant repairs and inspections. Additional projects in 2022 include a chemical spray system and windscreens.

Short outages were required throughout the summer months for various repairs and continued in October and November for several issues related to the main feedwater valve actuator, submerged flight conveyor, baghouse, boiler tube, and the pressure relief valve failures on three feedwater heaters and failure of the main steam line header drain at the before-and-after seat drains. Throughout the first three weeks of December, Plum Point dealt with de-rates for baghouse issues and had a forced outage for a boiler tube leak. During Winter Storm Elliott, Plum Point experienced several issues which caused the unit to have a number of extended outages through January 3 including low pressure trips, circulating water pump discharge valve and main steam safety valve failures and control system input card failures in the control system cabinet at the boiler.

There have been several personnel changes following the December outages. The plant manager has been replaced with an interim plant manager from NRG. In addition, a maintenance planner has resigned and the plant maintenance manager has stepped down and will assume a lesser role in the plant. NRG began an investigation into the reliability issues of 2022. The owners also contracted with Black & Veatch to review the reliability problems experienced by the plant. Black & Veatch identified areas of concern with reliability and made recommendations to the owners on corrective actions. Findings were shared with NRG, and the parties are working to implement the recommendations of the report along with NRG's own findings. In May 2023, the owners hired a new plant manager. In early January 2023 when Plum Point returned to service following a winter storm in late December, the unit operated with few issues up to the start of the 30-day Spring 2023 outage. The Spring 2023 outage, which started in early April, was completed on schedule and within budget with no problems. Several items were addressed during this outage, including boiler reheater repairs, baghouse bag changeouts, replacement of one layer of SCR catalyst, condensate and boilerfeed pump motor and pump repairs, flue gas economizer outlet expansion joint replacement along with a smaller balance of plant items. Since returning to service from the outage, the unit has performed well.

The Plum Point Energy Station's majority owner, Plum Point Energy Associates, LLC ("*PPEA*"), restructured its ownership in January 2018. PPEA, a wholly-owned subsidiary of PPEA Holding Company, LLC, previously comprised of John Hancock Life Insurance and Ares Management L.P. Energy Investors Fund ("*Ares EIF*"). In January 2018, Starwood Energy Group Global acquired Ares EIF's ownership in PPEA. Additionally, Plum Point Services Company, LLC, formed by PPEA to manage Plum Point operations under the Plum Point Management Agreement, announced PurEnergy Management Services ("*PEMS*"), a subsidiary of North American Energy Services ("*NAES*"), succeeded as Plum Point Energy Station's Project Management Company.

MEC financed the cost of acquisition and construction of the Plum Point Project by the issuance of $332,340,000 in aggregate principal amount of bonds pursuant to a separate trust indenture relating to the Plum Point Project.

MEC is currently considering acquiring additional energy and capacity from the Plum Point Project in an amount not to exceed a 10.4% ownership interest (approximately 70.8 MW) for the benefit of MoPEP, and an amount not to exceed an 8.8% ownership interest (approximately 60 MW) for the benefit of MMMPEP, SWMPEP, or other Members. If this acquisition occurs, the Plum Point PPA would be terminated. See the caption "MISSOURI PUBLIC ENERGY POOL #1 – Power Purchase Contracts" herein.

Prairie State Project

In 2007, MEC acquired an undivided 12.3% interest in the Prairie State Energy Campus (*"Prairie State"*). Prairie State includes an approximately 1,600 MW (net) coal-fired, steam-electric generating station located in Washington, St. Clair and Randolph Counties, Illinois. MEC's interest in Prairie State entitles MEC to approximately 195 MW (net) of the capacity and output of such generating plant (such interest is referred to herein as the *"Prairie State Project"*).

The Prairie State Project consists of MEC's undivided interest in the Prairie State Energy Campus, a mine-mouth, pulverized coal-fired generating station located in Washington, St. Clair and Randolph Counties in southwest Illinois. The generating station consists of two supercritical units with a nominal net output capacity of approximately 800 MW each (herein referred to as "*Prairie State Unit 1*" and "*Prairie State Unit 2*").

The ownership group governs the construction and operation of Prairie State through a non-profit corporation, Prairie State Generating Company, LLC *("PSGC")*. Each Prairie State owner indirectly owns PSGC on a basis proportionate to their ownership interests and exercise control through a management committee (referred to herein as the "*PSGC Board*") based on weighted voting proportionate to their voting interests.

Prairie State Unit 1 commenced operations in June 2012 and Prairie State Unit 2 commenced operations in November 2012. During early operations, Prairie State experienced numerous unscheduled outages and derates for equipment adjustments and other operational issues. In response, PSGC implemented numerous improved operational procedures, equipment upgrades and repairs in order to increase reliability, as well as significant management, structural and personnel changes.

Both Prairie State Unit 1 and Prairie State Unit 2 wrapped up 2022 with strong operations. During the month of December, Prairie State Unit 1 had the second highest month for generation totals since the Prairie State Unit 1 went into commercial operation and fell just 842 MWhrs short of its previous record, which occurred in January 2021. Overall performance in December helped make 2022 the third-highest year for generation at 11.6 million MWhs. In addition, both Prairie State Unit 1 and Prairie State Unit 2 operated with no issues throughout Winter Storm Elliott in December 2022 providing stable power supply to the Members. January 2023 operational performance fell slightly month-over-month due to tube leak outages on Prairie State Unit 2. Prairie State Unit 1 continued to run well and achieved its third-highest month of generation, only 40 MWhs shy of the second-highest output set this past December.

Prairie State Unit 1 started its scheduled 35-day spring outage at the end of February 2022. PSGC staff were successful managing the outage and as a result, were able to return Prairie State Unit 1 to service 5 days early. The spring outage for Prairie State Unit 1 originally scheduled to start March 6 was moved up to February 27 due to potential shortages of boilermakers conflicting with other spring outages in the area. The primary scope of work was in the boiler and back passes up to the stack. Most of the work completed during the outage was in the boiler and back pass areas. Following this outage, Prairie State Unit 1's summer operations were hampered by some forced outages due to tube leaks and a failure of the electrohydraulic control system (*"EHC"*) pump. All outages were short in duration and the unit quickly returned to service. Prairie State Unit 1 took a 10-day Maintenance Outage in the fall to address boiler issues and any other balance of plant issues that arose through the summer operations period. Prairie State Unit 1's next 35-day outage will not occur until the fall of 2023. Through the first three months of 2023, Prairie State Unit 1 has performed very well. Prairie State Unit 1 experienced one boiler tube leak in mid-March stopping its continuous days of operation at 126.

During the first quarter of 2022, Prairie State Unit 2 experienced boiler tube leaks and low-side bushing leaks on the generator step-up (*"GSU"*) transformer. All leaks were quickly repaired, and the Prairie State Unit 2 was returned to service in a matter of a few days each time. Prairie State Unit 2 ran strong through the summer months leading up to the start of the scheduled 35-day Fall Outage. During the Prairie State Unit 2 outage, items addressed were boiler inspections and repairs, boiler feed pump inspections and repairs, SCR catalyst replacements layers 1 and 2, hot reheat steam tee replacement, air-heater basket replacements, inspections and repairs in the absorber reaction tank and the WESP (exhaust gas cleanup prior to the exhaust stack). Like Prairie State Unit 1, Prairie State Unit 2 experienced good operations through the first three months of 2023, with a couple of short outages to address boiler tube leaks. Today, Prairie State Unit 2 continues to operate well.

The mine belted approximately 6.5 million tons of coal to the Power Plant for 2022. The combined burn of coal in 2022 by both units was almost 6.3 million tons. The current coal inventory level is 35 days.

Approximately 109 MW of the capacity of the Prairie State Project is sold to the Missouri cites of Columbia, Kirkwood, Hannibal, Fulton, Centralia and Kahoka (together, the "*Prairie State Unit Power Purchasers*") pursuant to separate unit-specific, life-of-unit, take-or-pay power purchase agreements between MEC and each of the Prairie State Unit Power Purchasers (the "*Prairie State Power Sales Contracts*"), the balance of the capacity of the Prairie State Project (approximately 86 MW) is assigned to MoPEP to provide a portion of the electric power and energy requirements of those MEC Members participating in MoPEP.

MEC financed the cost of acquisition and construction of the Prairie State Project by the issuance of $831,195,000 in aggregate principal amount of bonds pursuant to a separate trust indenture relating to the Prairie State Project.

On September 15, 2021, the Illinois Legislature passed and Governor J.B. Pritzker signed into law comprehensive energy legislation in the form of SB 2408, the Climate and Equitable Jobs Act (the "*CEJA*"). The CEJA requires a 45% reduction in carbon dioxide equivalent emissions from Prairie State, as measured based on the average annual emissions from years 2018-2020 ("*existing emissions*"), by no later than January 1, 2035. If the reduction in existing emissions cannot be achieved by December 31, 2035, the CEJA would require action or actions, including the possible retirement of one or more generating units, to achieve the 45% reduction in existing emissions by June 30, 2038. In addition, Prairie State must permanently reduce carbon dioxide emissions to zero by no later than December 31, 2045.

Prior to the passage of the CEJA, MEC and the other owners of Prairie State (collectively, the "*Prairie State Owners*") engaged consultants to develop various contingency plans to manage the impacts of comprehensive energy legislation that had previously been introduced in Illinois, and that planning continues. Further, the Prairie State Owners will continue to advocate for favorable treatment of Prairie State that recognizes its value to the Prairie State Owners and their customers and the impact its closure would have on the community. The Prairie State Owners are also evaluating additional mitigation measures, including certain potential mitigation measures included in the CEJA. Nevertheless, the ultimate impact on Prairie State, MEC, and the Members may be material, particularly after 2035. Such potential impacts cannot be gauged with certainty at this time, as any evaluation would be based on a number of variables, including, but not limited to, the availability and cost of control technologies, such as carbon capture and sequestration, Participant load requirements and cost of power, including replacement power. Closure of Prairie State would not terminate the Prairie State Power Sales Contracts or relieve MoPEP or the Prairie State Purchasers from their payment obligations thereunder.

On March 22, 2023, the Sierra Club filed a complaint (the *"Prairie State Complaint"*) against PSGC in the United States District Court for the Southern District of Illinois (*Case No. 3:23-CV-00919*). The Sierra Club alleges that PSGC is in violation of the Federal Clean Air Act ("*CAA*") by operating without a Clean Air Act Permit Program ("*CAAPP*") permit. Sierra Club seeks to enjoin any operation of PSGC until PSGC receives a CAAPP permit and seeks penalties. Based on the information provided in the Prairie State Complaint, MEC is vigorously defending the action along with PSGC and the other Prairie State owners. The parties are currently awaiting a ruling from the trial judge regarding a motion to dismiss filed by PSGC for lack of jurisdiction. MEC does not believe the suit has merit, however, MEC cannot be certain that the suit will not result in a material impact to the finances or operations of Prairie State.

The Laddonia Project

The Laddonia Project is a nominal 12 MW generating facility near the City of Laddonia, Missouri owned by MEC. The generating facility, which commenced commercial operations in the third quarter of 2007, includes a gas-fired combustion turbine, a natural gas line and an electric substation. The heat generated from the turbine is used by POET Ethanol, LLC ("*POET Ethanol*") in its production of ethanol. In return for the use of the heat, POET Ethanol has agreed to pay a portion of the cost of the gas used by MEC in the operation of the combustion turbine. The Laddonia Project was financed through the Missouri Association of Municipal Utilities financing program pursuant to a 15-year capital lease that terminated in March 2021. All of the capacity of the electric generating facility has been allocated to MoPEP to meet MoPEP's requirements.

Through July 2021, the Laddonia Project's turbine met performance expectations until an unexpected failure of the rotary gearbox and generator rotor occurred on August 24, 2021. Due to supply chain issues the turbine repairs were delayed five months before the unit returned to full operations on January 21, 2022. MEC and the OEM shared in the cost of the repairs. The turbine continues to be routinely taken off line approximately every 6-7 weeks as a part of the ethanol plant processing schedule. The turbine shuts down twice a year for scheduled outages as the turbine OEM, Solar, Inc., performs onsite semi-annual and annual inspections on the turbine. The turbine outages are scheduled at the same time of a scheduled POET Ethanol outage to minimize downtimes for both parties.

POET Ethanol and MEC have initiated limited activity to explore the addition of a second turbine at the Laddonia site. MEC has already completed the process of pre-qualifying an engineering firm to assist with the design and construction of the second turbine. If the project moves forward, MEC will install a Solar Titan 130 turbine identical to the current turbine in service. If MEC decides to move forward with the addition of the second turbine, it will have until October 22, 2024, to begin construction.

Member Generating Capacity

Currently, MoPEP has accepted approximately 70 units with a total capacity of approximately 244 MW as Member Capacity, which is frequently used as peaking capacity. Pool Power Purchasers that own Member Capacity receive a credit for MoPEP's use of Member Capacity. The credit represents the market value for the capacity and energy. Many of the units dedicated to MoPEP are less than 2.5 MW and are principally older, diesel generators which are rarely dispatched. MoPEP does dispatch a 9.5 MW co-generation facility on a relatively frequent basis.

2022 MoPEP MEMBER CAPACITY

Facility	Fuel Type	Capacity (MW)	2022 Capacity Factor
Chillicothe Unit 2	Natural Gas/Oil	40.0	<1.0%
Macon Gas Turbine	Natural Gas	9.5	107.0%[(1)]
City of Higginsville	Natural Gas	38.6	<6.0%
City of Jackson 10 units	Oil	21.2	<1.0%
Other Peaking Units	Natural Gas/Oil	134.9	<1.0%
Total Member Capacity		243.8	

(1) The capacity of this unit is based upon a summertime rating, determined with evaporation at 100°F. At lower temperatures, the output of the unit is well above 9.5 MW, and the unit regularly produces 10 MW in winter.

The owners of Member Capacity are responsible for providing fuel and for keeping the units in good working order. All Member generating facilities have had and continue to receive proper maintenance and regularly scheduled overhauls. Since their initial in-service dates, many of the generating facilities have been refurbished, upgraded or expanded. The owners also are responsible for ensuring the units are in compliance with the existing requirements of the federal Clean Air Act (the "*CAA*") covering fuel consumption restrictions.

Off-System Sales

MEC makes sales of power and energy from time to time in the spot market. In addition, MEC has sold power and energy to other Missouri municipal utilities from MoPEP resources for periods up to 6 months. These off-system sales reduce MoPEP costs and/or increase contributions to reserves.

Historical and Projected Energy Requirements

MoPEP's energy requirements have grown significantly since MoPEP commenced operations in 2000, due primarily to the addition of new members. MoPEP's energy requirements in 2023 are expected to be 2,500,000 MWh, a decrease from 2022 followed by a mild first quarter. MoPEP's energy requirements from 2024 through 2027 are expected to grow slightly. MEC's projections of MoPEP's future energy requirements are based upon several factors including economic, historical and weather sensitivity data, membership load characteristics, generation availability and other related utility compliance requirements.

MEC engaged Leidos Engineering, LLC ("*Leidos*") to prepare a broad assessment and projection study covering future operations, which takes into account all known significant factors, including load growth, plant closures, renewable generation, the expected regulatory environment, the Clean Power Plan, and other factors. Leidos' analysis reports on MoPEP and on each individual MEC Member who expressed a desire to participate in the study. The study was presented to MEC in 2016, and is used, together with other information available to MEC, in forecasting MoPEP's projected costs and energy requirements for 2023 and future years.

HISTORICAL AND PROJECTED MoPEP ENERGY REQUIREMENTS

Year	Historical Energy Requirements (MWh)	Year	Projected Energy Requirements (MWh)
2018	2,666,000	2023	2,521,000
2019	2,566,228	2024	2,526,000
2020	2,455,283	2025	2,531,000
2021	2,514,000	2026	2,544,000
2022	2,588,000	2027	2,556,000

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Historical and Projected MoPEP Loads and Resources

MEC previously has met the Pool Power Purchasers' power and energy requirements through a combination of purchased power, MEC owned generation and the use of Member Capacity. As the table below indicates, MEC expects to utilize direct ownership interests in several baseload generating facilities and unit contingent purchased power contracts to meet a substantial portion of its future obligations to the Pool Power Purchasers. MEC's projections of MoPEP's future loads and resources are based upon several factors including economic, historical and weather sensitivity data, membership load characteristics, generation availability and other related utility compliance requirements.

HISTORICAL AND PROJECTED MoPEP LOADS AND RESOURCES(1) (MW)

Fiscal Year Ending December 31	Annual Peak Load	Peak Capacity Requirement(2)	Dedicated Member Capacity	Contract Purchases(3,5,6)	MEC Owned Capacity(4)	Total Capacity	Surplus/ (Deficit)
Historical:							
2018	529	678	283	244	274	800	122
2019	509	655	283	244	274	801	146
2020	495	640	244	257	278	779	139
2021	526	630	244	160	285	689	59
2022	531	636	243	150	298	690	54
Projected:							
2023	534	639	243	148	299	690	51
2024	539	620	243	148	301	691	71
2025	545	626	243	148	301	691	65
2026	550	633	243	148	301	591	58
2027	556	639	243	148	301	691	52

(1) Excludes new Members until the respective years in which they become Pool Power Purchasers. Information as of December 2022.

(2) Includes firm sales, 15% system reserve requirements, sales to MMMPEP of 35 MW through May 2018, and sales to MMMPEP of 70 MW from June 2018 through 2021 and dropping to 25 MW for 2021-2024.

(3) Includes firm power purchase agreements, 57 MW of capacity from NC2, 51 MW of capacity from the Plum Point Project, 7.6 MW of capacity from the Lamar Project, and 3.8 MW from the Black Oak landfill.

(4) Includes Iatan 2 Project (31 MW), Prairie State Unit 1 and Prairie State Unit 2 (88 MW), Plum Point (20 MW), 106 MW of Dogwood Generating Facility including the 2021 upgrades, the Fredericktown Energy Center (25 MW) and Laddonia (13 MW).

(5) Beginning in 2018, includes 0.3 MW from Loess Hills and 1.5 MW from Butler Solar. Addition in 2019 of 7 MW Marshall County Kansas Wind, and 1.5 MW each from Macon Solar and Trenton Solar. Addition in 2020 of 1.5 MW each from Rolla Solar, Marshall Solar, and Waynesville Solar. Addition in 2021 of 1.5 MW each from Lebanon Solar, Chillicothe Solar, Higginsville Solar, and 2 MW from Cimarron Bend Wind. Addition in 2022 of 1.5 MW each from El Dorado Springs Solar and Farmington Solar.

(6) Based upon solar farm ownership changing from Contract Purchases to MEC Owned Capacity for Butler (2021), Macon (2022), Trenton (2022), Rolla (2022), Marshall (2022), Waynesville (2022), Lebanon (2023), Chillicothe (2023), Higginsville (2023), Farmington (2023), and El Dorado Springs (2023).

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Transmission

In June 2022, pursuant to an Asset Purchase Agreement between MEC and Gridliance High Plains, LLC (*"GridLiance"*), MEC acquired existing transmission assets of GridLiance within and serving the City of Nixa, Missouri (the *"Nixa Transmission Assets"*). The Nixa Transmission Assets are within the SPP RTO BAA and are comprised of four substations and approximately 11 miles of 69-kV transmission line. MEC has entered into a Master Service Agreement with MPUA Resource Services Corporation and an Operation and Maintenance Agreement to provide ongoing operation and maintenance services for the Nixa Transmission Assets.

On December 20, 2022, MEC obtained a 49% joint ownership in certain transmission facilities within the MISO RTO BAA currently owned by Union Electric Company d/b/a Ameren Missouri ("*Ameren Missouri*") within and serving the City of Hannibal, Missouri (the "*Hannibal Transmission Assets*") pursuant to a Joint Ownership Agreement dated as of June 24, 2021. The Hannibal Transmission Assets include a new 161-kV ring bus substation (the "*Finn Substation*"), a 161/34-kV transformer and 161-kV radial tap line that connects the Finn Substation to Associated Electric Cooperative, Inc.'s ("*AECI*") Spalding Substation.

MEC is working with Ameren and the cities of Sikeston and New Madrid on a 161 kV project in southeast Missouri. This will include a jointly owned 161 kV substation in Sikeston. The city of Sikeston will own a portion and the remainder of the substation will be in the MISO RTO BAA , with 51% owned by Ameren and 49% owned by MEC. This project will include a portion of the Sikeston to New Madrid 161 kV transmission line being owned by Ameren and MEC. That line will connect to a new short piece of 161 kV line owned by Ameren 51% and MEC 49% going to a new 161 kv/69 kv substation owned by New Madrid, which connects to the New Madrid 69 kV system to serve New Madrid's current and future loads. The substation at Sikeston is expected to be complete and in service before the summer of 2024. The New Madrid substation is projected for completion by the end of 2024.

Other than the transmission facilities discussed above, MEC does not own any other transmission facilities, but provides or assists in arranging transmission services for all Pool Power Purchasers. Within the AECI system located in southwestern Missouri, MEC contracts for all transmission services for Pool Power Purchasers. MEC provides or assists in arranging for MISO, SPP, OPPD/SPP, and Entergy/MISO transmission services. MEC has contracted for network service from Entergy for the City of Thayer (a Pool Power Purchaser), and for firm point to point service from Plum Point to AECI. Those upgrades were completed in summer 2012 and included into the network at no upgrade cost to MEC.

Financial Condition

MEC maintains separate accounting records for a fund dedicated to MoPEP (the "*MoPEP Pool Fund*") which is consolidated with other MEC funds in MEC's financial statements. The following Condensed Statements of Operations and Changes in Fund Equity for the last five fiscal years have been prepared by MEC based upon audited financial statements for fiscal years 2019 through 2022 and the unaudited financial statements for fiscal year 2023 (through June 30, 2023). MEC's audited financial statements for the fiscal years ended December 31, 2022 and 2021, including the notes thereto and the "Management's Discussion and Analysis" with respect thereto, are included as APPENDIX A hereto. The information set forth in the following table should be read in conjunction with such financial statements, such notes thereto and such "Management's Discussion and Analysis" with respect thereto.

MoPEP POOL FUND
Condensed Statements of Operations and Changes in Fund Equity[1]

	Year Ended December 31,				Six Months Ended June 30, 2023
	2019	**2020**	**2021**	**2022**	**(unaudited)**
Revenues					
Sale of Electricity Wholesale[1]	$185,009,120	$185,343,324	$200,015,459	$184,896,399	$84,402,271
Other Operating Revenue	193	-	-	-	4,203
Total Revenues	185,009,313	185,343,324	200,015,459	184,896,399	84,406,474
Expenses					
Purchased Power	156,268,707	157,207,676	161,761,038	141,428,831	64,080,549
Power Generation	13,339,628	11,398,963	21,288,358	26,912,334	10,325,389
Future Recoverable Costs	193,378	787,160	339,878	(1,792,959)	(985,589)
Other Operating Expenses	2,371,993	2,688,109	3,136,524	2,822,962	1,571,180
Depreciation	4,119,653	4,182,071	4,812,112	6,420,469	3,807,920
Total Operating Expenses	176,293,359	176,263,979	191,337,910	175,791,637	78,799,449
Operating Income	8,715,954	9,079,345	8,677,549	9,104,762	5,607,025
Interfund Transfers In/(Out)	(1,351,161)	(1,809,015)	(1,904,496)	(1,160,335)	(768,119)
Net Operating Income	7,364,793	7,270,330	6,773,053	7,944,427	4,838,906
Non-Operating Income/Expenses					
Interest/Non-Operating Income	1,511,881	1,419,109	(196,293)	(1,544,291)	861,254
Interest/Non-Operating Expense	(3,468,572)	(3,030,230)	(2,764,275)	(3,635,627)	(2,221,565)
Total Non-Operating	(1,956,691)	(1,611,121)	(2,960,568)	(5,179,918)	(1,360,311)
Increase in Fund Equity	5,408,102	5,659,209	3,812,485	2,764,509	3,478,595
Fund Equity Beginning of Year	51,239,873	56,647,975	62,307,184	66,119,669	68,884,178
Fund Equity End of Year	$56,647,975	$62,307,184	$66,119,669	$68,884,178	$72,362,773

(1) MoPEP sells electric in the energy market though RTOs and MoPEP purchases energy from the RTOs where MoPEP economically needs to receive the power.

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THE UNIT POWER PURCHASERS

General

The Unit Power Purchasers include the incorporated cities of Columbia and Independence, Missouri. The location of the Unit Power Purchasers and their proximity to the Iatan 2 Project is illustrated on the map on page (iii) of this Official Statement.

Each Unit Power Purchaser owns and operates an electric distribution system for the distribution and sale of electric power and energy to customers located within its corporate boundaries and, in the case of the City of Columbia, adjacent areas. The governing body of each Unit Power Purchaser governs the respective Unit Power Purchaser's electric system. Rates and charges for electric service are set by the authority vested in each governing body, and are not subject to regulation by any other federal or state authority. See the caption "REGULATION OF MEC AND THE POWER PURCHASERS" herein. Distribution of electricity is provided through distribution systems that have been owned and operated by the respective Unit Power Purchaser for more than 100 years. Supply of electric power and energy is provided by means of city-owned generating units and/or by power purchase contracts with electric suppliers.

The Unit Power Purchasers have diverse economic bases, comprised of various sectors including health care, education, agriculture, service industries, commercial businesses and light and heavy manufacturing. In 2022, the Unit Power Purchasers' electric systems provided retail service to approximately 112,089 customers, of whom approximately 99,734 (89.0%) were residential customers, approximately 11,620 (10.9%) were commercial customers and approximately 110 (less than 1%) were industrial or other customers. In the aggregate, approximately 47.6% of the Unit Power Purchasers' total electric revenues in 2022 were derived from sales to residential customers. The non-coincident peak demand for the Unit Power Purchasers totaled approximately 529 MW in 2022, with total energy requirements reaching approximately 2,246,953 MWh in the same year.

Certain information regarding the Unit Power Purchasers is set forth in APPENDIX B hereto. The information contained in APPENDIX B hereto has been prepared by MEC from data provided by the Unit Power Purchasers.

Purchase Percentages

The Unit Power Purchase Agreements allocate to each Unit Power Purchaser a percentage entitlement to the capacity and output of the Iatan 2 Project (referred to therein as a Unit Power Purchaser's *"Purchase Percentage"*) and obligate each Unit Power Purchaser to pay such percentage of all of MEC's costs associated with the acquisition and construction and operation of the Iatan 2 Project. See "SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS – Cost Responsibility" in APPENDIX E hereto. The following table sets forth the Unit Power Purchasers' respective Purchase Percentages, based on the capacity of Iatan Unit 2 after construction:

Unit Power Purchaser	Purchase Percentage	Actual Capacity (MW) (net)
Independence	50%	51
Columbia	20	20
Total	70%	71

See “CERTAIN INFORMATION REGARDING THE UNIT POWER PURCHASERS” in APPENDIX B for information about the study by Independence of the financial viability of its municipal electric utility.

The Unit Power Purchase Agreements

The term of each Unit Power Purchase Agreement commenced upon execution of the agreement by the parties and will end for each Unit Power Purchaser when it has paid in full all obligations to MEC thereunder, including its allocable share of any amounts owed with respect to the Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS – Term” in APPENDIX E hereto.

The Unit Power Purchase Agreements require the Unit Power Purchasers to pay their respective shares of all Iatan 2 Project costs, including debt service, whether or not Iatan Unit 2 is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and are not conditioned upon the performance or nonperformance of MEC or any other person under the Unit Power Purchase Agreements or any other agreement for any cause whatsoever. See “SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS – Nature of Obligation” in APPENDIX E hereto.

Each Unit Power Purchaser has covenanted to 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 it to make all payments required to be made by it under its Unit Power Purchase Agreement and any other agreements with respect to its electric utility. The Unit Power Purchasers are required to make payments under the Unit Power Purchase Agreements whether or not Iatan Unit 2 is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise. In addition, the Unit Power Purchasers’ payment obligations under the Unit Power Purchase Agreements are not conditioned upon the performance by MEC or any other party of contractual or other obligations.

The Unit Power Purchase Agreements contain “step-up” provisions that require each Unit Power Purchaser to increase its Purchase Percentage, up to a cap of 200 percent of its original Purchase Percentage, if an event of default has occurred with respect to the other Unit Power Purchaser and such defaulting Unit Power Purchaser’s entitlement rights to the output of the Iatan 2 Project are terminated in accordance with the provisions of its Unit Power Purchase Agreement. See “SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS – Defaults and Remedies” in APPENDIX E hereto.

Pursuant to the Indenture, MEC has covenanted that it will not consent to any transfer or assignment of a Unit Power Purchase Agreement unless it has received from each rating agency who maintains an underlying rating on the Bonds, a written confirmation that the rating on the Bonds will not be adversely affected as a result of such transfer. Furthermore, under the Indenture, MEC has covenanted that it will not consent or agree to any action under or in connection with the Unit Power Purchase Agreements which will reduce the payments thereunder or materially impair or materially adversely affect the rights of MEC or the rights or security of the Bondowners under the Indenture.

See “CERTAIN INFORMATION REGARDING THE UNIT POWER PURCHASERS – CITY OF INDEPENDENCE, MISSOURI – SERVICE TERRITORY, TRANSMISSION AND DISTRIBUTION SYSTEM” in APPENDIX B hereto for more information on a potential sale by Independence of its electric system.

MEC has covenanted in the Indenture that if for any reason any of the Unit Power Purchase Agreements no longer are in force and effect, MEC (a) shall designate the capacity or output of the Iatan 2 Project associated with such Unit Power Purchase Agreements as a Resource Obligation pursuant to the Pool Power Purchase Agreement (in addition to the 30 MW capacity of the Iatan 2 Project initially designated as a Resource Obligation), or (b) shall allocate such capacity or output not so designated as a Resource Obligation to the Pool Power Purchasers pursuant to the Pool Power Purchase Agreement. Alternatively, to the extent permitted by law, MEC may enter into one or more power purchase agreements or make other arrangements for the disposition of such capacity or output of the Iatan 2 Project to other power purchasers. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Power Purchase Agreements; Enforcement and Amendment" in APPENDIX C hereto.

REGULATION OF MEC AND THE POWER PURCHASERS

As a body public and corporate of the State, MEC is governed by the Board, consisting of a single Director exercising one vote on behalf of each Member. It is not a public utility generally subject to rate regulation by FERC under the Federal Power Act (the *"FPA"*), and it is not anticipated that the charges to be made by MEC for power and energy sold to the Power Purchasers will be subject to regulation by FERC under the FPA. However, certain provisions of the FPA apply to non-public utility entities including MEC. In addition, as a transmission owning member of SPP, certain FPA and FERC regulation apply to the rates, terms and conditions of service in the SPP RTO BAA. See the caption "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY – Federal Regulation of Transmission."

As a governmental instrumentality of the State, MEC is not an electrical corporation subject to the jurisdiction or regulation of the Missouri PSC as to rates, financing, siting or construction of facilities or other matters. Prior to a State constitutional amendment approved in 2002, MEC's purchase or construction of facilities would have incurred Missouri PSC jurisdiction. The elimination of this provision by the amendment, together with enactment of legislation in 2004 streamlining financing procedures, has contributed to MEC's project activity and growth in membership and load. Individual municipal utilities in Missouri likewise are free from Missouri PSC jurisdiction, with the exception of certain authority of the Missouri PSC regarding safety matters and the Missouri PSC's authority to approve voluntary territorial agreements filed by any two or more utilities.

Traditional vertical integration and monopoly service territories exist under Missouri electric utility law and regulation. The service area of each Missouri IOU is defined by certificate of the Missouri PSC. Municipal utility service areas generally are co-extensive with city boundaries. Annexed areas may be served by the municipal utility and by an incumbent IOU so long as it remains certificated. All territorial service area boundaries are subject to adjustment by agreement of two or more affected utilities and approval of the Missouri PSC.

FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

General

The electric utility industry has been, and in the future may be, affected by a number of actions which could impact the financial condition of any public electric power utility such as MEC or its Members. Such factors include, among others: (i) effects of inflation on the operation and maintenance costs of an electric utility and its facilities or other increases in costs, (ii) changes from projected future load requirements and relative costs and availability of different fuels, (iii) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements, (iv) changes resulting from conservation and demand side management programs on the timing and use of electric energy, (v) changes that might result from a national energy policy and a renewable energy portfolio or other federal or state legislative changes, (vi) effects of competition from other suppliers of electricity (including increased competition resulting from mergers, acquisitions, and "strategic alliances" of competing electric (and gas) utilities and from competitors transmitting less expensive electricity from much greater distances over an interconnected system) and new methods of producing low cost electricity, (vii) increased competition from independent power producers and marketers and brokers, (viii) "self-generation" or "distributed generation" (such as microturbines, fuel cells, and solar installations) by certain industrial and commercial customers, (ix) inadequate risk management procedures and practices with respect to, among other things, the purchase and sale of energy and transmission capacity, (x) effects of possible manipulation of electric markets, (xi) effects on the integration and reliability of the power supply from the increased usage of renewables, (xii) potential repeal of certain federal statutes that would have the effect of increasing the competitiveness of many investor-owned utilities, (xiii) financial difficulties, including bankruptcy, of fuel suppliers and/or renewable energy suppliers, (xiv) changes in the electric market structure for neighboring electric grids, (xv) sudden and dramatic increases in the price of energy purchased on the open market that may occur in times of high peak demand in an area of the country experiencing such high peak demand, (xvi) effects of changes in the economy, population and demand of customers in the service areas of the Members, (xvii) acts of terrorism or cyberterrorism, (xviii) natural disasters or other physical calamities, including but not limited to, rising water levels, floods, drought, winter storms, and wildfires, and potential liabilities of electric utilities in connection therewith, (xix) changes in revenues due to unseasonable changes in the weather, and (xx) adverse impacts to the market for insurance relating to natural disasters or other physical calamities, leading to higher costs or prohibitively expensive coverage, or limited or unavailability of coverage for certain types of risk. Public power utilities also are affected by factors related to their ability to issue tax-exempt obligations and restrictions on the ability to sell, to non-governmental entities, power and energy from generation projects that are financed with outstanding, tax-exempt debt. MEC and its Members also could be adversely affected by technological or market developments that change the relative costs of the electric power and energy that MEC provides to its Members in comparison with the costs of electric power and energy available in the region.

MEC cannot predict what effects these factors will have on the business, operations and financial condition of MEC or its Members. Information on the electric utility industry is available from legislative and regulatory bodies and other sources in the public domain.

Recent Developments

COVID-19 Pandemic

Beginning in March 2020, MEC operations were impacted by the outbreak of a novel coronavirus ("*COVID-19*") that affected global, national, and local communities' way of life. MEC members experienced noticeable load reductions, strains on customers' ability to pay and loss of customers, however, MEC did not experience any material financial effects on cashflows or delinquencies from its members.

Winter Storm Uri

In February 2021, portions of the southwest and midwest regions experienced an extended severe cold weather event known as Winter Storm Uri. This event caused natural gas delivery equipment to freeze and limited the availability of natural gas in a time of very high demand with freezing temperatures. The scarcity of natural gas during this event caused natural gas prices to increase, which had a corresponding increase in market electricity prices for these few days. This event significantly increased the February energy costs for MEC's three power pools. In addition to operational impacts on MEC owned generation facilities, several MoPEP Members experienced a lack of performance in other generation facilities they own due to fuel issues and other winterization-related issues.

In an effort to smooth out the electric costs increases to MEC's power pool members caused by Winter Storm Uri, MEC offered its members the option of repaying electric costs over a period not to exceed 24 months. Some members elected to pay within 60 days, others opted for the 24-month period. MEC used a combination of cash on hand and its line of credit to fund this payment plan. In June 2021, MEC used a $50 million Missouri Utility Emergency Loan Program that was created for municipal utilities who experienced extraordinary natural gas and electric prices during Winter Storm Uri. The borrowing under this relief fund provides zero percent loans with a payback period of no more than five years for the members of the three power pools, and was used to repay previous borrowings under MEC's Revolving Line of Credit.

As a result of Winter Storm Uri, MEC's continues to focus its attention on extreme cold conditions and target solutions that will increase resilience and winterization of generation assets where necessary.

Cybersecurity and Physical Security

Recent well-publicized cyberattacks on critical infrastructure targets demonstrate the vulnerability of certain U.S. infrastructure assets. Cyberattacks on the nation's electrical grid have occurred in the past and their effects are likely to become more intensive and may cause material damage.

MEC moved its operations in January 2022 to its newly constructed 43,000 square foot office building and separate 13,000 square foot training center. MEC's 24/7 control room operation is now contained within an adverse-weather reinforced structure with controlled access and a secure operating environment. Additionally, this secured area houses MEC's information technology and supervisory control and data acquisition systems in a secure and stable environment in the event the main MEC operations are inoperable.

MEC invests in physical and cybersecurity protections, including monitoring of certain systems and protections for its operations and corporate information technology. MEC has procured insurance covering cybersecurity incidents. MEC has not observed any cybersecurity incidents that would have a material effect on its operations or financial condition.

Federal Regulation of Transmission

Fundamental changes in the federal regulation of the electric utility industry were made by the Energy Policy Act of 1992 (the "*Energy Policy Act*") particularly in the area of transmission access. The purpose of these changes, in part, was to bring about increased competition in the electric utility industry. The Energy Policy Act authorized FERC – upon application by an electric utility, federal power marketing agency, or other power generator – to require a transmitting utility to provide transmission services to the applicant on a cost-of-service basis. Municipally-owned electric utilities are "transmitting utilities" for this purpose.

In 1996, FERC issued two rules on transmission access. Order No. 888 required all FERC jurisdictional utilities to provide transmission service on a non-discriminatory basis. As part of Order No. 888, FERC established a pro forma Open Access Transmission Tariff. Order No. 889 established rules of conduct for open-access providers, including a requirement to separate operationally power sales from transmission. Order No. 1000, issued by FERC in 2011, requires public utility transmission providers to improve transmission planning processes and allocate costs for new transmission facilities to beneficiaries of those facilities, and requires public utility transmission providers to align transmission planning and cost allocation in order to remove barriers to development of transmission facilities. FERC is currently considering additional reforms to regional transmission planning processes and transmission cost allocation aimed at alleviating challenges to the transition grid posed by a changing generation resource mix in FERC Docket No. RM21-17. Municipally-owned electric utilities are not subject to FERC jurisdiction under these orders but may be denied transmission service by a FERC-jurisdictional utility if they do not offer comparable transmission services.

MEC currently owns two transmission facilities (see "MISSOURI PUBLIC ENERGY POOL #1 – Transmission" herein) and certain of its Members own facilities which are currently classified as transmission facilities. Such transmission-owning Members and MEC are subject to FERC rules described above.

RTO-Operated Markets

In addition to coordinating wholesale transmission operations and services, RTOs operate centralized markets for wholesale electricity products such as capacity, energy and ancillary services. By virtue of having members and generating resources located in MISO, MEC is subject to the tariff provisions and business practices governing the operation of wholesale electricity markets in this RTO. As a result, MEC's costs of securing power to meet its Members' needs are affected by the market and administrative mechanisms approved by FERC for use in setting prices for energy, capacity and ancillary services (as well as transmission service) in MISO.

The nature and operations of RTOs and RTO markets continue to evolve, and MEC cannot predict whether their existence will meet FERC's goal of reducing transmission congestion and costs and creating a competitive power market.

Energy Policy Act of 2005

The Energy Policy Act of 2005 (the "*2005 Energy Policy Act*") addressed a wide array of energy matters that could affect the entire electric utility industry, including MEC and its Members. Among other things, the 2005 Energy Policy Act: (a) authorizes FERC to require non-FERC jurisdictional utilities to provide open access to their transmission systems and to comply with certain rate change provisions of the FPA; (b) authorizes FERC to order refunds for certain short-term, wholesale sales by state and municipal power entities if such sales violate FERC-approved tariffs or FERC rules; (c) allows load-serving entities that hold certain firm transmission rights to continue to use those rights to serve their customers; (d) provides for the establishment of a national electric reliability organization to develop and enforce, subject to FERC's oversight, mandatory reliability standards for operation of the transmission grid; (e) prohibits market manipulation and submission of false information; (f) gives FERC certain authority to issue construction permits for transmission projects that are to be located in "national interest electric transmission corridors" to be designated by the Department of Energy, as subsequently clarified by the Infrastructure Investment and Jobs Act; (g) eliminates certain ownership restrictions on qualifying cogeneration and small power production facilities under the Public Utility Regulatory Policies Act and authorizes FERC to eliminate prospectively utilities' obligation to purchase from these qualifying facilities under certain circumstances; (h) requires state utility regulatory commissions and "non regulated electric utilities" to consider adopting certain standards on net metering, fuel diversity, fossil fuel plant diversity, certain metering and time-based rate schedules and demand response, and interconnection with distributed generation facilities; (i) replaces regulation of utility holding companies under the Public Utility Holding Company Act of 1935 with more limited oversight of such companies; (j) increases FERC's authority to review mergers of public utility companies; and (k) directs FERC to establish, for transmission companies whose rates are regulated by FERC, rate incentives to invest in transmission.

Pursuant to the 2005 Energy Policy Act, certain reliability standards that have been promulgated by the North American Electric Reliability Corporation ("*NERC*") and adopted by FERC apply to municipally-owned electric utilities. In March 2007, FERC issued Order No. 693 entitled "Mandatory Reliability Standards for the Bulk-Power System" or "Reliability Standards Order." In Order No. 743, following a series of related orders and filings from NERC, FERC revised its definition of bulk-electric system to establish a bright-line threshold that includes all facilities operated at or above 100-kV, remove regional entity discretion, and adopt specific facility inclusions or exclusions from the definition proposed by NERC. FERC has more recently issued a series of orders requiring that NERC implement new standards relating to cybersecurity and risks associated with the supply chain for the bulk-electric system. In Order No. 848, FERC directed NERC to promulgate a new rule requiring users to report incidents that both compromise or attempt to compromise the bulk-electric system. FERC followed this up with Order No. 850 in which it approved supply chain risk management reliability standards submitted by NERC. The Order No. 850 standards included requirements that covered entities develop plans to address cybersecurity risks from vendor supplied products and services, vendor remote access sessions, and the integrity of software and patches. In Order No. 851, FERC approved enhanced requirements related to geomagnetic disturbances. In August 2021, FERC approved cold weather reliability standards that require generators to implement plans to prepare for cold weather and exchange certain generator cold weather operating parameters.

Climate Change and Possible Future Climate Change Legislation

This section provides a brief summary of certain actions taken or under consideration regarding the regulation and control of greenhouse gases ("*GHGs*") that have the potential to impact certain MEC-owned assets including the Iatan 2 Project.

Limitations on emissions of GHGs, including CO2, create significant exposure for electric fossil-fuel-fired generation facilities. The United States Environmental Protection Agency (the "*EPA*") issued final rules regulating CO2 emissions from various classes of electric generating units ("*EGUs*") in October 2015. The rules for existing generation, known as the Clean Power Plan (the "*CPP*"), would not directly regulate GHG emissions by specific EGUs, but instead would impose state-by-state caps on aggregate GHG emissions, allowing respective states to develop their own method to comply with their emissions cap. On February 9, 2016, the Supreme Court of the United States voted 5-4 to place a stay on the CPP, and on July 8, 2019, the Affordable Clean Energy ("*ACE*") rule, finalized on July 8, 2019, replaced the CPP and applied only to large coal-fired power generating plants. On January 19, 2021, the D.C. Circuit Court vacated the ACE rule. While the ACE rule was reinstated on October 27, 2022, such that states were once again obligated to submit the state plans required under the rule, on March 7, 2023, the EPA extended the state submittal deadline under the ACE Rule to April 15, 2024, making it clear that states are not expected to take immediate action to develop and submit plans under Clean Air Act section 111(d) with respect to greenhouse gas emissions from power plants at this time. On May 11, 2023, the EPA stated that it intends to repeal the ACE Rule as part of new carbon dioxide emissions standards for coal and gas-fired power plants further described below under the subheading "– Additional Environmental Regulations") .

The EPA has indicated that it will revisit options for regulating electric fossil-fuel-fired generation sources.

The Biden Administration has signaled a renewed focus on mitigating the effects of climate change as demonstrated through executive orders, the U.S. rejoining the Paris Climate Accords and announcement of a "whole government" approach to climate change efforts. In addition, Congressional Democrats have announced their intent to pursue climate mitigation measures and clean energy actions as a legislative priority. MEC continues to actively review and track legislative proposals, draft bills, hearings, and regulatory activity that impacts GHG emissions, clean energy standards or climate activity.

MEC cannot predict what, if any, bill may become law. From time to time various bills are introduced in Congress and in state legislatures and regulations are proposed by various agencies (both federal and state) that could, if enacted into law, impact the regulation of the electric industry. MEC cannot predict at this time whether any additional legislation or rules will be enacted at the state or federal level that will affect MEC's operations, the operation of the Iatan 2 Project or the operations of its Members, and if such laws are enacted, what the impact of such actions to MEC or its Members might be in the future.

Additional Environmental Regulations

In May 2010, the EPA issued a final rule on GHG from stationary sources under the Clean Air Act. The so-called Tailoring Rule, which became effective January 2, 2011, applies to new facilities which emit at least 100,000 tons of GHG per year or substantially modified facilities which emit at least 75,000 tons of GHG per year. Affected facilities are required as part of the permitting process to undergo a best available control technology review to determine what additional emission controls or mitigation strategies, if any, could be implemented to further reduce emissions. Because the Dogwood Generating Facility commenced operations prior to January 2, 2011, it is not currently required to undergo the review.

On May 11, 2023, the EPA issued proposed new carbon dioxide emissions standards for coal and gas-fired power plants through (i) updates to the New Source Performance Standards ("NSPS") for fossil fuel-fired stationary combustion turbines (generally natural gas-fired), (ii) emission guidelines for large, frequently used existing fossil fuel-fired stationary combustion turbines (generally natural gas-fired), and (iii) emission guidelines for existing fossil fuel-fired steam generating EGUs (generally coal-fired). Starting in 2030, the proposals would generally require more CO_2 emissions control at such plants that operate more frequently and for more years, and would phase in increasingly stringent requirements over time. The proposed requirements vary by the type of unit (new or existing, combustion turbine or utility boiler, coal-fired or natural gas-fired), how frequently it operates (base load, intermediate load, or low load (peaking) and its operating horizon (i.e., planned operation after certain future dates). The EPA accepted comments on the proposal through August 8, 2023.

As proposed, the economic fundamentals of fossil fuel generating assets would change, including the life expectancy, availability, capacity, and overall value of these critical resources. There are three main options for compliance which include: (i) switching to cofiring with natural gas; (ii) capturing carbon; and (iii) fueling with hydrogen gas that is produced with renewable or nuclear energy.

MEC has reviewed the proposed regulations and possible impacts and has submitted comments to the EPA expressing concerns. MEC is currently examining compliance options, including fuel switching and carbon capture options.

National Ambient Air Quality Standards.

The Clean Air Act requires that the EPA establish National Ambient Air Quality Standards ("*NAAQS*") for certain air pollutants. When a NAAQS has been established, each state must identify areas in its state that do not meet the EPA standard (known as "non-attainment areas") and develop regulatory measures in its state implementation plan to reduce or control the emissions of that air pollutant to meet the applicable standard and become an "attainment area." The EPA periodically reviews the NAAQS for various air pollutants and has in recent years increased, or proposed to increase, the stringency of the NAAQS for certain air pollutants. These developments may result in stringent permitting processes for new sources of emissions and additional state restrictions on existing sources of emissions, such as power plants.

In addition, the U.S. Supreme Court found in its review of *EPA v. EME Homer City Generation, LP* that the EPA has authority to impose a Cross-State Air Pollution Rule (the "*Transport Rule*") which curbs air pollution emitted in upwind states to facilitate downwind attainment of three NAAQS. The EPA issued rulings on October 1, 2015, lowering the ozone standard to 70 ppb, and on December 6, 2018 implemented ozone NAAQS for non-attainment areas and addressed state implementation plan requirements.

On July 15, 2020, the EPA announced a proposed decision to retain the existing 70 ppb ozone standard. The decision was finalized on December 7, 2020. President Biden issued an executive order instructing the EPA to consider suspending, revising or rescinding the decision.

On June 10, 2021, the EPA announced that it would reconsider the previous administration's decision to retain the particulate matter NAAQS, which were last strengthened in 2012. The EPA stated that it was reconsidering the previous administration's December 2020 decision to retain existing standards because available scientific evidence and technical information indicate that the current standards may not be adequate to protect public health and welfare, as required by the Clean Air Act. While some particulate matter is emitted directly from sources such as construction sites, unpaved roads, fields, smokestacks or fires, most particles form in the atmosphere as a result of complex reactions of chemicals such as sulfur dioxide and nitrogen oxides, which are pollutants emitted from power plants and other sources. On August 21, 2023, the EPA announced it will initiate a new statutory review of the NAAQS and the underlying air quality criteria and will wrap its reconsideration process of the 2020 NAAQS decision into that review. The EPA released a timeline which envisions the release of an integrated review plan in fall of 2024.

Mercury and Air Toxics Standards Rule.

The Clean Air Act provides for a comprehensive program for the control of hazardous air pollutants ("*HAPs*"), including mercury. On February 16, 2012, EPA finalized a rule called the Mercury and Air Toxics Standards ("*MATS*") to reduce emissions of toxic air pollutants, including mercury, from coal and oil-fired electric generating units, and subsequently amended the rule in 2013 and 2014. The MATS rule set technology-based emission limitation standards for mercury and other toxic air pollutants, based upon reductions available through "maximum achievable control technology" at coal and oil-fired electric generating units. On April 3, 2023, the EPA proposed an update to the MATS rule to reflect recent developments in control technologies and the performance of these plants. Under the EPA's proposal, the emission of non-mercury HAP metals from existing coal-fired power plants would be reduced by approximately 67 percent and emission limits for mercury for existing lignite-fired power plants would also be reduced by 70 percent. The comment period on the proposed update expired in late June 2023.

MEC's currently owned and long-term coal-fired assets are not expected to need any retrofits to comply with the final rule.

Internal Combustion Maximum Achievable Control Technology Rule.

In 2010, the EPA issued a final rule regulating hazardous air pollutant emissions from Compression Ignition Reciprocating Internal Combustion Engines ("*CI-RICE*") larger than 100 braking horsepower, including formaldehyde. The rule provided differing mandatory requirements for engines based on total horsepower, with the most stringent controls, including the installation of catalytic converters, reserved for units over 500 horsepower. MEC's Member Capacity included over 200 of these units. The rule allows cities to designate these units for "emergency only" operation, and generate with the units without any emission controls when power is interrupted from their regular supplier MEC had some portion of its Member Capacity retired in the past years due to the cost of retrofitting and operating under the new rule. All Members that are currently counted for resource adequacy are in compliance with the CI-RICE rule. MEC and certain Members are considering retrofitting certain eligible units based on the value of capacity in the market.

LITIGATION

At the time of delivery of the Series 2023 Bonds, MEC will certify that other than matters disclosed in this Official Statement, there is no litigation or other proceeding pending or, to the knowledge of MEC, threatened in any court, agency or other administrative body (either state or federal) restraining or enjoining the authorization, issuance, sale or delivery of the Series 2023 Bonds or the collection of Revenues, or in any way questioning or affecting: (i) the proceedings under which the Series 2023 Bonds are to be issued, (ii) the validity of any provision of the Series 2023 Bonds or the Indenture, (iii) the pledge by MEC under the Indenture, (iv) the validity or enforceability of the Power Purchase Agreements, or (v) the legal existence of MEC or the title to office of the officials of MEC.

CONTINUING DISCLOSURE UNDERTAKING

Pursuant to a Continuing Disclosure Undertaking to be entered into by MEC simultaneously with the delivery of the Series 2023 Bonds (the "*Continuing Disclosure Undertaking*"), MEC will covenant for the benefit of the Bondowners and the "Beneficial Owners" (as defined in the Continuing Disclosure Undertaking) of the Series 2023 Bonds to provide, on an annual basis, by not later than five months after the end of each of MEC's fiscal years (presently, by each May 31), commencing with the report for the fiscal year ending December 31, 2023, certain financial information and operating data relating to (a) MEC and (b) each Pool Power Purchaser (the "*Annual Disclosure Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the Series 2023 Bonds. The Annual Disclosure Report and any notices of such events will be filed by or on behalf of MEC with the Municipal Securities Rulemaking Board ("*MSRB*"), through its Electronic Municipal Market Access system (*"EMMA"*), in the electronic format prescribed by the MSRB. The specific nature of the information to be contained in the Annual Disclosure Report or the notices of events is set forth in the form of the Continuing Disclosure Undertaking attached hereto as APPENDIX G. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

For the past five years, MEC has separately maintained disclosure of its audited financial statements via its website (www.mpua.org). The information presented on MEC's website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

MEC believes it has complied during the past five years with its prior undertakings under the Rule.

If MEC fails to comply with any provision of the Continuing Disclosure Undertaking, any Bondowner or Beneficial Owner (as defined below) of the Series 2023 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause MEC to comply with its obligations under the Continuing Disclosure Undertaking. *"Beneficial Owner"* will be defined in the Continuing Disclosure Undertaking to mean any person holding a beneficial ownership interest in Series 2023 Bonds through nominees or depositories (including any person holding such interest through the book-entry only system of DTC). IF ANY PERSON SEEKS TO CAUSE MEC TO COMPLY WITH ITS OBLIGATIONS UNDER THE CONTINUING DISCLOSURE UNDERTAKING, IT IS THE RESPONSIBILITY OF SUCH PERSON TO DEMONSTRATE THAT IT IS A "BENEFICIAL OWNER" WITHIN THE MEANING OF THE CONTINUING DISCLOSURE UNDERTAKING.

UNDERWRITING

The Series 2023 Bonds are being purchased by RBC Capital Markets, LLC, as representative of Wells Fargo Bank, National Association, BofA Securities, Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC and Stephens Inc. (collectively, the "*Underwriters*") pursuant to a purchase contract by and between MEC and RBC, as representative of the Underwriters. The purchase price for the Series 2023 Bonds shall be $99,319,361.34, the par amount of the Series 2023 Bonds, less an underwriting discount of $400,374.96 and plus original issue premium of $5,544,736.30). The Purchase Contract provides that the Underwriters will purchase all of the Series 2023 Bonds if any are purchased. The Underwriters may offer and sell the Series 2023 Bonds to certain dealers and others (including dealers and others depositing Series 2023 Bonds into investment trusts) at prices lower than the initial offering prices set forth on the inside cover page hereof, and such initial offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to MEC and to persons and entities with relationships with MEC, for which they received or will receive customary fees and expenses. MEC intends to use a portion of the proceeds from this offering to refund the Bonds.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "*CIB*," "*Wells Fargo Securities*" or "*WFS*") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("*WFBNA*"), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the Series 2023 Bonds, has entered into an agreement (the "*WFA Distribution Agreement*") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("*WFA*"), for the distribution of certain municipal securities offerings, including the Series 2023 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2023 Bonds with WFA. WFBNA has also entered into an agreement (the "*WFSLLC Distribution Agreement*") with its affiliate Wells Fargo Securities, LLC ("*WFSLLC*"), for the distribution of municipal securities offerings, including the Series 2023 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

BofA Securities, Inc., an underwriter of the Series 2023 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2023 Bonds.

Citigroup Global Markets Inc., an Underwriter of the Series 2023 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

RATINGS

Moody's Investors Service ("*Moody's*") and Fitch Ratings ("*Fitch*") have assigned ratings of "A2" and "A," respectively, to the Series 2023 Bonds. The respective ratings by Moody's and Fitch of the Series 2023 Bonds reflect only the views of such organizations and any desired explanation of the significance of such ratings and any outlooks or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center, New York, New York 10007; and Fitch Ratings, 33 Whitehall Street, New York, New York 10004, telephone: (212) 908-0800.

Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own. MEC has furnished to each rating agency rating certain information about MEC and the Series 2023 Bonds, including information not included in this Official Statement. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on independent investigations, studies and assumptions made by such rating agency. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised upward or downward or withdrawn entirely by such rating agencies if, in the judgment of such agencies, circumstances so warrant. Those circumstances may include, among other things, changes in or unavailability of information relating to MEC and the Series 2023 Bonds. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the Series 2023 Bonds.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2023 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2023 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2023 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2023 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to MEC, under the law existing as of the issue date of the Series 2023 Bonds:

Federal and State of Missouri Tax Exemption. The interest on the Series 2023 Bonds is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The interest on the Series 2023 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2023 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2023 Bonds, subject to the condition that MEC comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. MEC has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2023 Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Series 2023 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2023 Bonds but has reviewed the discussion under the heading "TAX MATTERS."

Other Tax Consequences

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2023 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2023 Bond is the sum of all payments on the Series 2023 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2023 Bond is generally the first price at which a substantial amount of the Series 2023 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2023 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2023 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2023 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2023 Bond, an owner of the Series 2023 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2023 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2023 Bond. To the extent a Series 2023

Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2023 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2023 Bonds, and to the proceeds paid on the sale of the Series 2023 Bonds, other than certain exempt recipients (such as corporations and foreign entities).

A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2023 Bonds should be aware that ownership of the Series 2023 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2023 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2023 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2023 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the Series 2023 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Series 2023 Bonds and certain other legal matters are subject to the approving opinion of Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX H hereto. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP, Counsel to the Underwriters.

FINANCIAL ADVISOR

Ramirez & Co., Inc. (the "*Financial Advisor*") has assisted MEC with various matters relating to the planning and structuring of the Series 2023 Bonds. The Financial Advisor assumes no responsibility for the accuracy, completeness or fairness of this Official Statement.

FINANCIAL STATEMENTS

Attached as APPENDIX A to this Official Statement are MEC's audited financial statements for the fiscal years ending December 31, 2022 and 2021. MEC's financial statements as of and for the fiscal year ending December 31, 2022 and 2021, have been audited by FORVIS, LLP, independent auditors, as stated in their report thereon.

MISCELLANEOUS

During the initial offering period of the Series 2023 Bonds, copies of the proposed form of the Indenture and the forms of the Power Purchase Agreements may be obtained from MEC upon written request. Requests should be addressed to Missouri Electric Commission, 2200 Maguire Boulevard Columbia, Missouri 65201, Attention: John Twitty, President and Chief Executive Officer.

This Official Statement contains forward-looking statements and projections that refer to future matters, which necessarily are dependent on economic conditions and marketplace conditions. Please be aware that such forward-looking statements may differ from actual results and that past performance is not a guarantee of future results.

Any statements made in this Official Statement involving matters of opinion or of estimates or projections, whether or not expressly so stated, are set forth as such and not as representations of fact and no representation is made that any of the estimates or projections will be realized.

The delivery of this Official Statement has been duly authorized by MEC.

MISSOURI JOINT MUNICIPAL ELECTRIC
UTILITY COMMISSION d/b/a MISSOURI
ELECTRIC COMMISSION

APPENDIX A

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR FISCAL YEARS ENDING DECEMBER 31, 2022 AND 2021

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REPORT OF

MISSOURI JOINT MUNICIPAL
ELECTRIC UTILITY COMMISSION

D/B/A

MISSOURI ELECTRIC COMMISSION

DECEMBER 31, 2022 and 2021

Missouri Joint Municipal Electric Utility Commission
d/b/a Missouri Electric Commission

December 31, 2022 and 2021

Contents

FORVIS

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Independent Auditor's Report

Board of Directors
Missouri Joint Municipal Electric Utility Commission
d/b/a Missouri Electric Commission
Columbia, Missouri

Opinions

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission (MEC), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise MEC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission, as of December 31, 2022 and 2021, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of MEC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MEC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MEC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MEC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise MEC's basic financial statements. The combining non-major fund financial statements and the schedule of changes in restricted bond accounts are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements and the schedule of changes in restricted bond accounts are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

FORVIS, LLP

Lincoln, Nebraska
May 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Missouri Electric Commission ("MEC") offers interested parties this discussion and analysis of the financial performance of MEC and an overview of MEC's financial activities for the fiscal years ended December 31, 2022 and 2021. Please read this narrative in conjunction with the accompanying financial statements and notes thereto, which follow this section.

Overview of MEC

MEC was formed with the main purpose of providing reliable, sufficient and economical electric capacity and energy for the benefit of member municipalities and their residents. Current operations largely entail three full requirements energy pools within MEC and joint ownership interest in power generating projects with other entities. Contractual agreements between MEC and its members define the entitlements of pool and project participation. MEC's power pools and jointly-owned projects are listed below.

- MEC Full-Requirement Power Pools
  - The Missouri Public Energy Pool #1 ("MoPEP" - 35 members)
  - The Mid-Missouri Municipal Public Energy Pool ("MMMPEP" - 13 members, 14 members in 2023)
  - The Southwest Missouri Public Energy Pool ("SWMPEP" – 2 members, Third member started in 2023) started June 1, 2020

- MEC Jointly-Owned Power Projects
  - The Plum Point Generation Project
  - The Iatan Unit 2 Generation Project
  - The Prairie State Generation Project
  - The Dogwood Energy Generation Project

MEC became a transmission owner in 2022 with the purchase of a transmission line in southern Missouri. MEC is an owner of the transmission projects listed below.

- Nixa (wholly owned by MEC)
- Hannibal (jointly owned by MEC)

Overview of the Financial Statements

This report consists of three parts: Management's Discussion and Analysis (this section), the Financial Statements, and Supplementary Information. The Financial Statements are comprised of the Government-wide Financial Statements; the Fund Financial Statements; and the Notes to Financial Statements.

MEC's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"), as applicable to governmental entities and uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC"). MEC applies the accounting principles of Governmental Accounting Standards Board Statement No. 62 (GASB 62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and AICPA Pronouncements, that pertain to regulated operations. Accordingly, revenues and expenses are matched to current and future periods in which the revenues are earned, or the expenses are recovered through the rate-making process that is under the control of MEC's Board of Directors.

The Government-wide Financial Statements provide a broad overview of MEC's finances. These financial statements include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows.

The Fund Financial Statements are used to aid financial management by segregating transactions related to certain functions or activities and to ensure compliance with contractual and finance-related legal requirements. These financial statements include the Combining Statements of Net Position, Combining Statements of Revenues, Expenses, and Changes in Net Position, and the Combining Statements of Cash Flows.

The financial statements are prepared using proprietary or enterprise fund accounting. Proprietary funds account for operations that are designed to be self-supporting. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources using accrual accounting.

The supplemental information is separated into two sections; the first section is referred to as Required Supplementary Information and its presentation is required by GAAP. The second section is referred to as Supplementary Information and is not required by GAAP to be presented. The Supplementary Information section is presented by management to provide additional information on the individual funds comprising MEC's financial statements for the purposes of additional analysis.

The Statements of Net Position presents MEC's financial position as of the end of the years presented. Information is displayed on assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in MEC's net position are one indicator of whether MEC's financial health is improving or deteriorating. Other factors to consider include MEC's wholesale electric rates, MEC's continued investment in capital assets, and MEC's ability to maintain or exceed debt coverage levels and other covenants required by its bond indentures.

The Statements of Revenues, Expenses and Changes in Net Position present information detailing the revenues, expenses, and deferred inflows and outflows that resulted in the change in net position that occurred during the years presented. All revenues, expenses, and deferred inflows and outflows are reported on an accrual basis, following GAAP for regulated operations. This means that the revenue, expense, or deferred inflows and outflows are recognized as soon as the underlying event gives rise to when the change occurs, regardless of when the actual cash is received or paid. Thus, revenues, expenses, and deferred inflows and outflows are reported in these statements for some items that will not result in cash flows until future periods. Further, GAAP for regulated operations requires a matching of revenues and expenses for when costs are recoverable in MEC's rates.

The Statements of Cash Flows present the cash inflows and outflows of MEC categorized by operating, noncapital financing, capital and related financing, and investing activities. It reconciles the beginning and end-of-year cash and cash equivalents balances contained in the Statements of Net Position. The effects of accrual accounting are adjusted out and non-cash activities, such as depreciation, are removed to supplement the presentation in the Statements of Revenues, Expenses and Changes in Net Position.

The Notes to Financial Statements follow the above-mentioned financial statements and provide additional information that is essential to having a full understanding of the information provided.

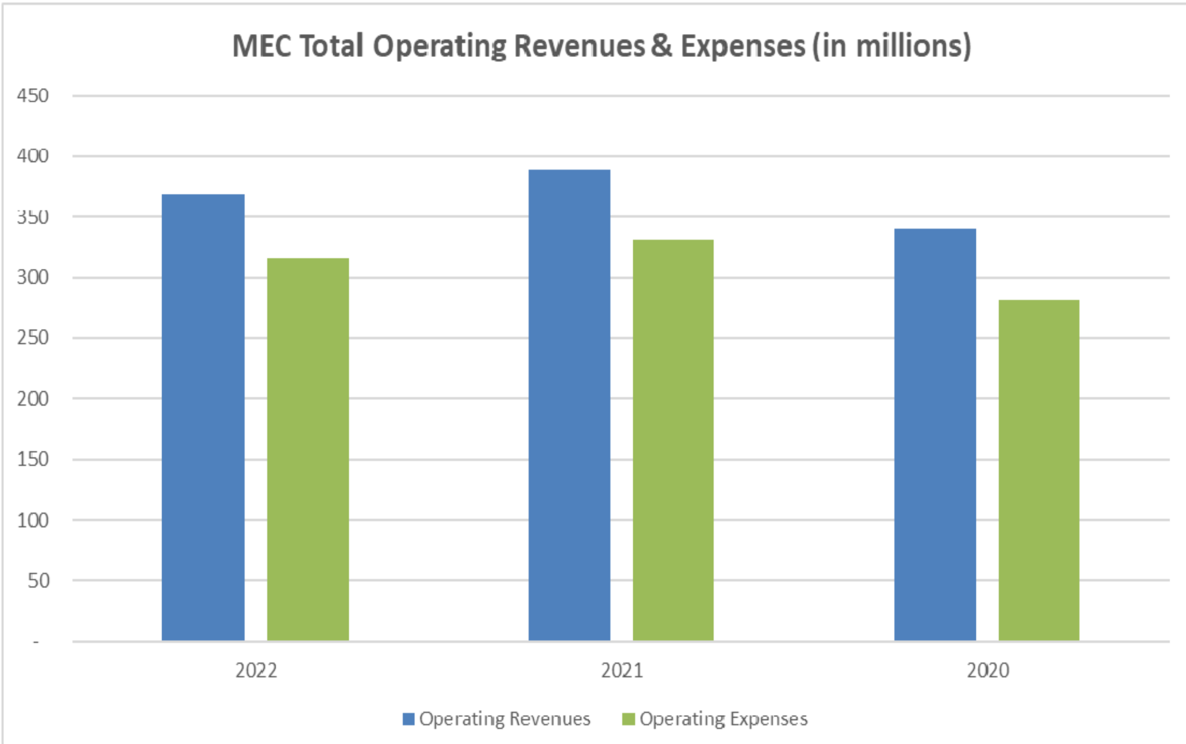
Significant Events

The construction of MEC's new office and training center was substantially completed in December 2021. The office building furnishings and equipment were installed in December 2021 and January 2022 and MPUA staff took occupancy of the building in January 2022. The total construction, furnishings and equipment cost for the two buildings totaled $23 million with funding coming from past and future interest earnings on MEC investments. Funding from investment interest allows MEC members to not be billed for the cost of the buildings or the initial cost of the furnishings or equipment. Operating and maintenance costs are to be paid through MEC's non-major funds and will be allocated to the other MEC funds based on the number of full-time equivalent employees. Missouri Association of Municipal Utilities ("MAMU") and the Missouri Gas Commission ("MGC") will pay their allocable portion to MEC for their share of the building costs.

In December 2022, MEC exercised its option and purchased four solar power generating projects located in the MoPEP cities of Macon, Chillicothe, Lebanon, Higginsville, and Farmington, Missouri for which MEC had long-term power purchase agreements dedicated to that pool. The exercise of the option on the last remaining MoPEP solar project is expected in mid-2023. Additionally, MEC purchased a solar farm in the city of Nixa, Missouri ("Nixa") in April 2023, with all of the energy dedicated to Nixa.

Financial Highlights

	2022	2021	2020
Net Position (equity)	$ 96,750,136	$ 100,474,929	$ 95,669,856
Change in Net Position (net income (loss))	(3,724,793)	4,805,073	12,338,621
Capital Improvements	59,688,439	48,524,362	22,728,572



	2022	2021	2020
Coincident Peak Demand			
MoPEP	531 megawatts	526 megawatts	495 megawatts
MMMPEP	124 megawatts	122 megawatts	105 megawatts
SWMPEP	62 megawatts	58 megawatts	56 megawatts
Electric Sales (in megawatt hours)			
MoPEP	2,587,670	2,514,342	2,455,283
MMMPEP	607,567	583,716	570,011
SWMPEP	301,481	293,640	176,330
Plum Point	973,894	925,566	729,758
Iatan 2	483,364	558,682	529,288
Prairie State	1,435,683	1,577,449	1,409,665
Revenue Bond Credit Ratings			
MoPEP (Moody's/Fitch)	A2 / A	A2 / A	A2 / A
Plum Point (Moody's/Fitch/S&P)	A3 / A / A-	A3 / A / A-	A3 / A / A-
Iatan 2 (Moody's/Fitch)	A2 / A	A2 / A	A2 / A
Prairie State (Moody's/Fitch)	A2 / A	A2 / A	A2 / A

Each MEC revenue bond issuance is secured by the revenues of the respective power pool or project and requires each to have separate ratings.

Financial Analysis

The following tables and statements present summarized financial position and operating results as of and for the years ended December 31, 2022, 2021 and 2020. Additional details are available in the accompanying financial statements.

Capital Assets

MEC's investment in capital assets include land, buildings, power generation projects, construction projects in process, machinery and equipment, software, and leased assets, and are shown net of accumulated depreciation and amortization. MEC's increase in capital assets in 2022 is from the purchase of 5 solar power generating projects during the year for approximately $26.4 million and the purchase of two transmission projects for approximately $18.5 million. MEC's overall increase in capital assets in 2022 was less than the additions below due to depreciation of plant assets.

Long-Term Debt

The list of MEC's outstanding long-term debt can be seen in Note 6, including the current portion and net of unamortized premiums and discounts by fund. The increase in long-term debt in 2022, is from additional debt issued during the year for the purchase of additional solar projects and for the purchase of two transmission projects. The increase in long-term debt in 2021, including the Missouri Utility Emergency Loan Program (MUELP), is from additional debt issued during the year for four solar projects, construction of the new office and training center and borrowing from the MUELP for Winter Storm Uri.

Debt Service Coverage

MEC calculates debt service coverage ratios to measure the cash flow available to pay debt obligations and measure its ability to meet annual debt service payments. MEC's bond agreements require certain minimum debt service ratios be met by MoPEP (1.10 coverage) or project funds (1.0 coverage). MEC continues to meet or exceed its minimum debt service requirements for each fund.

Statements of Net Position as of December 31 (in millions)

	2022	2021	2020	2022 - 2021 Change	2021 - 2020 Change
Assets					
Capital Assets	$ 1,177.1	$ 1,163.4	$ 1,156.6	$ 13.7	$ 6.8
Other Noncurrent Assets	181.2	189.4	187.8	(8.2)	1.6
Current Assets	154.4	146.3	130.1	8.1	16.2
Total Assets	1,512.7	1,499.1	1,474.5	13.6	24.6
Deferred Outlows of Resources	30.7	32.9	35.4	(2.2)	(2.5)
Total Assets and Deferred Outflows of Resources	$ 1,543.4	$ 1,532.0	$ 1,509.9	$ 11.4	$ 22.1
Liabilities					
Long-Term Debt	$ 1,226.6	$ 1,233.2	$ 1,248.1	$ (6.6)	$ (14.9)
MO Utility Emergency Loan Program	11.1	15.2	-	(4.1)	15.2
Other Long-term Liabilities	5.0	4.6	4.3	0.4	0.3
Unearned Revenue	27.1	21.5	20.8	5.6	0.7
Net Pension Liability	0.1	-	1.8	0.1	(1.8)
Accrued Interest Payable	19.2	19.8	20.4	(0.6)	(0.6)
Accounts Payable and Accrued Liabilities	27.7	21.6	20.5	6.1	1.1
Current Maturities of Long-Term Debt	43.1	39.9	39.1	3.2	0.8
Current MO Utility Emergency Loan Program	4.8	5.1	-	(0.3)	5.1
Total Liabilities	1,364.7	1,360.9	1,355.0	3.8	5.9
Deferred Inflows of Resources	81.9	70.6	59.2	11.3	11.4
Net Position					
Net Investment in Capital Assets	31.7	13.3	(0.6)	18.4	13.9
Restricted	44.5	47.7	56.2	(3.2)	(8.5)
Unrestricted	20.6	39.5	40.1	(18.9)	(0.6)
Total Net Position	96.8	100.5	95.7	(3.7)	4.8
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 1,543.4	$ 1,532.0	$ 1,509.9	$ 11.4	$ 22.1

<u>Financial Position Analysis – 2022</u>

Significant Activities

MEC issued $43.7 million of Power Supply Revenue Bonds (MoPEP Facilities) Series 2022 for the financing of solar projects. These bonds are climate certified green bonds.

MEC borrowed a total of $19.5 million under its line of credit for the purchase of two transmission projects in 2022. MEC expects to issue debt in 2023 to repay the line of credit.

Assets and Deferred Outflows of Resources

MEC negotiated and exercised its option early for the purchase of solar farms in the cities of Macon, Chillicothe, Lebanon, Higginsville, and Farmington with $43.7 million of issued debt. Part of the debt was used to repay the line of credit for solar projects purchased in 2021. MEC purchased two transmission projects for approximately $18.5 million total using $19.5 million borrowed from MEC's line of credit. With these major capital asset additions, capital assets, net of depreciation, increased only $13.7 million (1.2%) in 2022 due to MEC's significant depreciation expense.

Other noncurrent assets consist of investments, restricted bond accounts, other restricted cash and investments, prepaid costs, contractual deposits, receivables with extended repayment terms and regulatory assets. Other noncurrent assets decreased by $8.2 million (4.3%) primarily from the paydown of receivables related to Winter Storm Uri and a decrease in regulatory assets. Current assets increased $5.7 million (3.9%) from increases in accounts receivable, fuel stock and material inventory, prepaid items, and restricted bond accounts. These increases were partially offset by decreases in cash and cash equivalents and investments. Receivables with extended repayment terms represent the extended period MEC cities have to repay the loan under the state's MUELP loan program relating to the Winter Storm Uri event in February 2021.

Deferred Outflows of Resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The Deferred Outflows of Resources in MEC's financial statements as of December 31, 2022 and 2021 include refunding bond costs, which is amortized into MEC's expenses over the life of the refunding bonds, Asset Retirement Obligation offsets, and certain costs related to MEC's defined benefit pension plan. Deferred Outflows of Resources decreased approximately $2.2 million, from amortization of refunding bond costs and decreases relating to MEC's pension plan.

Liabilities and Deferred Inflows of Resources

Long-term debt, including the current portion, had a net decrease of $3.4 million as a result of principal payments made on debt during 2022 which was largely offset with $21.7 million borrowed for the purchase of four solar farms and $19.5 million borrowed for the purchase of two transmission projects. The net pension asset of $0.5 million in 2021 reversed to a net pension liability of $0.1 million in 2022, see Note 12 to the financial statements for more information.

Deferred Inflows of Resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. MEC has four financial statement items that qualify for reporting in the category, which are regulatory credits, certain offsets related to asset retirement obligations, pension plan costs, and unamortized deferred gain on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt. Regulatory credits are reductions in earnings (or costs recovered) to cover future expenses. Deferred Inflows of Resources increased $11.3 million or 16.0% in 2022, primarily from increases in regulatory credits. See Note 1 to the financial statements for more details.

Net Position

MEC's Total Net Position decreased $3.7 million (3.7% over 2021), which is primarily attributable to unrealized losses due to market valuations of investment securities. Net Investment in Capital Assets increased $18.4 million from 2021. This line reflects the investments in capital assets less any outstanding debt net of unspent debt project funds that were issued to acquire those assets. The increase is the result of principal payments on debt in excess of depreciation expense. Restricted net position decreased $3.2 million from 2021, which consists of funds held by either MEC for operations and maintenance reserves or held by MEC's bond trustees.

Financial Position Analysis – 2021

Significant Activities

MEC entered into a $10.1 million direct placement lease purchase financing for a portion of the construction cost of a new office building and training center. The remaining cost of approximately $13 million was paid with available cash and investments from accumulated interest earnings. MEC negotiated and exercised its option early for the purchase of four additional solar farms in late 2021. The purchase of these solar farms was financed with $22 million drawn on MEC's line of credit, with the plan to refinance this borrowing into permanent long-term financing later in 2022.

Due to the financial impact of Winter Storm Uri on MEC's power pool members, each of the three power pools borrowed on MEC's line of credit to spread the repayment of the excessively high energy costs up to 24 months. These borrowings were refinanced with $25.3 million in borrowing under the MUELP with a repayment term of up to 60 months with no interest cost.

Assets and Deferred Outflows of Resources

MEC negotiated and exercised its option early for the purchase of solar farms in the cities of Marshall, Rolla, Trenton and Waynesville with $22 million of temporary borrowing on MEC's line of credit. Construction of the new MPUA office and training center neared completion at the end of 2021. With these two major capital asset additions, capital assets, net of depreciation, increased only $6.8 million (0.6%) in 2021 due to MEC's significant depreciation expense.

Other noncurrent assets consist of investments, restricted bond accounts, other restricted cash and investments, prepaid costs, contractual deposits, receivables with extended repayment terms and regulatory assets. Other noncurrent assets increased by $1.6 million (0.9%) primarily from the addition of receivables with extended payments terms partially offset by decreases in restricted investments and regulatory assets. Current assets increased $16.2 million (12.5%) from increases in cash and cash equivalents, accounts receivable, and investments. Receivables with extended repayment terms represents the extended period MEC cities have to repay the loan under the state's MUELP loan program relating to the Winter Storm Uri event in February 2021.

Deferred Outflows of Resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The Deferred Outflows of Resources in MEC's financial statements as of December 31, 2021 and 2020 include refunding bond costs, which is amortized into MEC's expenses over the life of the refunding bonds, Asset Retirement Obligation offsets, and certain costs related to MEC's defined benefit pension plan. Deferred Outflows of Resources decreased approximately $2.5 million, from amortization of refunding bond costs and decreases relating to MEC's pension plan.

Liabilities and Deferred Inflows of Resources

Long-term debt, including the current portion, had a net decrease of $14.1 million as a result of principal payments made on debt during 2021 which was partially offset with $22 million borrowed for the purchase of four solar farms and $10.1 million borrowed for the office and training center. The net pension liability of $1.8 million in 2020 reversed to a net pension asset of $0.5 million in 2021, see Note 12 to the financial statements for more information.

Deferred Inflows of Resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. MEC has four financial statement items that qualify for reporting in the category, which are regulatory credits, certain offsets related to asset retirement obligations, pension plan costs, and unamortized deferred gain on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt. Regulatory credits are reductions in earnings (or costs recovered) to cover future expenses. Deferred Inflows of Resources increased $11.4 million or 19.3% in 2021, primarily from increases in regulatory credits. See Note 1 to the financial statements for more details.

Net Position

MEC's Total Net Position increased $4.8 million (5.0% over 2020), which is primarily attributable to amounts collected for rate covenants according to debt agreements and investment return. Net Investment in Capital Assets increased $13.9 million from 2020. This line reflects the investments in capital assets less any outstanding debt net of unspent debt project funds that were issued to acquire those assets. The increase is the result of principal payments on debt in excess of depreciation expense. Restricted net position decreased $8.5 million from 2020, which consists of funds held by either MEC for operations and maintenance reserves or held by MEC's bond trustees.

Statements of Revenues, Expenses, and Changes in Net Position for 2022, 2021 and 2020
(in millions)

	2022	2021	2020	2022 - 2021 Change	2021 - 2020 Change
Operating Revenues:					
Power Sales and Related Charges	$ 341.0	$ 364.1	$ 318.6	$ (23.1)	$ 45.5
Transmission	26.5	23.6	20.2	2.9	3.4
Transfers from MAMU and MGC	0.2	0.1	0.1	0.1	-
Other	1.3	1.0	1.1	0.3	(0.1)
Total Operating Revenues	369.0	388.8	340.0	(19.8)	48.8
Operating Expenses:					
Power Purchases and Generation	217.9	226.5	189.5	(8.6)	37.0
Member Capacity and Generation Credits	6.1	18.7	6.7	(12.6)	12.0
Transmission	25.6	23.6	20.2	2.0	3.4
Depreciation	39.8	40.2	40.2	(0.4)	-
Net Costs Recoverable in Future Years	15.8	13.2	14.5	2.6	(1.3)
Other Pool and Project Expenses	5.8	5.7	4.7	0.1	1.0
Administrative, General, and Training	4.9	3.3	5.4	1.6	(2.1)
Total Operating Expenses	315.9	331.2	281.2	(15.3)	50.0
Operating Income	53.1	57.6	58.8	(4.5)	(1.2)
Nonoperating Income (Expenses)	(56.8)	(52.8)	(46.4)	(4.0)	(6.4)
Increase (Decrease) in Net Position	(3.7)	4.8	12.4	(8.5)	(7.6)
Net Position, Beginning of Year	100.5	95.7	83.3	4.8	12.4
Net Position, End of Year	$ 96.8	$ 100.5	$ 95.7	$ (3.7)	$ 4.8

Operating Results Analysis - 2022

MEC power sales are primarily collections from members engaged in the full-requirements power pool services (MoPEP, MMMPEP and SWMPEP) and from members participating in the Plum Point, Iatan Unit 2, and Prairie State power generation projects. Overall, power sales and related charges decreased approximately $23.1 million (6.3%). For the 2022 and 2021 fiscal years, combined power sales and related charges to MEC members were $341.0 million and $364.1 million, respectively, on a consolidated basis and $406.5 million and $431.8 million on a nonconsolidated basis, refer to pages 19 and 20 for the combining statements of revenues, expenses and changes in net position. Unit sales for 2022 and 2021 were 5,478,974 megawatt hours (MWh) and 5,464,168 MWh, respectively, on a consolidated basis and 6,389,659 MWh and 6,453,395 MWh on a nonconsolidated basis. See the table on page 5 for details by fund. The large decrease in 2022 in dollars is directly attributable to Winter Storm Uri that occurred in February 2021.

MEC bills member municipalities monthly for power and energy based on the cost of MEC's power and energy purchases and generation plus associated MEC overhead. The cost structure of MEC's power supply has shifted more from energy to capacity with the baseload from Plum Point, Iatan Unit 2, and Prairie State operations. Particularly, MoPEP's reliance on power supply contracts has reduced over the years and replaced with output from the aforementioned projects and the Dogwood facility. MMMPEP and SWMPEP receive all their power supply through power purchase agreements and do not have any city owned or generating capacity for themselves. MEC's combined power purchases and generation costs decreased $8.6 million in 2022 while member capacity and generation credits decreased $12.6 million.

Net costs recoverable in future years expense of $15.8 million represents a net of certain MEC funds collected from MEC members related to project expenses incurred that will be recovered in future years and debt service payments collected from members in excess of current interest and depreciation expense. This is the result of applying MEC's rate making policy to revenue and expense transactions.

Nonoperating income (net of expenses) decreased by approximately $4.0 million from the 2021 amount and is comprised of realized and unrealized gains and losses on investments, returns on investments (decreased $6.2 million), bond interest subsidies received (decreased $132,000), and interest expense (decreased $0.7 million).

Operating Results Analysis - 2021

MEC power sales are primarily collections from members engaged in the full-requirements power pool services (MoPEP, MMMPEP and SWMPEP starting in 2020) and from members participating in the Plum Point, Iatan Unit 2, and Prairie State power generation projects. Overall, power sales and related charges increased approximately $45.5 million (14.3%). For the 2021 and 2020 fiscal years, combined power sales and related charges to MEC members were $364.1 million and $318.6 million, respectively, on a consolidated basis and $431.8 million and $384.0 million on a nonconsolidated basis, refer to page 20 for the combining statements of revenues, expenses and changes in net position. Unit sales for 2021 and 2020 were 5,464,168 megawatt hours (MWh) and 4,990,563 MWh, respectively, on a consolidated basis and 6,453,395 MWh and 5,870,335 MWh on a nonconsolidated basis. See the table on page 5 for details by fund. The large increase in 2021 in both dollars and volume is directly attributable to Winter Storm Uri and a full year of operations for SWMPEP.

MEC bills member municipalities monthly for power and energy based on the cost of MEC's power and energy purchases and generation plus associated MEC overhead. The cost structure of MEC's power supply has shifted more from energy to capacity with the baseload from Plum Point, Iatan Unit 2, and Prairie State operations. Particularly, MoPEP's reliance on power supply contracts has reduced over the years and replaced with output from the aforementioned projects and the Dogwood facility. MMMPEP and SWMPEP receives all their power supply through power purchase agreements and does not have any city owned or generating capacity for itself. MEC's combined power purchases and generation costs increased $37.0 million in 2021 while member capacity and generation credits increased $12.0 million.

Net costs recoverable in future years expense of $13.2 million represents a net of certain MEC funds collected from MEC members related to project expenses incurred that will be recovered in future years and debt service payments collected from members in excess of current interest and depreciation expense. This is the result of applying MEC's rate making policy to revenue and expense transactions.

Nonoperating income (net of expenses) decreased by approximately $6.4 million from the 2020 amount and is comprised of realized and unrealized gains and losses on investments, returns on investments (decreased $8.2 million), bond interest subsidies received (decreased $135,000), interest expense (decreased $1.8 million), and return of net position to members from MoPEP (decreased $127,000).

Financial Outlook for 2022 and Beyond

MEC, in association with the other MPUA organizations, foresees its continued development of increasingly diverse services and power supply relationships with hometown utilities and energy industry organizations. Transitions in the utility environment, technologies, and customer expectations provide certain advantages to the hometown community utility model, and also amplify the value of inter-utility collaboration to achieve economic scale and specialized expertise. MEC and its MPUA family are positioned to host and implement that collaboration through staff services, collective outsourcing, and coordinating member capabilities that can be shared.

For the benefit of its members, MEC has entered into an agreement with Clean Line Energy Partners for up to 200 MW of transmission on the Grain Belt Express transmission line extending from Kansas to near Indiana. MEC has also entered into an agreement with Santa Fe Wind Project, LLC ("Santa Fe") for up to 136 MW from a wind farm in Kansas to match the Clean Line transmission contract. In October 2021, Iron Star Wind Project, LLC and

Santa Fe, entered into an assignment agreement, which MEC agreed to. Both the Clean Line Partners and Santa Fe contracts contain contingencies on final completion of the Grain Belt Express transmission line. Final approval was received for the project by the Missouri Public Service Commission ("MOPSC") on March 20, 2019. MEC anticipates delivery of energy from these projects no sooner than 2024 or 2025.

Transmission

MEC entered the transmission industry in 2022 with the acquisition of the Nixa and Hannibal transmission lines. Nixa is located in southern Missouri within the Southwest Power Pool (SPP) regional transmission organization (RTO). Hannibal is a joint ownership project in a transmission line in northeast Missouri within the Midcontinent Independent System Operator (MISO) RTO. MEC expects to have a second jointly owned transmission project in late 2023 or 2024 within the MISO RTO. MEC plans on pursuing additional transmission ownership opportunities. For each transmission project withing its respective RTO, MEC will capture costs and revenues separately.

MoPEP

MEC continues to increase its renewable resources of power supply with a new energy supply contract for 30 MW of energy from wind generation in Kansas delivered to MoPEP in SPP. MEC expects to purchase the last solar farm currently under a power purchase agreement in mid-2023. In addition, MoPEP intends to add additional renewable energy from the Santa Fe Project from an agreement with Iron Star LLC, via the Grain Belt transmission line discussed above.

Megawatt hour costs for MoPEP are expected to remain relatively stable in the foreseeable future, assuming no significant modifications are made to federal and state environmental regulations affecting MEC's power generation units. MoPEP believes the MEC-owned generation will provide long-term price and performance stability to MoPEP's overall cost of power supply and will continue with its strategic policy to achieve economical and reliable power supply to its members with a well-positioned power supply portfolio of coal-fired, gas-fired, and renewable resources that include solar, wind and landfill gas generation.

Nixa Solar

MEC purchased a solar farm in the city of Nixa, Missouri in April 2023, with all of the energy dedicated to Nixa.

Requests for Information

This financial report is designed to provide our members, investors and creditors with a general overview and analysis of the financial activities of MEC and is available at www.mpua.org. Questions concerning any of the information provided in this report or requests for additional information should be directed to Ken Reasoner, Chief Financial Performance Officer, Missouri Electric Commission, 2200 Maguire Blvd, Columbia, Missouri 65201.

MISSOURI ELECTRIC COMMISSION

STATEMENTS OF NET POSITION
December 31, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2022**	**2021**
CAPITAL ASSETS		
Plant, Buildings, and Equipment in Service	$ 1,162,381,409	$ 1,134,245,364
Construction Work in Progress	14,677,578	29,190,978
Total Capital Assets, Net	1,177,058,987	1,163,436,342
RESTRICTED ASSETS		
Bond Accounts Cash, Cash Equivalents and Investments	98,292,204	101,926,183
Other Cash, Cash Equivalents and Investments	16,975,000	16,850,895
Total Restricted Assets	115,267,204	118,777,078
OTHER ASSETS		
Investments	27,464,902	23,857,985
Prepaid Expenses	597,611	607,984
Receivables with Extended Terms	10,517,430	16,202,604
Contractual Deposits	9,943,011	9,818,523
Net Pension Asset	-	509,082
Regulatory Assets	17,420,846	19,627,143
Total Other Assets	65,943,800	70,623,321
CURRENT ASSETS		
Cash and Cash Equivalents	47,020,873	53,011,610
Investments	2,730,935	7,259,936
Accounts Receivable, Net	33,832,319	20,894,951
Prepaid Expenses	8,433,109	6,533,078
Fuel Stock and Material Inventory	15,301,374	12,733,299
Restricted Assets:		
Bond Accounts Cash, Cash Equivalents and Investments, Current Portion	47,149,663	45,817,724
Total Current Assets	154,468,273	146,250,598
Total Assets	1,512,738,264	1,499,087,339
DEFERRED OUTFLOWS OF RESOURCES	30,706,751	32,944,353
Total Assets and Deferred Outflows of Resources	$ 1,543,445,015	$ 1,532,031,692

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MISSOURI ELECTRIC COMMISSION

STATEMENTS OF NET POSITION
December 31, 2022 and 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**2022**	**2021**
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Maturities	$ 1,226,641,928	$ 1,233,236,216
Missouri Utility Emergency Loan Program	11,096,023	15,175,239
Lease Obligations, Net of Current Portion	25,188	36,142
Net Pension Liability	131,185	-
Other Long-Term Liabilities	500,000	500,000
Unearned Revenue	12,686,052	12,489,090
Asset Retirement Obligations	4,454,161	4,134,039
Total Noncurrent Liabilities	1,255,534,537	1,265,570,726
CURRENT LIABILITIES		
Accounts Payable	27,072,887	21,074,860
Accrued Payroll and Payroll Taxes	640,897	564,731
Unearned Revenue	14,463,376	9,052,365
Current Maturities, Long-Term Debt	43,089,795	39,905,441
Missouri Utility Emergency Loan Program	4,776,611	5,060,000
Current Portion of Lease Obligations	10,956	13,406
Payable From Restricted Assets:		
Accrued Interest Payable on Debt	19,220,084	19,750,845
Total Current Liabilities	109,274,606	95,421,648
Total Liabilities	1,364,809,143	1,360,992,374
DEFERRED INFLOWS OF RESOURCES	81,885,736	70,564,389
Net Position		
Net Investment in Capital Assets	31,636,100	13,249,093
Restricted	44,479,371	47,684,823
Unrestricted	20,634,665	39,541,013
Total Net Position	96,750,136	100,474,929
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,543,445,015	$ 1,532,031,692

MISSOURI ELECTRIC COMMISSION

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Years Ended December 31, 2022 and 2021**

	2022	2021
OPERATING REVENUES		
Power Sales and Related Charges	$ 340,999,696	$ 364,069,849
Transmission	26,484,460	23,604,631
Energy Services	466,998	288,181
Transfers From MAMU and MGC	180,882	116,620
Conferences and Member Training	636,733	424,325
Other	230,817	243,452
Total Operating Revenues	368,999,586	388,747,058
OPERATING EXPENSES		
Pool and Project Expenses		
Power Purchases	105,849,244	123,874,446
Member Capacity and Generation Credits	6,066,659	18,684,239
Power Generation	112,030,406	102,627,900
Transmission	25,648,711	23,604,631
Personnel Services and Staff Support	2,754,712	2,537,156
Professional Services	1,739,113	1,303,586
Rental and Maintenance	30,653	31,925
SCADA Communications	404,399	769,237
Energy Services	134,706	485,544
Depreciation	39,787,186	40,230,865
Net Costs Recoverable in Future Years	15,770,074	13,181,058
Other Operating Expenses	719,900	531,598
Conferences and Member Training	509,318	35,039
Administrative and General	4,433,773	3,219,285
Total Operating Expenses	315,878,854	331,116,509
Operating Income	53,120,732	57,630,549
NONOPERATING REVENUES (EXPENSES)		
Investment Return	(7,027,963)	(833,972)
Bond Interest Subsidy	5,808,415	5,939,925
Return of Net Position to Members	-	(28,205)
Gain (Loss) on Disposal of Capital Assets	644,200	(899,713)
Interest and Fees Expense	(56,270,177)	(57,003,511)
Net Nonoperating Expenses	(56,845,525)	(52,825,476)
Increase (Decrease) in Net Position	(3,724,793)	4,805,073
Net Position, Beginning of Period	100,474,929	95,669,856
Net Position, End of Period	$ 96,750,136	$ 100,474,929

MISSOURI ELECTRIC COMMISSION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Receipts from Power and Transmission Sales	$ 361,228,570	$ 371,696,150
Receipts from Other Revenue Sources	2,649,614	(1,952,793)
Payments for Power Purchases and Other Goods and Services	(247,990,241)	(273,067,648)
Payments to Employees for Services and Benefits	(5,044,353)	(4,884,056)
Net Cash Provided by Operating Activities	110,843,590	91,791,653
NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	2,222,900	25,300,000
Principal Payments on Long-Term Debt	(6,585,505)	(5,064,761)
Net Cash Provided (Used) by Noncapital Financing Activities	(4,362,605)	20,235,239
CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond Interest Subsidy Received	5,808,415	8,987,937
Proceeds from Disposal of Capital Assets	2,008,821	10,319
Proceeds from Issuance of Long-Term Debt	71,806,867	80,100,000
Refinancing of Long-Term Debt	(27,300,000)	(48,000,000)
Principal Payments on Long-Term Debt	(40,824,073)	(39,063,000)
Principal Payments on Lease Obligations	(13,404)	(22,885)
Payments of Interest and Fees on Debt	(61,720,923)	(62,581,978)
Payments of Interest on Lease Obligations	(1,404)	(1,368)
Return of Net Position to Members	-	(28,205)
Acquisition and Construction of Capital Assets	(55,741,344)	(48,280,060)
Net Cash Used by Capital and Related Financing Activities	(105,977,045)	(108,879,240)
INVESTING ACTIVITIES		
Purchases of Investments	(199,866,154)	(142,194,711)
Proceeds from Sales and Maturities of Investments	188,608,941	148,087,049
Investment Income Received	4,762,536	2,999,926
Net Cash Provided (Used) by Investing Activities	(6,494,677)	8,892,264
Net Increase (Decrease) in Cash and Cash Equivalents	(5,990,737)	12,039,916
Cash and Cash Equivalents at Beginning of Year	53,011,610	40,971,694
Cash and Cash Equivalents at End of Year	$ 47,020,873	$ 53,011,610

Continued on next page

MISSOURI ELECTRIC COMMISSION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 53,120,732	$ 57,630,549
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	40,754,078	40,538,216
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:		
Accounts Receivable	(7,252,194)	(18,577,133)
Prepaid Expenses	(1,889,658)	(1,444,597)
Fuel Stock and Material Inventory	(2,568,075)	374,085
Contractual Deposits	(124,488)	(1,215,075)
Regulatory Assets	2,725,090	2,916,374
Accounts Payable	5,851,770	1,153,533
Accrued Payroll and Payroll Taxes	222,423	77,198
Unearned Revenue	5,607,973	747,035
Net Pension Asset	509,082	(509,082)
Net Pension Liability	131,185	(1,790,289)
Deferred Outflows of Resources	362,849	441,535
Deferred Inflows of Resources	13,392,823	11,449,304
Net Cash Provided by Operating Activities	$ 110,843,590	$ 91,791,653
NONCASH INVESTING, CAPITAL AND RELATED-FINANCING ACTIVITIES		
Increase (Decrease) in Fair Value of Investments	$ (10,412,515)	$ (3,246,506)
Capital Assets Acquired by Capital Lease	$ -	$ 38,991
Capital Assets Acquisitions Included in Accounts Payable	$ 1,652,873	$ 2,431,717

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF NET POSITION
December 31, 2022

	Full Requirements Pools			Generation Funds							
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	SWMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Transmission Fund	Non-Major Funds	Total	Eliminations	Total Combined
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES											
CAPITAL ASSETS											
Plant, Buildings, and Equipment in Service	$ 115,071,184	$ -	$ -	$ 203,128,401	$ 205,449,917	$ 597,604,149	$ 18,492,365	$ 22,635,393	$ 1,162,381,409	$ -	$ 1,162,381,409
Construction Work in Progress	2,472,644	-	-	1,716,474	1,863,389	8,588,735	31,299	5,037	14,677,578	-	14,677,578
Total Capital Assets, Net	117,543,828	-	-	204,844,875	207,313,306	606,192,884	18,523,664	22,640,430	1,177,058,987	-	1,177,058,987
RESTRICTED ASSETS											
Bond Accounts Cash and Investments	8,947,596	-	-	22,865,286	17,249,814	49,229,508	-	-	98,292,204	-	98,292,204
Other Cash, Cash Equivalents, and Investments	-	-	-	7,456,368	4,683,858	4,834,774	-	-	16,975,000	-	16,975,000
Total Restricted Assets	8,947,596	-	-	30,321,654	21,933,672	54,064,282	-	-	115,267,204	-	115,267,204
OTHER ASSETS											
Investments	21,879,958	-	-	1,891,221	575,645	2,409,868	-	708,210	27,464,902	-	27,464,902
Prepaid Expenses	203,440	-	-	-	394,171	-	-	-	597,611	-	597,611
Receivables with Extended Terms	3,912,960	4,276,967	2,327,503	-	-	-	-	-	10,517,430	-	10,517,430
Contractual Deposits	3,181,355	-	-	2,799,157	879,999	3,082,500	-	-	9,943,011	-	9,943,011
Regulatory Assets	1,773,604	-	-	5,219,020	2,563,804	7,449,548	414,870	-	17,420,846	-	17,420,846
Total Other Assets	30,951,317	4,276,967	2,327,503	9,909,398	4,413,619	12,941,916	414,870	708,210	65,943,800	-	65,943,800
CURRENT ASSETS											
Cash and Cash Equivalents	29,835,728	4,038,388	1,332,254	4,795,708	3,934,449	889,136	64,277	2,130,933	47,020,873	-	47,020,873
Investments	2,098,398	-	-	60,459	14,788	557,290	-	-	2,730,935	-	2,730,935
Accounts Receivable, Net	19,266,815	6,819,532	2,953,645	-	-	2,775,165	150,620	1,866,542	33,832,319	-	33,832,319
Due from Other Funds	1,578,006	-	-	-	-	-	-	4,113,069	5,691,075	(5,691,075)	-
Prepaid Expenses	979,343	-	-	4,900,878	729,364	1,372,243	34,214	417,067	8,433,109	-	8,433,109
Fuel Stock and Material Inventory	18,203	-	-	4,952,806	1,993,572	8,144,700	192,093	-	15,301,374	-	15,301,374
Restricted Bond Accounts, Current Portion	854,693	-	-	15,935,502	12,241,921	18,117,547	-	-	47,149,663	-	47,149,663
Total Current Assets	54,631,186	10,857,920	4,285,899	30,645,353	18,914,094	31,856,081	441,204	8,527,611	160,159,348	(5,691,075)	154,468,273
Total Assets	212,073,927	15,134,887	6,613,402	275,721,280	252,574,691	705,055,163	19,379,738	31,876,251	1,518,429,339	(5,691,075)	1,512,738,264
DEFERRED OUTFLOWS OF RESOURCES	1,045,519	-	-	3,780,987	10,766,954	13,907,557	-	1,205,734	30,706,751	-	30,706,751
Total Assets and Deferred Outflows of Resources	$ 213,119,446	$ 15,134,887	$ 6,613,402	$ 279,502,267	$ 263,341,645	$ 718,962,720	$ 19,379,738	$ 33,081,985	$ 1,549,136,090	$ (5,691,075)	$ 1,543,445,015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION											
NONCURRENT LIABILITIES											
Long-Term Debt, Net of Current Maturities	$ 105,808,219	$ -	$ -	$ 243,952,390	$ 205,823,721	$ 642,247,466	$ 19,500,000	$ 9,310,132	$ 1,226,641,928	$ -	$ 1,226,641,928
Missouri Utility Emergency Loan Program	3,912,960	4,689,310	2,493,753	-	-	-	-	-	11,096,023	-	11,096,023
Lease Obligations, Net of Current Portion	-	-	-	-	-	-	-	25,188	25,188	-	25,188
Other Long-term Liabilities	-	-	-	-	-	-	-	500,000	500,000	-	500,000
Net Pension Liability	-	-	-	-	-	-		131,185	131,185	-	131,185
Unearned Revenue	6,302,058	2,287,602	1,390,128	2,706,264	-	-	-	-	12,686,052	-	12,686,052
Asset Retirement Obligations	-	-	-	254,078	734,453	3,465,630	-	-	4,454,161	-	4,454,161
Total Noncurrent Liabilities	116,023,237	6,976,912	3,883,881	246,912,732	206,558,174	645,713,096	19,500,000	9,966,505	1,255,534,537	-	1,255,534,537
CURRENT LIABILITIES											
Accounts Payable	13,558,143	3,765,722	1,293,003	61,540	932,191	5,099,014	146,257	2,217,017	27,072,887	-	27,072,887
Accrued Payroll and Payroll Taxes	220,774	3,317	1,962	3,614	2,933	4,597	1,495	402,205	640,897	-	640,897
Due to Other Funds	-	2,277,531	248,442	611,833	627,878	1,383,241	379,047	163,103	5,691,075	(5,691,075)	-
Unearned Revenue	-	-	-	8,072,027	2,309,135	-	-	4,082,214	14,463,376	-	14,463,376
Current Portion of Lease Obligations	-	-	-	-	-	-	-	10,956	10,956	-	10,956
Missouri Utility Emergency Loan Program	2,439,850	1,339,260	997,501	-	-	-	-		4,776,611	-	4,776,611
Current Maturities, Long-Term Debt	3,820,000	-	-	9,205,000	9,095,000	20,565,000	-	404,795	43,089,795	-	43,089,795
Payable From Restricted Assets:											
Accrued Interest Payable on Debt	408,205	-	-	6,436,504	3,232,491	9,142,884	-	-	19,220,084	-	19,220,084
Total Current Liabilities	20,446,972	7,385,830	2,540,908	24,390,518	16,199,628	36,194,736	526,799	7,280,290	114,965,681	(5,691,075)	109,274,606
Total Liabilities	136,470,209	14,362,742	6,424,789	271,303,250	222,757,802	681,907,832	20,026,799	17,246,795	1,370,500,218	(5,691,075)	1,364,809,143
DEFERRED INFLOWS OF RESOURCES	7,765,059	-	181,590	1,846,661	38,095,676	33,532,153	-	464,597	81,885,736	-	81,885,736
Net Position											
Net Investment in Capital Assets	13,197,848	-	-	(17,758,483)	23,409,560	877,065	(976,336)	12,886,446	31,636,100	-	31,636,100
Restricted	6,682,414	-	-	12,093,728	9,811,075	15,892,154	-	-	44,479,371	-	44,479,371
Unrestricted	49,003,916	772,145	7,023	12,017,111	(30,732,468)	(13,246,484)	329,275	2,484,147	20,634,665	-	20,634,665
Total Net Position	68,884,178	772,145	7,023	6,352,356	2,488,167	3,522,735	(647,061)	15,370,593	96,750,136	-	96,750,136
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 213,119,446	$ 15,134,887	$ 6,613,402	$ 279,502,267	$ 263,341,645	$ 718,962,720	$ 19,379,738	$ 33,081,985	$ 1,549,136,090	$ (5,691,075)	$ 1,543,445,015

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF NET POSITION
December 31, 2021

	Full Requirements Pools			Generation Funds						
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	SWMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Non-Major Funds	Total	Eliminations	Total Combined
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
CAPITAL ASSETS										
Plant, Buildings, and Equipment in Service	$ 94,299,296	$ -	$ -	$ 211,263,759	$ 211,227,580	$ 613,985,554	$ 3,469,175	$ 1,134,245,364	$ -	$ 1,134,245,364
Construction Work in Progress	1,714,471	-	-	1,196,471	1,761,529	4,403,710	20,114,797	29,190,978	-	29,190,978
Total Capital Assets, Net	96,013,767	-	-	212,460,230	212,989,109	618,389,264	23,583,972	1,163,436,342	-	1,163,436,342
RESTRICTED ASSETS										
Bond Accounts Cash and Investments	6,679,999	-	-	23,644,781	18,557,522	53,043,881	-	101,926,183	-	101,926,183
Other Cash and Cash Equivalents	-	-	-	7,393,056	4,651,198	4,806,641	-	16,850,895	-	16,850,895
Total Restricted Assets	6,679,999	-	-	31,037,837	23,208,720	57,850,522	-	118,777,078	-	118,777,078
OTHER ASSETS										
Investments	19,946,686	-	-	1,354,174	574,770	1,881,355	101,000	23,857,985	-	23,857,985
Prepaid Expenses	203,440	-	-	-	404,544	-	-	607,984	-	607,984
Receivables with Extended Terms	6,949,749	5,927,851	3,325,004	-	-	-		16,202,604	-	16,202,604
Contractual Deposits	3,149,760	-	-	2,706,264	879,999	3,082,500	-	9,818,523	-	9,818,523
Net Pension Asset	-	-	-	-	-	-	509,082	509,082	-	509,082
Regulatory Assets	1,127,210	-	-	7,940,337	2,682,547	7,757,109	119,940	19,627,143	-	19,627,143
Total Other Assets	31,376,845	5,927,851	3,325,004	12,000,775	4,541,860	12,720,964	730,022	70,623,321	-	70,623,321
CURRENT ASSETS										
Cash and Cash Equivalents	28,447,351	2,199,877	2,003,600	7,437,868	2,770,969	6,288,813	3,863,132	53,011,610	-	53,011,610
Investments	5,168,852	-	-	741,337	64,638	1,285,109	-	7,259,936	-	7,259,936
Accounts Receivable, Net	13,003,846	4,553,834	2,951,916	-	-	-	385,355	20,894,951	-	20,894,951
Due from Other Funds	4,595,462	354,960	-	-	-	-	1,464,490	6,414,912	(6,414,912)	-
Intergovernmental Receivable	-	-	-	-	-	-		-	-	-
Prepaid Expenses	298,221	-	-	4,540,627	246,880	1,092,109	355,241	6,533,078	-	6,533,078
Fuel Stock and Material Inventory	-	-	-	3,310,436	2,220,637	7,202,226	-	12,733,299	-	12,733,299
Restricted Bond Accounts, Current Portion	489,007	-	-	15,584,748	11,938,024	17,805,945	-	45,817,724	-	45,817,724
Total Current Assets	52,002,739	7,108,671	4,955,516	31,615,016	17,241,148	33,674,202	6,068,218	152,665,510	(6,414,912)	146,250,598
Total Assets	186,073,350	13,036,522	8,280,520	287,113,858	257,980,837	722,634,952	30,382,212	1,505,502,251	(6,414,912)	1,499,087,339
DEFERRED OUTFLOWS OF RESOURCES	1,150,071	-	-	4,124,713	11,544,398	14,738,178	1,386,993	32,944,353	-	32,944,353
Total Assets and Deferred Outflows of Resources	$ 187,223,421	$ 13,036,522	$ 8,280,520	$ 291,238,571	$ 269,525,235	$ 737,373,130	$ 31,769,205	$ 1,538,446,604	$ (6,414,912)	$ 1,532,031,692
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION										
NONCURRENT LIABILITIES										
Long-Term Debt, Net of Current Maturities	$ 85,028,984	$ -	$ -	$ 254,664,659	$ 216,478,129	$ 666,430,885	$ 10,633,559	$ 1,233,236,216	$ -	$ 1,233,236,216
Missouri Utility Emergency Loan Program	6,755,027	4,928,958	3,491,254	-	-	-		15,175,239	-	15,175,239
Lease Obligations, Net of Current Maturities	-	-	-	-	-	-	36,142	36,142	-	36,142
Other Long-term Liabilities	-	-	-	-	-	-	500,000	500,000	-	500,000
Unearned Revenue	6,105,095	2,287,603	1,390,128	2,706,264	-		-	12,489,090	-	12,489,090
Asset Retirement Obligations	-	-	-	244,131	701,148	3,188,760	-	4,134,039	-	4,134,039
Total Noncurrent Liabilities	97,889,106	7,216,561	4,881,382	257,615,054	217,179,277	669,619,645	11,169,701	1,265,570,726	-	1,265,570,726
CURRENT LIABILITIES										
Accounts Payable	7,861,699	2,309,715	1,464,874	1,312,761	1,128,306	4,715,147	2,282,358	21,074,860	-	21,074,860
Accrued Payroll and Payroll Taxes	211,992	3,158	1,731	3,686	2,990	4,875	336,299	564,731	-	564,731
Due to Other Funds	-	773,992	935,032	1,484,970	362,941	1,788,494	1,069,483	6,414,912	(6,414,912)	-
Unearned Revenue	300,000	-	-	6,479,407	876,394	1,382,049	14,515	9,052,365	-	9,052,365
Current Maturities, Lease Obligations	-	-	-	-	-	-	13,406	13,406	-	13,406
Missouri Utility Emergency Loan Program	2,505,990	1,556,509	997,501	-	-	-	-	5,060,000	-	5,060,000
Current Maturities, Long-Term Debt	2,470,000	-	-	8,765,000	8,670,000	19,655,000	345,441	39,905,441	-	39,905,441
Payable From Restricted Assets:										
Accrued Interest Payable on Debt	239,242	-	-	6,655,479	3,443,824	9,400,657	11,643	19,750,845	-	19,750,845
Total Current Liabilities	13,588,923	4,643,374	3,399,138	24,701,303	14,484,455	36,946,222	4,073,145	101,836,560	(6,414,912)	95,421,648
Total Liabilities	111,478,029	11,859,935	8,280,520	282,316,357	231,663,732	706,565,867	15,242,846	1,367,407,286	(6,414,912)	1,360,992,374
DEFERRED INFLOWS OF RESOURCES	9,625,723	-	-	1,827,594	34,066,103	23,550,048	1,494,921	70,564,389	-	70,564,389
Net Position										
Net Investment in Capital Assets	10,452,905	-	-	(19,884,833)	19,911,336	(8,240,088)	11,009,773	13,249,093	-	13,249,093
Restricted	5,255,647	-	-	12,240,182	10,570,893	19,109,019	509,082	47,684,823	-	47,684,823
Unrestricted	50,411,117	1,176,587	-	14,739,271	(26,686,829)	(3,611,716)	3,512,583	39,541,013	-	39,541,013
Total Net Position	66,119,669	1,176,587	-	7,094,620	3,795,400	7,257,215	15,031,438	100,474,929	-	100,474,929
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 187,223,421	$ 13,036,522	$ 8,280,520	$ 291,238,571	$ 269,525,235	$ 737,373,130	$ 31,769,205	$ 1,538,446,604	$ (6,414,912)	$ 1,532,031,692

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2022

	Full Requirements Pools			Generation Funds							
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	SWMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Transmission Fund	Non-Major Funds	Total	Eliminations / Reclassifications	Combined Total
OPERATING REVENUES											
Power Sales and Related Charges	$ 167,767,420	$ 35,188,549	$ 18,285,695	$ 57,230,482	$ 34,574,494	$ 93,432,910	$ -	$ -	$ 406,479,550	$ (65,479,854)	$ 340,999,696
Transmission	17,128,979	6,351,680	2,095,518	-	-	-	908,283	-	26,484,460	-	26,484,460
Scheduling and Technical Services	-	-	-	-	-	-	-	2,018,209	2,018,209	(1,551,211)	466,998
Transfers from MAMU and MGC	-	-	-	-	-	-	-	180,882	180,882	-	180,882
Conferences and Member Training	-	-	-	-	-	-	-	636,733	636,733	-	636,733
Other	-	-	-	21,119	-	24,430	-	185,268	230,817	-	230,817
Total Operating Revenues	184,896,399	41,540,229	20,381,213	57,251,601	34,574,494	93,457,340	908,283	3,021,092	436,030,651	(67,031,065)	368,999,586
OPERATING EXPENSES											
Power Purchases	118,233,193	34,255,773	17,557,176	-	-	-	-	-	170,046,142	(64,196,898)	105,849,244
Member Capacity and Generation Credits	6,066,659	-	-	-	-	-	-	-	6,066,659	-	6,066,659
Power Generation	26,912,334	-	-	34,073,552	14,143,885	36,653,923	-	-	111,783,694	246,712	112,030,406
Transmission	17,128,979	6,351,680	2,095,518	-	-	-	50,991	-	25,627,168	21,543	25,648,711
Personnel Services and Staff Support	1,044,161	319,505	179,845	345,896	274,726	476,876	113,703	2,484,856	5,239,568	(2,484,856)	2,754,712
Professional Services	346,017	99,392	75,243	156,718	110,062	156,690	794,991	752,524	2,491,637	(752,524)	1,739,113
Rental and Maintenance	30,513	-	140	-	-	-	-	518,111	548,764	(518,111)	30,653
Scheduling Costs	713,154	483,385	86,417	100,066	38,316	108,330	21,543	-	1,551,211	(1,551,211)	-
Utilities	-	-	-	-	-	-	-	216,310	216,310	(216,310)	-
Utilities - SCADA Communications	360,668	42,854	877	-	-	-	-	-	404,399	-	404,399
Energy Services	-	-	-	-	-	-	-	-	-	134,706	134,706
Technical Services	-	-	-	-	-	-	-	318,612	318,612	(318,612)	-
Conferences and Member Training	-	-	-	-	-	-	-	509,318	509,318	-	509,318
Depreciation	6,420,469	-	-	8,744,540	6,684,703	17,759,793	177,681	827,822	40,615,008	(827,822)	39,787,186
Net Costs Recoverable in Future Years	(1,792,959)	-	181,590	2,799,416	4,210,219	10,371,808	-	-	15,770,074	-	15,770,074
Administrative and General	-	-	-	-	-	-	-	-	-	4,433,773	4,433,773
Other Operating Expenses	328,449	49,511	17,667	111,346	71,774	102,538	38,615	1,001,455	1,721,355	(1,001,455)	719,900
Total Operating Expenses	175,791,637	41,602,100	20,194,473	46,331,534	25,533,685	65,629,958	1,197,524	6,629,008	382,909,919	(67,031,065)	315,878,854
Operating Income (Loss)	9,104,762	(61,871)	186,740	10,920,067	9,040,809	27,827,382	(289,241)	(3,607,916)	53,120,732	-	53,120,732
NONOPERATING REVENUES (EXPENSES)											
Investment Return	(1,544,291)	51,721	7,023	(766,213)	(1,307,234)	(3,728,505)	7,394	252,142	(7,027,963)	-	(7,027,963)
Bond Interest Subsidy	-	-	-	1,241,452	-	4,566,963	-	-	5,808,415	-	5,808,415
Gain (Loss) on Disposal of Capital Assets	(202,671)	-	-	-	(12,012)	(17,027)	-	875,910	644,200	-	644,200
Interest and Fees Expense	(3,432,956)	-	-	(11,658,329)	(8,685,998)	(31,731,637)	(302,494)	(458,763)	(56,270,177)	-	(56,270,177)
Net Nonoperating Revenues (Expenses)	(5,179,918)	51,721	7,023	(11,183,090)	(10,005,244)	(30,910,206)	(295,100)	669,289	(56,845,525)	-	(56,845,525)
OTHER FINANCING SOURCES (USES)											
Interfund Operating Transfers	(1,160,335)	(394,292)	(186,740)	(479,241)	(342,798)	(651,656)	(62,720)	3,277,782	-	-	-
Increase (Decrease) in Net Position	2,764,509	(404,442)	7,023	(742,264)	(1,307,233)	(3,734,480)	(647,061)	339,155	(3,724,793)	-	(3,724,793)
Net Position, Beginning of Period	66,119,669	1,176,587	-	7,094,620	3,795,400	7,257,215	-	15,031,438	100,474,929		100,474,929
Net Position, End of Period	$ 68,884,178	$ 772,145	$ 7,023	$ 6,352,356	$ 2,488,167	$ 3,522,735	$ (647,061)	$ 15,370,593	$ 96,750,136	$ -	$ 96,750,136

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2021

	Full Requirements Pools			Generation Funds						
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	SWMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Non-Major Funds	Total	Eliminations / Reclassifications	Combined Total
OPERATING REVENUES										
Power Sales and Related Charges	$ 185,242,562	$ 41,163,555	$ 24,613,729	$ 53,502,727	$ 33,854,353	$ 93,465,869	$ -	$ 431,842,795	$ (67,772,946)	$ 364,069,849
Transmission	14,772,819	5,833,784	2,998,028	-	-	-	-	23,604,631	-	23,604,631
Scheduling and Technical Services	-	-	-	-	-	-	1,803,728	1,803,728	(1,515,547)	288,181
Transfers from MAMU and MGC	-	-	-	-	-	-	116,620	116,620	-	116,620
Conferences and Member Training	-	-	-	-	-	-	424,325	424,325	-	424,325
Other	78	-	-	9,458	-	23,661	210,255	243,452	-	243,452
Total Operating Revenues	200,015,459	46,997,339	27,611,757	53,512,185	33,854,353	93,489,530	2,554,928	458,035,551	(69,288,493)	388,747,058
OPERATING EXPENSES										
Power Purchases	128,303,980	39,302,773	24,040,639	-	-	-	-	191,647,392	(67,772,946)	123,874,446
Member Capacity and Generation Credits	18,684,239	-	-	-	-	-	-	18,684,239	-	18,684,239
Power Generation	21,288,358	-	-	29,667,234	12,337,787	37,818,974	-	101,112,353	1,515,547	102,627,900
Transmission	14,772,819	5,833,784	2,998,028	-	-	-	-	23,604,631	-	23,604,631
Personnel Services and Staff Support	993,742	299,923	159,236	338,144	264,981	481,130	2,061,183	4,598,339	(2,061,183)	2,537,156
Professional Services	435,297	41,188	61,715	283,168	156,525	325,693	1,305,888	2,609,474	(1,305,888)	1,303,586
Rental and Maintenance	31,580	-	345	-	-	-	353,171	385,096	(353,171)	31,925
Scheduling Costs	720,388	351,268	152,717	95,454	63,840	131,880	-	1,515,547	(1,515,547)	-
Utilities	-	-	-	-	-	-	74,079	74,079	(74,079)	-
Utilities - SCADA Communications	727,237	42,000	-	-	-	-	-	769,237	-	769,237
Energy Services	-	-	-	-	-	-	-	-	485,544	485,544
Technical Services	-	-	-	-	-	-	285,355	285,355	(285,355)	-
Conferences and Member Training	-	-	-	-	-	-	427,618	427,618	(392,579)	35,039
Depreciation	4,812,112	-	-	8,951,848	6,668,680	19,798,225	152,738	40,383,603	(152,738)	40,230,865
Net Costs Recoverable in Future Years	339,878	-	-	2,717,305	4,159,121	5,964,754	-	13,181,058	-	13,181,058
Administrative and General	-	-	-	-	-	-	-	-	3,219,285	3,219,285
Other Operating Expenses	228,280	27,170	15,961	102,234	66,796	91,157	595,383	1,126,981	(595,383)	531,598
Total Operating Expenses	191,337,910	45,898,106	27,428,641	42,155,387	23,717,730	64,611,813	5,255,415	400,405,002	(69,288,493)	331,116,509
Operating Income (Loss)	8,677,549	1,099,233	183,116	11,356,798	10,136,623	28,877,717	(2,700,487)	57,630,549	-	57,630,549
NONOPERATING REVENUES (EXPENSES)										
Investment Return	(196,293)	35,380	18,305	(37,133)	(463,618)	(200,527)	9,914	(833,972)	-	(833,972)
Bond Interest Subsidy	-	-	-	1,239,925	-	4,700,000	-	5,939,925	-	5,939,925
Return of Equity to Members	(28,205)	-	-	-	-	-	-	(28,205)	-	(28,205)
Gain (Loss) on Disposal of Capital Assets	-	-	-	(15,563)	(688,305)	(195,845)	-	(899,713)	-	(899,713)
Interest and Fees Expense	(2,736,070)	(35,017)	(18,305)	(12,096,279)	(9,116,815)	(32,758,703)	(242,322)	(57,003,511)	-	(57,003,511)
Net Nonoperating Revenues (Expenses)	(2,960,568)	363	-	(10,909,050)	(10,268,738)	(28,455,075)	(232,408)	(52,825,476)	-	(52,825,476)
OTHER FINANCING SOURCES (USES)										
Interfund Nonoperating Transfers	(741,394)	(45,940)	-	(1,218,309)	(881,780)	(3,175,188)	6,062,611	-	-	-
Interfund Operating Transfers	(1,163,102)	(356,129)	(183,116)	(467,261)	(331,503)	(637,749)	3,138,860	-	-	-
Increase (Decrease) in Net Position	3,812,485	697,527	-	(1,237,822)	(1,345,398)	(3,390,295)	6,268,576	4,805,073	-	4,805,073
Net Position, Beginning of Period	62,307,184	479,060	-	8,332,442	5,140,798	10,647,510	8,762,862	95,669,856		95,669,856
Net Position, End of Period	$ 66,119,669	$ 1,176,587	$ -	$ 7,094,620	$ 3,795,400	$ 7,257,215	$ 15,031,438	$ 100,474,929	$ -	$ 100,474,929

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

	Full Requirements Pools			Generation Funds							
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	SWMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Transmission Fund	Non-Major Funds	Total	Eliminations	Total
OPERATING ACTIVITIES											
Receipts from Power and Transmission Sales	$ 174,856,281	$ 40,925,415	$ 21,195,395	$ 50,137,016	$ 26,569,137	$ 46,823,486	$ 721,840	$ -	$ 361,228,570	$ -	$ 361,228,570
Receipts from other Funds for Power and Transmission Sales	5,996,801	-	-	8,679,947	10,019,032	43,432,744	-	-	68,128,524	(68,128,524)	-
Receipts from other Revenue Sources	-	-	-	21,119	-	24,430	-	2,604,065	2,649,614	-	2,649,614
Payments for Power Purchases and Other Goods and Services	(100,005,263)	(31,971,288)	(20,691,499)	(37,788,417)	(14,805,198)	(37,721,152)	(1,132,447)	(3,874,977)	(247,990,241)	-	(247,990,241)
Payments to other Funds for Power Purchases	(62,131,723)	(5,996,801)	-	-	-	-	-	-	(68,128,524)	68,128,524	-
Payments to Employees for Services and Benefits	(1,035,379)	(319,346)	1,976	(345,968)	(274,783)	(477,154)	34,049	(2,627,748)	(5,044,353)	-	(5,044,353)
Net Cash Provided (Used) by Operating Activities	17,680,717	2,637,980	505,872	20,703,697	21,508,188	52,082,354	(376,558)	(3,898,660)	110,843,590	-	110,843,590
NONCAPITAL FINANCING ACTIVITIES											
Proceeds from Issuance of Long-Term Debt	-	2,222,900	-	-	-	-	-	-	2,222,900	-	2,222,900
Principal Payments on Long-Term Debt	(2,908,206)	(2,679,798)	(997,501)	-	-	-	-	-	(6,585,505)	-	(6,585,505)
Interfund Transfers	(1,160,335)	(394,292)	(186,740)	(479,241)	(342,798)	(651,656)	(62,720)	3,277,782	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(4,068,541)	(851,190)	(1,184,241)	(479,241)	(342,798)	(651,656)	(62,720)	3,277,782	(4,362,605)	-	(4,362,605)
CAPITAL AND RELATED FINANCING ACTIVITIES											
Bond Interest Subsidy Received	-	-	-	1,241,452	-	4,566,963	-	-	5,808,415	-	5,808,415
Proceeds from Issuance of Long-Term Debt	52,306,867	-	-	-	-	-	19,500,000	-	71,806,867	-	71,806,867
Refinancing of Long-Term Debt	(27,300,000)	-	-	-	-	-	-	-	(27,300,000)	-	(27,300,000)
Principal Payments on Long-Term Debt	(2,470,000)	-	-	(8,765,000)	(8,670,000)	(19,655,000)	-	(1,264,073)	(40,824,073)	-	(40,824,073)
Principal Payments on Lease Obligations	-	-	-	-	-	-	-	(13,404)	(13,404)	-	(13,404)
Payments of Interest and Fees on Debt	(3,567,073)	-	-	(13,091,983)	(9,707,893)	(34,582,478)	(302,494)	(469,002)	(61,720,923)	-	(61,720,923)
Payments of Interest on Lease Obligations	-	-	-	-	-	-	-	(1,404)	(1,404)	-	(1,404)
Proceeds from Disposal of Capital Assets	-	-	-	-	-	24,428	-	1,984,393	2,008,821	-	2,008,821
Acquisition and Construction of Capital Assets	(28,153,201)	-	-	(1,129,185)	(1,020,912)	(5,743,938)	(18,701,345)	(992,763)	(55,741,344)	-	(55,741,344)
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,183,407)	-	-	(21,744,716)	(19,398,805)	(55,390,025)	496,161	(756,253)	(105,977,045)	-	(105,977,045)
INVESTING ACTIVITIES											
Purchases of Investments	(25,269,747)	-	-	(53,358,115)	(36,167,957)	(84,463,125)	-	(607,210)	(199,866,154)	-	(199,866,154)
Proceeds from Sales and Maturities of Investments	21,003,390	-	-	51,164,731	35,227,898	81,212,922	-	-	188,608,941	-	188,608,941
Investment Income	1,225,965	51,721	7,023	1,071,484	336,954	1,809,853	7,394	252,142	4,762,536	-	4,762,536
Net Cash Provided (Used) by Investing Activities	(3,040,392)	51,721	7,023	(1,121,900)	(603,105)	(1,440,350)	7,394	(355,068)	(6,494,677)	-	(6,494,677)
Net Increase (Decrease) in Cash and Cash Equivalents	1,388,377	1,838,511	(671,346)	(2,642,160)	1,163,480	(5,399,677)	64,277	(1,732,199)	(5,990,737)	-	(5,990,737)
Cash and Cash Equivalents at Beginning of Year	28,447,351	2,199,877	2,003,600	7,437,868	2,770,969	6,288,813	-	3,863,132	53,011,610	-	53,011,610
Cash and Cash Equivalents at End of Year	$ 29,835,728	$ 4,038,388	$ 1,332,254	$ 4,795,708	$ 3,934,449	$ 889,136	$ 64,277	$ 2,130,933	$ 47,020,873	$ -	$ 47,020,873
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES											
Operating Income (Loss)	$ 9,104,762	$ (61,871)	$ 186,740	$ 10,920,067	$ 9,040,809	$ 27,827,382	$ (289,241)	$ (3,607,916)	$ 53,120,732	$ -	$ 53,120,732
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:											
Depreciation	6,420,469	-	-	8,744,540	6,684,703	17,898,863	177,681	827,822	40,754,078	-	40,754,078
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:											
Accounts Receivable	(3,226,181)	(614,813)	995,772	-	-	(2,775,165)	(150,620)	(1,481,187)	(7,252,194)	-	(7,252,194)
Due from Other Funds	3,017,456	354,960	-	-	-	-	-	(3,003,539)	368,877	(368,877)	-
Prepaid Expenses	(681,122)	-	-	(360,251)	(472,111)	(280,134)	(34,214)	(61,826)	(1,889,658)	-	(1,889,658)
Fuel Stock and Material Inventory	(18,203)	-	-	(1,642,370)	227,065	(942,474)	(192,093)	-	(2,568,075)	-	(2,568,075)
Contractual Deposits	(31,595)	-	-	(92,893)	-	-	-	-	(124,488)	-	(124,488)
Regulatory Assets	(646,394)	-	-	3,666,414	-	-	(414,870)	119,940	2,725,090	-	2,725,090
Accounts Payable	5,696,444	1,456,007	(171,871)	(1,251,221)	(196,115)	383,867	-	(65,341)	5,851,770	-	5,851,770
Accrued Payroll and Payroll Taxes	8,782	159	231	(72)	(57)	(278)	147,752	65,906	222,423	-	222,423
Due to Other Funds	-	1,503,539	(686,590)	(873,137)	264,937	(405,253)	379,047	(551,420)	(368,877)	368,877	-
Unearned Revenue	(103,037)	(1)	-	1,592,620	1,432,741	(1,382,049)	-	4,067,699	5,607,973	-	5,607,973
Net Pension Asset	-	-	-	-	-	-	-	509,082	509,082	-	509,082
Net Pension Liability	-	-	-	-	-	-	-	131,185	131,185	-	131,185
Deferred Outflows of Resources	-	-	181,590	-	-	-	-	181,259	362,849	-	362,849
Deferred Inflows of Resources	(1,860,664)	-	-	-	4,526,216	11,757,595	-	(1,030,324)	13,392,823	-	13,392,823
Net Cash Provided (Used) by Operating Activities	$ 17,680,717	$ 2,637,980	$ 505,872	$ 20,703,697	$ 21,508,188	$ 52,082,354	$ (376,558)	$ (3,898,660)	$ 110,843,590	$ -	$ 110,843,590
NONCASH INVESTING, CAPITAL AND RELATED-FINANCING ACTIVITIES											
Increase (Decrease) in Fair Value of Investments	$ (2,076,686)	$ -	$ -	$ (1,409,804)	$ (1,623,231)	$ (5,302,794)	$ -	$ -	$ (10,412,515)	$ -	$ (10,412,515)
Capital Assets Acquired by Capital Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital Assets Acquisitions Included in Accounts Payable	$ 170,251	$ -	$ -	$ 237,973	$ 306,536	$ 934,537	$ 633	$ 2,943	$ 1,652,873	$ -	$ 1,652,873

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

	Full Requirements Pools			Generation Funds						
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	SWMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Non-Major Funds	Total	Eliminations	Total
OPERATING ACTIVITIES										
Receipts from Power and Transmission Sales	$ 183,988,902	$ 39,761,580	$ 23,010,609	$ 47,866,270	$ 23,505,138	$ 53,563,651	$ -	$ 371,696,150	$ -	$ 371,696,150
Receipts from other Funds for Power and Transmission Sales	9,844,883	-	-	6,891,971	10,049,032	40,465,888	-	67,251,774	(67,251,774)	-
Receipts from other Revenue Sources	78	-	-	9,458	-	23,661	(1,985,990)	(1,952,793)	-	(1,952,793)
Payments for Power Purchases and Other Goods and Services	(126,059,445)	(36,926,765)	(26,458,257)	(30,718,115)	(13,519,685)	(37,223,050)	(2,162,331)	(273,067,648)	-	(273,067,648)
Payments to other Funds for Power Purchases	(57,406,891)	(9,844,883)	-	-	-	-	-	(67,251,774)	67,251,774	-
Payments to Employees for Services and Benefits	(972,954)	(299,519)	(158,981)	(337,533)	(264,215)	(480,696)	(2,370,158)	(4,884,056)	-	(4,884,056)
Net Cash Provided by Operating Activities	9,394,573	(7,309,587)	(3,606,629)	23,712,051	19,770,270	56,349,454	(6,518,479)	91,791,653	-	91,791,653
NONCAPITAL FINANCING ACTIVITIES										
Proceeds from Issuance of Long-Term Debt	12,529,948	7,782,546	4,987,506	-	-	-	-	25,300,000	-	25,300,000
Principal Payments on Long-Term Debt	(3,268,931)	(1,297,079)	(498,751)	-	-	-	-	(5,064,761)	-	(5,064,761)
Interfund Operating Transfers	(1,163,102)	(356,129)	(183,116)	(467,261)	(331,503)	(637,749)	3,138,860	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	8,097,915	6,129,338	4,305,639	(467,261)	(331,503)	(637,749)	3,138,860	20,235,239	-	20,235,239
CAPITAL AND RELATED FINANCING ACTIVITIES										
Interfund Transfers for Capital Acquisition	(1,556,020)	(96,418)	-	(2,556,956)	(1,850,657)	(6,664,006)	12,724,057	-	-	-
Bond Interest Subsidy Received	-	-	-	1,862,741	-	7,125,196	-	8,987,937	-	8,987,937
Proceeds from Issuance of Long-Term Debt	55,000,000	10,000,000	5,000,000	-	-	-	10,100,000	80,100,000	-	80,100,000
Refinancing of Long-Term Debt	(33,000,000)	(10,000,000)	(5,000,000)	-	-	-	-	(48,000,000)	-	(48,000,000)
Principal Payments on Long-Term Debt	(3,613,000)	-	-	(8,350,000)	(8,255,000)	(18,785,000)	(60,000)	(39,063,000)	-	(39,063,000)
Principal Payments on Lease Obligations	-	-	-	-	-	-	(22,885)	(22,885)	-	(22,885)
Payments of Interest and Fees on Debt	(3,054,816)	(35,017)	(18,305)	(13,519,583)	(10,128,444)	(35,595,201)	(230,612)	(62,581,978)	-	(62,581,978)
Payments of Interest on Lease Obligations	-	-	-	-	-	-	(1,368)	(1,368)	-	(1,368)
Return of Net Position to Members	(28,205)	-	-	-	-	-	-	(28,205)	-	(28,205)
Proceeds from Disposal of Capital Assets	-	-	-	-	-	-	10,319	10,319	-	10,319
Acquisition and Construction of Capital Assets	(24,563,449)	-	-	(1,705,036)	(2,050,500)	(4,437,927)	(15,523,148)	(48,280,060)	-	(48,280,060)
Net Cash (Used) by Capital and Related Financing Activities	(10,815,490)	(131,435)	(18,305)	(24,268,834)	(22,284,601)	(58,356,938)	6,996,363	(108,879,240)	-	(108,879,240)
INVESTING ACTIVITIES										
Purchases of Investments	(6,774,736)	-	-	(35,395,499)	(26,468,005)	(73,455,471)	(101,000)	(142,194,711)	-	(142,194,711)
Proceeds from Sales and Maturities of Investments	7,680,501	-	-	36,240,946	28,025,308	76,140,294	-	148,087,049	-	148,087,049
Investment Income	449,038	35,380	18,305	836,620	84,005	1,566,664	9,914	2,999,926	-	2,999,926
Net Cash Provided (Used) by Investing Activities	1,354,803	35,380	18,305	1,682,067	1,641,308	4,251,487	(91,086)	8,892,264	-	8,892,264
Net Increase (Decrease) in Cash and Cash Equivalents	8,031,801	(1,276,304)	699,010	658,023	(1,204,526)	1,606,254	3,525,658	12,039,916	-	12,039,916
Cash and Cash Equivalents at Beginning of Year	20,415,550	3,476,181	1,304,590	6,779,845	3,975,495	4,682,559	337,474	40,971,694	-	40,971,694
Cash and Cash Equivalents at End of Year	$ 28,447,351	$ 2,199,877	$ 2,003,600	$ 7,437,868	$ 2,770,969	$ 6,288,813	$ 3,863,132	$ 53,011,610	$ -	$ 53,011,610
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES										
Operating Income (Loss)	$ 8,677,549	$ 1,099,233	$ 183,116	$ 11,356,798	$ 10,136,623	$ 28,877,717	$ (2,700,487)	$ 57,630,549	$ -	$ 57,630,549
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:										
Depreciation	4,812,112	-	-	8,951,848	6,668,680	19,952,838	152,738	40,538,216	-	40,538,216
Adjustments for (Increases) Decreases in Assets and							-			
Increases (Decreases) in Liabilities:							-			
Accounts Receivable	(6,490,917)	(7,235,759)	(4,601,148)	-	-	-	(249,309)	(18,577,133)	-	(18,577,133)
Due from Other Funds	3,309,501	(354,960)	-	-	-	-	(4,288,184)	(1,333,643)	1,333,643	-
Prepaid Expenses	248,057	-	-	(1,347,578)	(96,407)	(126,100)	(122,569)	(1,444,597)	-	(1,444,597)
Fuel Stock and Material Inventory	-	-	-	283,251	(470,562)	561,396	-	374,085	-	374,085
Contractual Deposits	(1,215,075)	-	-	-	-	-	-	(1,215,075)	-	(1,215,075)
Regulatory Assets	(39,631)	-	-	2,717,305	180,647	137,531	(79,478)	2,916,374	-	2,916,374
Accounts Payable	(616,641)	438,219	(50,034)	494,302	(327,768)	554,745	660,710	1,153,533	-	1,153,533
Accrued Payroll and Payroll Taxes	20,788	404	255	611	766	434	53,940	77,198	-	77,198
Deposits Held	-	-	-	-	-	-				
Due to Other Funds	-	(1,256,724)	861,182	473,183	170,122	665,380	420,500	1,333,643	(1,333,643)	-
Unearned Revenue	416,616	-	-	782,331	(470,306)	21,819	(3,425)	747,035	-	747,035
Net Pension Asset	-	-	-	-	-	-	(509,082)	(509,082)	-	(509,082)
Net Pension Liability	-	-	-	-	-	-	(1,790,289)	(1,790,289)	-	(1,790,289)
Deferred Outflows of Resources	-	-	-	-	-	-	441,535	441,535	-	441,535
Deferred Inflows of Resources	272,214	-	-	-	3,978,475	5,703,694	1,494,921	11,449,304	-	11,449,304
Net Cash Provided by Operating Activities	$ 9,394,573	$ (7,309,587)	$ (3,606,629)	$ 23,712,051	$ 19,770,270	$ 56,349,454	$ (6,518,479)	$ 91,791,653	$ -	$ 91,791,653
NONCASH INVESTING, CAPITAL AND RELATED-FINANCING ACTIVITIES										
Increase in Fair Value of Investments	$ (519,776)	$ -	$ -	$ (587,949)	$ (564,610)	$ (1,574,171)	$ -	$ (3,246,506)	$ -	$ (3,246,506)
Capital Assets Acquired by Capital Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,991	$ 38,991	$ -	$ 38,991
Capital Assets Acquisitions Included in Accounts Payable	$ 886,066	$ -	$ -	$ -	$ -	$ -	$ 1,545,651	$ 2,431,717	$ -	$ 2,431,717

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission ("MEC") is a joint action agency and political subdivision formed under the Joint Municipal Utility Commission Act, Revised Statutes of Missouri Sections 393.700-393.770. MEC's mission is to obtain reliable and economical electric power and best-in-class services for the benefit of member municipalities and their residents. MEC provides full power purchase requirements to members and arranges purchases for members in need of supplemental power and the sale of members' excess power under joint contracts with the members in both the State of Missouri and the State of Arkansas. MEC also arranges power transmission services, provides scheduling operations, training and technical services for its members and others. Each regular member of MEC appoints a representative to MEC's Board of Directors.

Within MEC there are three full requirements pools. The first pool is called the Missouri Public Energy Pool #1 ("MoPEP"). The 35 municipal members of MoPEP entered into joint agreements committing their current and future electric generating facilities and purchase power contracts to the pool of members to facilitate joint planning, scheduling, dispatching, power purchases, and acquisition ownership interests in electric power facilities. The joint agreements under MoPEP entail certain obligations by the members, including maintaining adequate customer rates and maintenance of power facilities and contracts in order to meet the members' commitments to the pool.

The second pool is called the Mid-Missouri Municipal Public Energy Pool ("MMMPEP"). The thirteen municipal members of MMMPEP have entered into power purchase contracts with MEC for the full power requirements of their respective municipality. A fourteenth city joined the pool January 1, 2023. There continues to be an opportunity for additional members to be added to the MMMPEP pool. These contracts were set to expire on May 31, 2028, but were amended in November 2022. The amended contracts now do not have an established termination date. Instead, the contracts will remain in effect until cancelled as to all MMMPEP members.

The third pool is called the Southwest Missouri Public Energy Pool ("SWMPEP") and was created in 2017. The municipal members of SWMPEP have entered into power purchase contracts with MEC for the full power requirements of their respective municipality. Following the terms of the power purchase contracts SWMPEP started receiving power from MEC on June 1, 2020. The power purchase contracts were set to expire on May 31, 2030, but these contracts were amended in early 2023. The amended contracts now do not have an established termination date. Instead, the contracts will remain in effect until cancelled as to all SWMPEP members. There are currently two members of SWMPEP with the possibility for additional members to join the pool.

As of December 31, 2022, MEC has several long-term commitments for power purchase contracts and operating costs of jointly owned power generating projects, as explained elsewhere in these notes. MEC's acquisition of ownership interests generally includes commitments under bond or other financing arrangements. Through participation in the joint agreements with other MEC members, each member has an allocated share of the various long-term commitments under these contracts, including its allocated portion of costs with MEC's ownership interest in power generating projects and take-or-pay power purchase commitments. MEC also has a second category of "advisory" members to allow rural electric cooperatives and non-Missouri municipalities to participate in these power supply programs and projects. MEC's membership includes four cities located in the State of Arkansas who also receive power from MEC. There are various cancellation provisions under these contracts.

MEC is a party to a joint operating agreement with the Missouri Association of Municipal Utilities ("the Association" or "MAMU") and the Missouri Gas Commission ("MGC") for the purpose of coordinating resources to improve efficiency and reduce costs. The resulting alliance, known as MPUA, is managed by a Joint board of directors comprised of representatives from the governing boards of each member. This board reviews and recommends annual budgets for each member, determines the allocation of expenses on a cost reimbursement basis to members, consults on employee issues, and recommends contractual arrangements with joint consultants to each member.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of MEC's finances. These financial statements include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Assets, and the Statements of Cash Flows. Interfund balances, interfund transfers, and interfund sales and purchases of power and related items are eliminated in the government-wide statements.

Fund Accounting

MEC uses funds to report its financial position and results of its operations in its fund financial statements. Fund accounting is designed to aid financial management by segregating transactions related to certain functions or activities.

MEC reports the following proprietary funds as major funds:

The MoPEP Fund is used to account for financial resources related to power sales and the costs of power sales for the member municipalities of MoPEP.

The MMMPEP Fund is used to account for financial resources related to power sales and the costs of power sales for the member municipalities of MMMPEP.

The SWMPEP Fund is used to account for financial resources related to power sales and the costs of power sales for the member municipalities of SWMPEP.

The Generation Project Funds are used to account for revenues and expenses of three MEC jointly owned power plant projects. The generation project funds include Plum Point, Iatan 2, and Prairie State. See Note 3 for a complete description of each of these projects.

The Transmission Fund is used to account for financial resources related to transmission revenues and the associated costs for transmission assets owned by MEC.

MEC reports the following proprietary funds as non-major funds:

The Alliance Fund is used to account for all revenues and expenses associated with MPUA. The Alliance Fund pays for various administrative costs of MPUA members and receives payments from members as reimbursement for these costs.

The General Fund is used to account for general operations beneficial to all MEC members and projects. Power and transmission transactions not related to MoPEP, MMMPEP and SWMPEP members or the project funds are accounted for in the General Fund. The General Fund receives reimbursements from the other MEC funds for costs incurred that are allocable to the other funds.

The Energy Services Fund was created for the purpose of providing services to MEC members. A scheduling operations service center was created within the Energy Services Fund. The associated costs of scheduling operations, net of costs from outsourced services, are charged to other MEC funds that use scheduling services on an allocated basis. The Apprentice Training Program and the Instrumentation Technician Program, which charge fees for services, were moved from the General Fund into the Energy Services Fund in 2020. In addition, MEC handles the negotiation and contracts for two members, referred to as Power Interchange Sales and Purchases. These Power Interchange activities have also been moved from the General Fund into the Energy Services Fund in 2020 as a component of scheduling operations.

Measurement Focus, Basis of Accounting, and System of Accounts

These financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when an exchange takes place.

MEC's accounts are maintained in accordance with the Uniform System of Accounts of the Federal Energy Regulatory Commission ("FERC") and MEC maintains its accounting records and presents these financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"), as applicable to governmental entities. MEC applies the accounting principles of Governmental Accounting Standards Board Statement No. 62 (GASB 62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* that pertain to regulated operations. Accordingly, revenues and expenses are matched to current and future periods in which the revenues are earned or the expenses are recovered through the rate-making process that is under the control of MEC's Board of Directors.

MEC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with MEC's ongoing operations. Operating expenses include the costs of sales and services, member training, administrative and general expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted Resources

MEC uses restricted resources first to fund expenditures when both restricted and unrestricted resources are available.

Revenue and Expense Recognition for Transactions with Regional Transmission Organizations

MEC sells electric power in the markets through Regional Transmission Organizations ("RTOs"), either from generation resources or through power purchase agreements, and MEC purchases energy from the RTOs where MEC economically needs to receive the power for providing electric service to its members. MEC records the sales and purchases of power through RTOs on a net basis. This revenue recognition policy avoids the recording of revenues and expenses on essentially the same energy multiple times.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

MEC is a body public and corporate of the State of Missouri and is exempt from federal and state income taxes.

Utility Plant in Service and Other Buildings and Equipment

Utility plant in service and other buildings and equipment are recorded at cost. MEC capitalizes fixed assets that have a useful life of three years and greater and an initial individual cost of at least $5,000. Capitalization thresholds may be set by individual projects; however, MEC analyzes the costs of each project to apply its capitalization policies consistently. MEC's share of utility plant betterments and major replacements in excess of $5,000 are capitalized and depreciated. The purchase of capital spares, which consist of critical equipment component spares for a utility plant, are capitalized and depreciated as part of the utility plant. The costs of normal maintenance and repairs are charged to operations as incurred. Amortization expense related to assets acquired with leases are recorded as a component of depreciation expense on the same basis as assets financed with other resources. Depreciation is expensed using the straight-line method over the estimated useful lives of the assets.

Following are the estimated useful lives for capital assets:

Asset class	Years
Computer Software	3-5
Computer Equipment	4-5
Office Furniture	7-10
Other Equipment	7-10
Office Buildings	40
Railcars	15
Utility Plant in Service	4-60
Transmission Assets	19-75

Bond Issuance Costs and Bond Premiums and Discounts

Financing costs incurred in connection with issuance of bonds and other long-term debt have been recognized as a regulatory asset and are recovered through MEC's future rates. Premiums and discounts in connection with issuance of long-term debt have been recognized and reported as a component of the outstanding debt balance. The financing costs and premiums and discounts are being amortized over the repayment period of the respective debt in accordance with MEC's rate-making policy. Financing costs that will not be recovered through future rates are expensed as incurred.

Investments

Investments are reported at fair value. Investment return includes interest income, realized and unrealized gains or losses, and investment expenses. See Note 2 for further information on MEC's investments.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. The costs of prepaid items are recorded as expenses when consumed rather than when purchased.

Fuel Stock and Material Inventory

Fuel stock and material inventory are valued at average cost. The cost of fuel and materials used in production are expensed as used and are recovered through rates.

Accounts Receivable

Accounts receivable are stated at the amount billed to members and others. Based on historical experience, MEC considers all accounts receivable balances to be fully collectible; therefore, an allowance for uncollectible accounts is not considered necessary and has not been reported in these financial statements.

Interfund Receivables/Payables

During normal operations, numerous transactions occur between individual funds for energy provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" in the combining statement of net position. These balances between funds are eliminated in the government-wide financial statements.

Asset Retirement Obligations

Asset retirement obligations ("AROs") are legal or contractual obligations associated with the retirement of tangible capital assets that are incurred upon the acquisition, construction, or normal operation of the capital asset. Regulatory accounting principles, in accordance with GASB codification section Re 10, *Regulated Operations* and MEC's rate-making practices, are used to recognize the associated ARO costs and revenues in MEC's financial statements. See Note 8 for further information regarding MEC's AROs.

Regulatory Assets and Regulatory Credits

MEC applies the accounting principles from GASB codification section Re 10, *Regulated Operations*. Billing rates are established by MEC's Board of Directors and are designed to fully recover each pool's and project's cost over the life of the pool or project. Participant billing rates are structured to recover current debt services requirements, operating costs, capital costs, and to fund certain other items. Accordingly, certain costs or revenues are deferred and reported as regulatory assets or regulatory credits until they are recovered in future rates or costs.

Regulatory assets are rights to additional revenues or deferred expenses, which are expected to be recovered through customer rates over some future period. Regulatory credits are reductions in earnings (or costs recovered) to cover future expenses. Regulatory credits are reported as deferred inflows of resources, which is discussed below. MEC, except for its jurisdictional transmission projects, is not a public utility subject to rate regulation by the Federal Energy Regulatory Commission or by the Missouri Public Service Commission.

Regulatory assets and regulatory credits consist of the following as of December 31:

Regulatory Assets	**2022**	**2021**
Interest, Depreciation and Capital Costs in Excess of Billings	$ 99,455	$ 2,401,318
Unamortized Debt Issuance Costs	15,827,375	16,075,390
Unrecovered Transmission Formula Rate Costs	241,377	119,940
Asset Retirement Obligations Amortization	1,252,639	1,030,495
	$ 17,420,846	$ 19,627,143

Regulatory Credits	**2022**	**2021**
Billings in Excess of Interest, Depreciation and Capital Costs	$ 80,392,888	$ 68,241,875
Advance Billings for Future Costs	181,590	-
	$ 80,574,478	$ 68,241,875

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to future periods, and as such, will not be recognized as an outflow of resources (expense) until then. MEC's items that qualify for reporting in this category are the unamortized deferred charge on refunded debt, deferred outflows associated with Asset Retirement Obligations, and deferred outflows relating to MEC's defined pension plan for its employees. These amounts are being amortized in accordance with GAAP and MEC's rate making policy.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to future periods, and as such, will not be recognized as an income or resources (revenue) until that time. The MEC items that qualify for reporting in this category are regulatory credits discussed above, the unamortized deferred gain on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt, deferred inflows associated with AROs, and deferred inflows relating to MEC's defined benefit pension plan for employees. These amounts are being amortized in accordance with GAAP and MEC's rate making policy.

Deferred outflows and inflows of resources consist of the following as of December 31:

Deferred Outflows of Resources	**2022**	**2021**
Unamortized Deferred Charge on Refunded Debt	$ 26,300,383	$ 28,522,856
Asset Retirement Obligations	3,200,634	3,034,504
Defined Benefit Pension Plan Costs	1,205,734	1,386,993
	$ 30,706,751	$ 32,944,353

Deferred Inflows of Resources	**2022**	**2021**
Regulatory Credits	$ 80,574,478	$ 68,241,875
Asset Retirement Obligations	130,756	60,552
Defined Benefit Pension Plan Gains	464,597	1,494,921
Unamortized Deferred Gain on Refunded Debt	715,905	767,041
	$ 81,885,736	$ 70,564,389

Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Arbitrage Rebate Liability

MEC's tax-exempt bonds are subject to Federal rebate requirements. Generally, any excess of earnings from investing bond proceeds over the amount that would have been earned at the yield rate of the bonds must be rebated to the Federal government. Arbitrage rebate liability, if any, has been determined based upon rebate calculations performed by MEC's rebate analyst. Refunds of past arbitrage rebate paid to the Federal government from subsequent rebate calculations are reported when the actual refund amounts are either acknowledged by the Internal Revenue Service or received by MEC due to the uncertainty of the actual refunds to be received.

Net Position

Net position is classified into three components. Net investment in capital assets consists of capital assets net of accumulated depreciation less the outstanding balances of debt incurred to finance those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Restricted net position consists of the balance of cash and investment accounts required to be maintained by bond indentures or by contract less any amounts currently payable from these accounts. The remaining balance of net position is classified as unrestricted.

Sometimes MEC will find outlays for a particular purpose to be available from both restricted and unrestricted resources. It is MEC's policy to generally use restricted resources first when both restricted and unrestricted resources are available.

Bond Interest Subsidy

This amount represents the 35% subsidy for interest costs on the Plum Point 2009A and Prairie State 2009A and 2010A Series Revenue Bonds issued under the Build America Bond ("BAB") Program. However, effective with its budget year ended September 30, 2013, and scheduled to continue through 2030, the United States ("U.S.") Federal government is subject to the process of sequestration, which reduces spending for many Federal programs, including the BAB program. MEC's BAB federal subsidies were reduced by approximately 5.7%, 5.7% and 5.9% for the U.S. Federal government's years ended September 30, 2022, 2021 and 2020 respectively. The sequestration rate for future years through 2030 is currently set at 5.7%; however, this is subject to change by the U.S. Federal government in the future.

Transmission Revenue and Transmission Expense

Transmission revenue and expense reported in the full requirements pools represents the costs of electric transmission services provided to MEC members that are directly allocable and billed to specific members. MEC refers to this as "local" transmission. Electric transmission costs that are not directly allocable and billed to specific members are allocated to all members of the respective pool or project and are recovered as a component of power sales and related charges and are recorded as a component of power purchases expense. Transmission revenue reported in the Transmission Fund represents revenue received from the MISO and SPP RTOs for MEC's transmission projects.

MAMU and MGC Transfers

A portion of the Association's and MGC's income is transferred to the Alliance Fund maintained by MEC to pay for MPUA expenses. Transfers from the Association and MGC (see Note 9) to the Alliance Fund are recognized as revenue in the calendar year to which they pertain. Transfers billed or received in advance of the year to which they pertain, if any, are reported as unearned revenue.

Risk Management

MEC manages its risks through insurance coverage provided by private insurers for workers' compensation, officers and directors liability, boiler/machinery, business interruption, and other property and business risks. There were no significant reductions in coverage over the past three years. Additionally, claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Equivalents

For the purpose of the Statements of Cash Flows, MEC considers unrestricted cash and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

MEC holds investments as authorized by Missouri State Statutes. Restricted cash and investments held by trustees under bond and trust indentures are managed in accordance with the applicable legal documents. With respect to restricted investments of bond funds held in trust, MEC's Board of Directors has obtained the opinion of legal counsel in further defining the types of investments permitted, which also includes investment agreements (including guaranteed investment contracts, or "GICs") and certain other investment agreements which are either collateralized or are provided by an entity that is rated, or whose guarantor is rated, in at least the two highest rating categories by Standard and Poor's and Moody's.

Fair Value – MEC holds investments that are measured at fair value on a recurring basis. MEC categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy requires information on the inputs used to determine the fair value of any assets reported at fair value as described below.

Level 1 investments are those where the fair value is determined based upon quoted prices in active markets for identical investments.

Level 2 investments are those where the fair value is determined using other significant observable inputs. The investments that fall into this category are fixed income securities where the inputs include interest rates, investment term, credit ratings and sales of similar investments.

Level 3 investments include any investments that don't fall in levels 1 or 2 and include significant unobservable inputs.

The following is a summary of the inputs used as of December 31, in valuing investments carried at fair value:

2022

	Total	Level 1	Level 2	Level 3
Cash	$ 499,707	$ 499,707	$ -	$ -
Money Market Funds	50,475,261	-	50,475,261	-
U.S. Agency Securities	25,180,000	-	25,180,000	-
Municipal Securities	98,044,789	-	98,044,789	-
Corporate Bonds	14,598,118	-	14,598,118	-
Asset Backed Securities	244,289	-	244,289	-
Mortgage Backed Securities	54,619	-	54,619	-
Certificates of Deposit	234,235	-	234,235	-
Other Fixed Income	708,210	-	708,210	-
	$ 190,039,228	$ 499,707	$ 189,539,521	$ -

2021

	Total	Level 1	Level 2	Level 3
Cash	$ 2,867,249	$ 2,867,249	$ -	$ -
Money Market Funds	48,383,318	-	48,383,318	-
U.S. Agency Securities	24,044,447	-	24,044,447	-
Municipal Securities	98,333,105	-	98,333,105	-
Corporate Bonds	19,998,948	-	19,998,948	-
Asset Backed Securities	191,706	-	191,706	-
Mortgage Backed Securities	65,137	-	65,137	-
Certificates of Deposit	501,803	-	501,803	-
Other Fixed Income	101,000	-	101,000	-
	$ 194,486,713	$ 2,867,249	$ 191,619,464	$ -

Investment Risk – While MEC does not have a formal investment policy that specifically addresses each of the following types of risks, the following describes MEC's practices and exposures with respect to these risks:

Interest Rate Risk – MEC manages its exposure to declines in fair values by only investing in obligations that return the initial investment and the interest earned and by generally holding investments to maturity or only selling investments for a realized or other short-term gain.

As of December 31, MEC had the following investments:

2022	Cash and Cash Equivalents	Investment Maturities (in years) Less than 1	1-5	Over 5	Fair Value
Cash	$ 499,707	$ -	$ -	$ -	$ 499,707
Money Market Funds	50,475,261	-	-	-	50,475,261
U.S. Agency Securities	-	2,037,327	16,106,361	7,036,312	25,180,000
Municipal Securities	-	26,126,537	47,015,817	24,902,435	98,044,789
Corporate Bonds	-	2,611,823	11,744,028	242,267	14,598,118
Asset Backed Securities	-	-	239,626	4,663	244,289
Mortgage Backed Securities	-	-	-	54,619	54,619
Certificates of Deposit	-	-	234,235	-	234,235
Long-term Agreement				708,210	708,210
Total Bond Accounts Investments	$ 50,974,968	$ 30,775,687	$ 75,340,067	$ 32,948,506	$ 190,039,228

Classified on the Balance Sheet as:	
Current Assets (includes portion of debt service accounts for bond payments through June 1, 2023)	
Investments (Current Assets)	$ 2,730,935
Restricted Bond Accounts, Current Portion	47,149,663
Less Checking Accounts Included in Restricted Bond Accounts	(2,388,283)
Other Assets - Investments	27,464,902
Less Trust Account for Asset Retirement Obligations	(185,193)
Restricted Assets	115,267,204
	$ 190,039,228

2021	Cash and Cash Equivalents	Investment Maturities (in years) Less than 1	1-5	Over 5	Fair Value
Cash	$ 2,867,249	$ -	$ -	$ -	$ 2,867,249
Money Market Funds	48,383,318	-	-	-	48,383,318
U.S. Agency Securities	-	1,515,099	13,016,836	9,512,512	24,044,447
Municipal Securities	-	24,138,651	58,303,473	15,890,981	98,333,105
Corporate Bonds	-	9,055,746	10,918,590	24,612	19,998,948
Asset Backed Securities	-	-	79,375	112,331	191,706
Mortgage Backed Securities	-	-	-	65,137	65,137
Certificates of Deposit	-	252,623	249,180	-	501,803
Long-term Agreement	-	-	-	101,000	101,000
Total Bond Accounts Investments	$ 51,250,567	$ 34,962,119	$ 82,567,454	$ 25,706,573	$ 194,486,713

Classified on the Balance Sheet as:	
Current Assets (includes portion of debt service accounts for bond payments through June 1, 2022)	
Investments (Current Assets)	$ 7,259,936
Restricted Bond Accounts, Current Portion	45,817,724
Less Checking Accounts Included in Restricted Bond Accounts	(1,061,909)
Other Assets - Investments	23,857,985
Less Trust Account for Asset Retirement Obligations	(164,101)
Restricted Assets	118,777,078
	$ 194,486,713

Credit Risk – Credit risk is the risk that the issuer or the counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard and Poor's, Fitch, and Moody's Investor Service

("Moody's"). MEC's practice is to only invest in investment grade securities.

The following is a summary of the credit quality ratings by investment type, as listed by Moody's, or by its equivalent rating if rated by a different rating service, as of December 31:

Type of Investment	Quality Rating	Fair Value 2022	Fair Value 2021
Cash	Not Rated	$ 499,707	$ 2,867,249
Money Market Funds	Aaa	50,442,678	48,149,033
Money Market Funds	Not Rated	32,583	234,285
U.S. Agency Securities	Aaa	25,180,000	24,044,447
Municipal Securities	Aaa	15,456,188	15,056,939
Municipal Securities	Aa1	24,492,127	18,985,048
Municipal Securities	Aa2	39,528,433	42,396,043
Municipal Securities	Aa3	18,483,287	19,393,883
Municipal Securities	A1	1,319,230	1,190,266
Municipal Securities	A2	115,674	301,417
Municipal Securities	A3	21,530	1,003,225
Municipal Securities	Baa1	-	6,284
Corporate Bonds	Aaa	2,254,672	6,149,728
Corporate Bonds	Aa1	-	226,148
Corporate Bonds	Aa2	672,646	3,073,718
Corporate Bonds	Aa3	1,068,334	1,065,821
Corporate Bonds	A1	2,106,652	2,127,367
Corporate Bonds	A2	3,960,282	4,578,989
Corporate Bonds	A3	3,163,851	2,766,648
Corporate Bonds	Baa1	-	5,371
Corporate Bonds	Baa2	-	5,158
Asset Backed Securities	Aaa	53,354	73,552
Asset Backed Securities	Aa1	120,400	45,487
Asset Backed Securities	Aa2	70,536	31,662
Asset Backed Securities	Aa3	-	21,230
Asset Backed Securities	A1	-	19,775
Mortgage Back Securities	Aaa	27,822	65,137
Mortgage Back Securities	Aa2	17,725	-
Mortgage Back Securities	Aa3	9,072	-
Certificates of Deposit	Not Rated	234,235	501,803
Other Fixed Income	Not Rated	708,210	101,000
		$ 190,039,228	$ 194,486,713

The cash, money market funds and certificates of deposit listed above as not rated were either fully insured by FDIC insurance or collateralized by securities.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of investment in a single issuer. MEC does not place limits on the amount that may be invested in any one issuer, except investments in certificates of deposit must be fully insured or collateralized by the financial institution with pledged securities held in MEC's name. As of December 31, 2022 and 2021, MEC had investments in the Blackrock Federal Fund totaling approximately 25% and 23%, respectively, of total investments at December 31, 2022 and 2021, MEC had investments in the Federated Prime Obligations Funds totaling approximately 1% and 5%, respectively of total investments.

Custodial Risk for Deposits – This is the risk that, in the event of a financial institution's failure, deposits may not be returned. MEC's practice is to use bank depositories that pose little or no risk of loss of principal balance. Bank checking accounts are maintained so that excess funds are swept each night into overnight repurchase agreements, into governmental money market accounts with a AAA rating, or the financial institution pledges securities held in MEC's name with a fair value of at least 100% of the uninsured bank balance of deposits. MEC requires that securities underlying repurchase agreements must have a fair value of at least 100% of the cost of the repurchase agreement.

Custodial Credit Risk for Investments – This is the risk that in the event of failure of the issuer or other counterparty to an investment, the investor will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2022 and 2021, all of MEC's investments were held by the counterparty's trust department or agent in MEC's name.

Restricted Cash, Cash Equivalents, and Investments – A summary of restricted cash, cash equivalents and investments held by MEC under bond indentures as of December 31 is as follows:

	2022	2021
Operating and Maintenance Accounts	$ 9,521,620	$ 9,457,169
Contingency Reserve Accounts	7,268,187	7,229,625
Total	$ 16,789,807	$ 16,686,794

NOTE 3: UTILITY PLANT PROJECTS

Plum Point Energy Station Plant (placed in service during 2010)

In March 2006, MEC entered into agreements to acquire a 22.11% undivided interest (or approximately 147 MW) in the Plum Point Energy Station, a 665-megawatt (MW) coal-fired generating plant near Osceola, Arkansas. MEC entered into life of unit, take-or-pay unit power purchase agreements with four of its Missouri member municipalities and three Arkansas municipalities, which are Advisory Members, plus MoPEP is allocated a 13.6% share of the capacity and energy of the plant. MEC's capitalized project expenditures for its share of the costs are recovered through rates and charges from MEC's MoPEP members and from the participating municipalities under life-of-unit take or pay unit power purchase agreements. MEC is required to pay its proportionate share of plant operation costs, operating reserves, working capital requirements and plant closure costs and in return MEC receives its proportionate share of the energy generated by the plant.

Iatan Unit 2 (placed in service during 2011)

MEC paid its proportionate share of construction costs for an 11.76% undivided interest (or approximately 100 MW) in a second unit of the Iatan Generating Station, an 850 MW coal-fired generating plant constructed at the Iatan Station site in Platte County, Missouri. MEC allocated 30% of its Iatan Unit 2 interest to MoPEP and has entered into power purchase agreements with two of its member municipalities for the sale of the remaining capacity and energy. MEC's capitalized project expenditures for its share of the costs are recovered through rates and charges from MEC's MoPEP members and from the participating municipalities under power purchase agreements. MEC is required to pay, through rates, its allocable share of common facilities upgrade costs, common facilities additions and retirements, and plant operation costs and in return, MEC receives its proportionate share of the energy generated by the plant.

Prairie State Energy (units 1 and 2 placed in service during 2012)

In February 2005, MEC joined a consortium known as the Prairie State Generating Company, LLC to participate in the development and construction of a two-unit 1,582 MW (combined) pulverized coal-fueled power generating facility in Washington County, Illinois. MEC's capitalized project expenditures for its share of the costs, including coal reserves, are being recovered from MEC's MoPEP members through rates and charges and from six other MEC members under power purchase agreements. MEC is authorized to take up to 12.33% of the total facility capacity. MoPEP takes 44.1% of the electric power generated by MEC's share in the facility. MEC is required to pay its proportionate share of plant operation costs, operating reserves, working capital requirements and plant closure costs.

Laddonia Ethanol Co-Generation Plant (placed in service during 2007)

In 2006 and 2007, MEC entered into lease-purchase financing agreements with MAMU to obtain funding under MAMU's finance program for Missouri municipal utilities for development of a natural gas fired, electric co-generation facility linked to an ethanol plant near Laddonia, Missouri. The project is for the energy needs of MoPEP members and MEC will recover all costs incurred from those members through rates and charges. See Note 5 regarding financing for this project.

Dogwood Energy Center (acquired ownership interest in 2012 and 2018)

On March 26, 2012, MEC acquired an 8.2% interest in the Dogwood Energy Center, a 610 MW combined-cycle natural gas plant located in Pleasant Hill, Missouri. On May 30, 2018, MEC acquired an additional 8.2% interest in the Dogwood Energy Center, bringing MEC's total ownership interest in the energy center to 16.4%. MEC's ownership interest in the plant is for the energy needs of MoPEP members and MEC will recover all costs incurred from those members through rates and charges. The combined cycle plant was originally placed in service in 2002.

Fredericktown Power Generation Plant (placed in service during 2015)

In October 2010, MEC approved the development, construction and installation of a two-unit natural gas fired generating facility, with approximately nominal net 24 MW (combined) capacity, in Fredericktown Missouri, a member city of MoPEP. The output of the generating station primarily serves electric peaking loads of MEC's members participating in MoPEP; however, the units are called to run at different times by the market operator. MEC recovers all costs incurred from MoPEP members through rates and charges.

Solar Farms (acquired in 2020, 2021 and 2022)

In December 2020, MEC negotiated an early purchase option of the 3.2 MW Butler Solar Farm located in the City of Butler, Missouri. This solar farm was originally placed in service in March 2014 under a power purchase agreement between MEC and the developer.

In December 2021, MEC negotiated early purchase options for the solar farms located in the Missouri cities of Macon, Marshall, Rolla, Trenton, and Waynesville. These solar farms were originally placed in service between May 2015 and December 2016 under a power purchase agreement between MEC and the developer. The actual ownership transfer of the Macon solar farm was delayed until March 2022 for the previous owner to complete agreed upon repairs prior to closing.

In December 2022, MEC negotiated early purchase options for the solar farms located in the Missouri cities of Chillicothe, Lebanon, Higginsville, and Farmington. These solar farms were originally placed in service between June 2017 and August 2018 under a power purchase agreement between MEC and the developer.

The table below summarizes MEC's ownership interests in electric generation assets as of December 31, 2022.

Utility Plant	Ownship Share	Capacity Rating	Capital Assets	Accumulated Depreciaton
MoPEP Generation				
Laddonia	100%	12 MW	$ 11,671,300	$ 6,960,961
Fredericktown	100%	24 MW	19,876,465	7,085,871
Dogwood	16.4%	610 MW	69,571,060	20,932,980
Solar - Butler	100.0%	3.2 MW	5,507,344	440,587
Solar - Macon	100.0%	3.2 MW	5,288,501	198,319
Solar - Marshall	100.0%	3.2 MW	5,305,085	265,254
Solar - Rolla	100.0%	3.2 MW	5,305,391	265,270
Solar - Trenton	100.0%	3.2 MW	5,305,796	265,290
Solar - Waynesville	100.0%	3.2 MW	5,304,419	265,221
Solar - Higginsvillle	100.0%	3.2 MW	5,305,383	-
Solar - Farmington	100.0%	3.2 MW	5,302,753	-
Solar - Lebanon	100.0%	3.2 MW	5,306,220	-
Solar - Chillicothe	100.0%	3.2 MW	5,173,866	-
Plum Point Project	22.1%	665 MW	306,142,774	101,292,991
Iatan Unit 2 Project	11.8%	850 MW	280,193,913	72,880,608
Prairie State Project	12.3%	1,582 MW	811,145,079	204,952,201

NOTE 4: UTILITY PLANT IN SERVICE AND OTHER CAPITAL ASSETS

A summary of changes in utility plant in service and other capital assets for the years ended December 31, 2022 and 2021 are as follows:

	Balance 1/1/2022	Additions	Transfers	Disposals	Balance 12/31/2022
Capital Assets not Being Depreciated:					
Land					
Office Buildings	$ 2,062,269	$ -	$ -	$ (68,500)	$ 1,993,769
Transmission	-	954,510	-	-	954,510
Plum Point	2,538,009	-	-	-	2,538,009
Iatan 2	3,619	-	-	-	3,619
Prairie State	3,939,953	-	-	-	3,939,953
MoPEP Units					
Dogwood	46,003	-	-	-	46,003
Total Land	8,589,853	954,510	-	(68,500)	9,475,863
Construction in Process					
Office Building	20,103,357	953,809	(21,057,166)	-	-
Control Center Equipment	11,440	-	(11,440)	-	-
Plum Point	1,196,471	914,409	(394,406)	-	1,716,474
Iatan 2	1,761,529	1,016,718	(914,858)	-	1,863,389
Prairie State	4,403,710	5,820,336	(1,635,311)	-	8,588,735
Transmission	-	31,299	-	-	31,299
MoPEP Units					
Laddonia	1,381,549	280,818	(1,023,475)	-	638,892
Fredericktown	42,008	-	-	-	42,008
Dogwood	290,914	1,496,416	-	-	1,787,330
Solar Plant	-	37,112	(27,661)	-	9,451
Total Construction in Process	29,190,978	10,550,917	(25,064,317)	-	14,677,578
Total Capital Assets not Being Depreciated	37,780,831	11,505,427	(25,064,317)	(68,500)	24,153,441
Capital Assets Being Depreciated:					
Plum Point					
Utility plant	291,609,904	214,777	394,406	-	292,219,087
Railcars	9,669,204	-	-	-	9,669,204
Iatan 2					
Utility Plant	277,423,512	4,196	914,858	(15,661)	278,326,905
Prairie State					
Utility Plant	756,774,882	-	1,093,962	(149,470)	757,719,374
Coal Mine and Mine Equipment	40,429,030	-	541,349	(73,362)	40,897,017
Transmission	-	21,584,678	-	-	21,584,678
MoPEP Units					
General Assets	36,559	-	-	-	36,559
Laddonia Utility Plant	11,384,810	-	1,023,475	(736,985)	11,671,300
Dogwood Utility Plant	67,737,727	-	-	-	67,737,727
Fredericktown	19,834,457	-	-	-	19,834,457
Solar Plant	26,733,194	26,343,892	27,661	-	53,104,747
Administrative					
Office Building and Training Center	1,601,249	-	19,951,872	(1,601,249)	19,951,872
Furniture and Equipment	592,512	2,469	1,105,294	(22,395)	1,677,880
Transportation and Other Equip.	193,829	33,000	11,440	-	238,269
Computer Software	217,524	-	-	-	217,524
Total Capital Assets Being Depreciated	1,504,238,393	48,183,012	25,064,317	(2,599,122)	1,574,886,600
Accumulated Depreciation	(378,582,882)	(44,627,136)	-	1,228,964	(421,981,054)
Total Capital Assets Being Depreciated, net of Depreciation	1,125,655,511	3,555,876	25,064,317	(1,370,158)	1,152,905,546
Total Capital Assets, Net	$ 1,163,436,342	$ 15,061,303	$ -	$ (1,438,658)	$ 1,177,058,987

	Balance 1/1/2021	Additions	Transfers	Disposals	Balance 12/31/2021
Capital Assets not Being Depreciated:					
Land					
Office Buildings	$ 2,062,269	$ -	$ -	$ -	$ 2,062,269
Plum Point	2,538,009	-	-	-	2,538,009
Iatan 2	3,619	-	-	-	3,619
Prairie State	3,939,953	-	-	-	3,939,953
MoPEP Units					
Dogwood	46,003	-	-	-	46,003
Total Land	8,589,853	-	-	-	8,589,853
Construction in Process					
Office Building	4,685,201	15,418,156	-	-	20,103,357
Control Center Equipment	-	11,440	-	-	11,440
Plum Point	1,234,161	1,680,240	-	(1,717,930)	1,196,471
Iatan 2	1,711,394	2,026,101	-	(1,975,966)	1,761,529
Prairie State	4,633,294	4,650,926	-	(4,880,510)	4,403,710
MoPEP Units					
Laddonia	233,470	1,155,739	-	(7,660)	1,381,549
Fredericktown	42,008	11,500	-	(11,500)	42,008
Dogwood	3,525,800	2,170,352	-	(5,405,238)	290,914
Total Construction in Process	16,065,328	27,124,454	-	(13,998,804)	29,190,978
Total Capital Assets not Being Depreciated	24,655,181	27,124,454	-	(13,998,804)	37,780,831
Capital Assets Being Depreciated:					
Plum Point					
Utility plant	289,892,079	24,796	1,717,930	(24,901)	291,609,904
Railcars	9,669,204	-	-	-	9,669,204
Iatan 2					
Utility Plant	276,292,643	24,399	1,975,966	(869,496)	277,423,512
Prairie State					
Utility Plant	753,568,784	-	3,664,190	(458,092)	756,774,882
Coal Mine and Mine Equipment	39,243,316	-	1,216,320	(30,606)	40,429,030
MoPEP Units					
General Assets	36,559	-	-	-	36,559
Laddonia Utility Plant	11,377,150	-	7,660	-	11,384,810
Dogwood Utility Plant	62,332,489	-	5,405,238	-	67,737,727
Fredericktown	19,822,957	-	11,500	-	19,834,457
Solar Plant	5,507,334	21,225,860	-	-	26,733,194
Administrative					
Office Building	1,601,249	-	-	-	1,601,249
Furniture and Equipment	630,801	49,458	-	(87,747)	592,512
Transportation and Other Equip.	140,984	75,395	-	(22,550)	193,829
Computer Software	217,524	-	-	-	217,524
Total Capital Assets Being Depreciated	1,470,333,073	21,399,908	13,998,804	(1,493,392)	1,504,238,393
Accumulated Depreciation	(338,422,715)	(40,529,823)	-	369,656	(378,582,882)
Total Capital Assets Being Depreciated, net of Depreciation	1,131,910,358	(19,129,915)	13,998,804	(1,123,736)	1,125,655,511
Total Capital Assets, Net	$ 1,156,565,539	$ 7,994,539	$ 13,998,804	$ (15,122,540)	$ 1,163,436,342

The Prairie State Energy project includes contiguous coal reserves and a mine portal to supply coal to the power plant. The following is a schedule of the changes in MEC's ownership interest in the coal reserves, measured in tons:

Estimated Recoverable Reserves, as of December 31, 2020	19,478,438
2021 Changes in Reserve Estimate	-
Reserve Acquisitions in 2021	-
Amount Mined During 2021	(818,226)
Estimated Recoverable Reserves, as of December 31, 2021	18,660,212
2022 Changes in Reserve Estimate	-
Reserve Acquisitions in 2022	-
Amount Mined During 2022	(806,862)
Estimated Recoverable Reserves, as of December 31, 2022	17,853,350

NOTE 5: LEASE OBLIGATIONS

MEC leases various office equipment items such as printers, copy machines, postage machine, and the office phone system instead of purchasing them outright. Following GASB Statement No. 87, *Leases,* a lease obligation has been recorded for leased equipment along with a corresponding capital asset that is amortized over the term of the lease. The portion of the lease agreements determined to be assignable to supplies or services are not considered as part of the lease obligation and are recognized as an expense as incurred. The terms of these leases range from two to five years and MEC has used a 4% borrowing rate for each lease obligation. The amount of leased assets recorded as of December 31, 2022 and 2021 was $55,751 and $67,097 respectively, with corresponding accumulated amortization of $19,827 and $17,660, respectively.

The schedule below displays the principal and interest requirements to maturity for MEC's lease obligations as of December 31, 2022.

	Principal	Interest	Total
2023	$ 10,956	$ 1,007	$ 11,963
2024	11,323	640	11,963
2025	9,009	287	9,296
2026	4,856	49	4,905
Total Payments	$ 36,144	$ 1,983	$ 38,127

NOTE 6: LONG-TERM DEBT

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the years ended December 31, 2022 and 2021:

	Balance 1/1/2022	Additions	Payments or Amortization	Balance 12/31/2022	Principal Due in One Year
Utility Plant Projects:					
Revenue Bonds					
Plum Point Energy Station	$ 245,350,000	$ -	$ 8,765,000	$ 236,585,000	$ 9,205,000
Add Bond Premium	18,117,503	-	1,509,792	16,607,711	
Deduct Bond Discount	(37,844)	-	(2,523)	(35,321)	
Iatan Unit 2	204,970,000	-	8,670,000	196,300,000	9,095,000
Add Bond Premium	20,178,129	-	1,559,408	18,618,721	
Prairie State Energy Campus	640,045,000	-	19,655,000	620,390,000	20,565,000
Add Bond Premium	46,040,885	-	3,618,419	42,422,466	
Dogwood	24,835,000	-	645,000	24,190,000	675,000
Add Bond Premium	2,848,214	-	129,957	2,718,257	
MoPEP Facilities	33,860,000	-	1,825,000	32,035,000	1,925,000
Add Bond Premium	3,955,770	-	263,834	3,691,936	
MoPEP Solar	-	43,685,000	-	43,685,000	1,220,000
Add Bond Premium	-	3,308,026	-	3,308,026	-
Direct Borrowing Financings					
2006A Financing for Office Building	879,000	-	879,000	-	-
Revolving Credit Line	22,000,000	24,800,000	27,300,000	19,500,000	-
Office Building Direct Financing	10,100,000	-	385,073	9,714,927	404,795
MO Emergency Utility Loan Program	20,235,239	2,222,900	6,585,505	15,872,634	4,776,611
Total Long-term Debt	$ 1,293,376,896	$ 74,015,926	$ 81,788,465	$ 1,285,604,357	$47,866,406

	Balance 1/1/2021	Additions	Payments or Amortization	Balance 12/31/2021	Principal Due in One Year
Utility Plant Projects:					
Revenue Bonds					
Plum Point Energy Station	$ 253,700,000	$ -	$ 8,350,000	$ 245,350,000	$ 8,765,000
Add Bond Premium	19,627,295	-	1,509,792	18,117,503	-
Deduct Bond Discount	(40,367)	-	(2,523)	(37,844)	-
Iatan Unit 2	213,225,000	-	8,255,000	204,970,000	8,670,000
Add Bond Premium	21,737,537	-	1,559,408	20,178,129	-
Prairie State Energy Campus	658,830,000	-	18,785,000	640,045,000	19,655,000
Add Bond Premium	49,659,304	-	3,618,419	46,040,885	-
Dogwood	26,480,000	-	1,645,000	24,835,000	645,000
Add Bond Premium	3,144,693	-	296,479	2,848,214	-
MoPEP Facilities	35,600,000	-	1,740,000	33,860,000	1,825,000
Add Bond Premium	4,053,082	-	97,312	3,955,770	-
Direct Borrowing Financings					
2005A Financing for Laddonia	210,000	-	210,000	-	-
2006A Financing for Laddonia	18,000	-	18,000	-	-
2006A Financing for Office Building	939,000	-	60,000	879,000	60,000
Revolving Credit Line	-	70,000,000	48,000,000	22,000,000	-
Office Building Direct Financing	-	10,100,000	-	10,100,000	285,441
MO Emergency Utility Loan Program	-	25,300,000	5,064,761	20,235,239	5,060,000
Total Long-term Debt	$ 1,287,183,544	$ 105,400,000	$ 99,206,648	$ 1,293,376,896	$44,965,441

Summary of Long-term Debt

The following is a description of long-term debt. Amounts are presented inclusive of unamortized bond premiums or discounts totaling $87,331,796 and $91,102,657 as of December 31, 2022 and 2021, respectively.

	2022	2021
Revenue Bond Financing		
$48,600,000 Series 2009A and $4,860,000 Series 2009B MJMEUC Power Project Revenue Bonds (Plum Point Project). (a)	$ 53,460,000	$ 53,460,000
$193,720,000 Series 2009A and $14,200,000 Series 2009B MJMEUC Power Project Revenue Bonds (Prairie State Project). (b)	130,570,000	135,610,000
$73,420,000 Series 2010A and $4,585,000 Series 2010B MJMEUC Power Project Revenue Bonds (Prairie State Project). (c)	63,571,122	65,429,718
$155,730,000 Series 2014A MJMEUC Power Project Revenue Refunding Bonds (Iatan 2 Project). (d)	131,085,335	140,766,729
$192,605,000 Series 2014A MJMEUC Power Project Revenue Refunding Bonds (Plum Point Project). (e)	162,647,711	172,892,503
$215,105,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project). (f)	165,051,118	179,811,798
$80,685,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Iatan 2 Project). (g)	83,833,386	84,381,400
$37,240,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Plum Point Project). (h)	37,049,679	37,077,156
$252,745,000 Series 2016A MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project). (i)	274,054,240	275,180,720
$26,640,000 Series 2017 MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project) (j)	29,565,986	30,053,650
$35,600,000 Series 2017 MJMEUC Power Supply System Revenue Refunding Bonds (MoPEP Facilities) (k)	35,726,936	37,815,770
$26,605,000 Series 2018 Power Supply System Revenue Bonds (Dogwood Project). (l)	26,908,257	27,683,213
$43,685,000 Series 2022 Power Supply System Revenue Bonds (MoPEP Facilities) (Green Bonds - Climate Bond Certified). (m)	46,993,026	-
Direct Borrowing Financing		
$1,523,000 Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2006A. (n)	-	879,000
$75,000,000 Line of Credit Agreement with a Financial Institution. (o)	19,500,000	22,000,000
$25,300,000 State of Missouri Utility Emergency Loan Program (p)	15,872,634	20,235,239
$10,100,000 direct placement financing - General Obligation Debt (q)	9,714,927	10,100,000
Total Long-term Debt	1,285,604,357	1,293,376,896
Less Current Maturities	(47,866,406)	(44,965,441)
Total Long-term Debt, Net of Current Maturities	$ 1,237,737,951	$ 1,248,411,455

(a) Plum Point Project – Series 2009: Principal due annually beginning on January 1, 2037 through 2039. Interest is payable semi-annually. Interest on the Series 2009A taxable "Build America Bonds" is at 7.73%. Interest on the Series 2009B taxable bonds is at 7.73%. Under the Build America Bonds program, the U.S. Federal government makes semi-annual bond interest subsidy payments to reduce the effective interest rates of the taxable bonds.

(b) Prairie State Project – Series 2009: Principal due annually beginning on January 1, 2014 through 2042. Interest is payable semi-annually. Interest on the Series 2009A taxable "Build America Bonds" range from 5.33% to 6.89%. The Series 2009B bonds matured on January 1, 2016. Under the Build America Bonds program, the U.S. Federal government makes semi-annual bond interest subsidy payments to reduce the effective interest rates of the taxable bonds. A portion of the Series 2009A bonds were refunded, on a crossover basis, with refunding bonds issued in 2017, see (k) below.

(c) Prairie State Project – Series 2010: Principal due annually on January 1, 2014 through 2042. Interest is payable semi-annually. Interest on the Series 2010A taxable "Build America Bonds" range from 4.88% to 7.9%. The Series 2010B bonds matured on January 1, 2016. Under the Build America Bonds program, the U.S. Federal government makes semi-annual bond interest subsidy payments to reduce the effective interest rates of the taxable bonds.

(d) Iatan 2 Project – Series 2014A Refunding: Proceeds were used to refund a portion of the Series 2006A and a portion of the 2009A Iatan 2 Project Revenue Bonds. Principal due annually on January 1, 2017 through 2034. Interest is payable semi-annually. Interest on the Series 2014A tax-exempt bonds range from 4.0% to 5.0%.

(e) Plum Point Project – Series 2014A Refunding: Proceeds were used to refund a portion of the Series 2006 Plum Point Project Revenue Bonds. Principal due annually on January 1, 2017 through 2034. Interest is payable semi-annually. Interest on the Series 2014A tax-exempt bonds range is 5.0%.

(f) Prairie State Project – Series 2015A Refunding: Proceeds were used to refund a portion of the Series 2007A Prairie State Project Revenue Bonds. Principal due annually on June 1, 2017 through December 1, 2031. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 3.25% to 5.0%.

(g) Iatan 2 Project – Series 2015A Refunding: Proceeds were used to refund the remaining Series 2006A Iatan 2 Project Revenue Bonds, except for the principal payment scheduled for January 1, 2016, and a portion of the Series 2009A Iatan 2 Project Revenue Bonds. Principal due annually on December 1, 2016 through 2038. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 3.0% to 5.0%.

(h) Plum Point Project – Series 2015A Refunding: Proceeds were used to refund the remaining Series 2006 Plum Point Project Revenue Bonds, except for the principal payment scheduled for January 1, 2016. Principal due annually on January 1, 2017 through 2036. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 2.0% to 5.0%.

(i) Prairie State Project – Series 2016A Refunding: Proceeds were used to refund a portion of the Series 2007A Prairie State Project Revenue Bonds. Principal due annually on December 1, 2032 through 2041. Interest is payable semi-annually. Interest on the Series 2016A tax-exempt bonds range from 4.0% to 5.0%.

(j) Prairie State Project – Series 2017 Refunding: Proceeds were used to refund, on a crossover basis, a portion of the Series 2009A Prairie State Project Revenue Bonds. Principal due annually on January 1, 2025 through 2029. Interest is payable semi-annually. Interest on the Series 2017 tax-exempt bonds are 5.0%.

(k) MoPEP Facilities – Series 2017 Refunding: Proceeds were used to refund a portion of the Series 2011 – Fredericktown Project Revenue Bonds and a portion of the Series 2012 – Dogwood Project Revenue Bonds. Principal due annually on December 1, 2021 through 2036. Interest is payable semi-annually. Interest on the Series 2017 tax-exempt bonds range from 3.375% to 5.0%.

(l) MoPEP Facilities Dogwood Generating Facility Project – Series 2018: Proceeds used to purchase additional 8.2% interest in facility. Principal due annually on December 1, through 2043. Interest on the Series 2018 tax-exempt bonds range from 3.0% to 5.0%.

(m) MoPEP Facilities – Series 2022: Proceeds were used to purchase solar energy projects. Principal due annually on December 1, 2021 through 2043. Interest is payable semi-annually. Interest on the Series 2022 tax-exempt bonds range from 5.0% to 5.25%.

(n) MAMU Lease Financing Program Series 2006A: Proceeds were used to fund the purchase of MJMEUC's office building and associated remodeling costs. The building was sold in 2022 and the debt was paid off at that time.

(o) Line of Credit: As of December 31, 2022, MEC had a $75 million line of credit agreement with a financial institution. Under the terms of the agreement, MEC must maintain a debt service coverage ratio of 1.00 or greater and days cash on hand of 30 days or greater. Interest is due quarterly with a final maturity on April 5, 2024. Proceeds can be used for any purpose consistent with MEC's operations. The interest rate is variable based on the one-month LIBOR rate plus the applicable spread (1.15% on December 31, 2022). The applicable spread ranges from 1.15% to 2.40% depending on any downgrades to MEC's debt. MEC used $7.5 million of its available credit under this line for two irrevocable standby letters of credit issued by the same financial institution totaling $7.5 million, which MEC posted as collateral at two RTO's. The line of credit is used as collateral for the letters of credit. $19,500,00 was drawn on the line of credit as temporary financing for the purchase of two transmission systems. $22 million was drawn on the line of credit as temporary financing for the purchase of four solar farms in 2021, which was paid off with permanent financing in 2022.

(p) State of Missouri Utility Emergency Loan Program (MUELP): The State of Missouri created the MUELP in response to Winter Storm Uri. These funds were available to public utilities to assist them in paying for exuberant wholesale energy costs related to Winter Storm Uri and allows for a noninterest-bearing loan with a payback for up to 5-years.

(q) Direct Placement Financing for Office and Training Center: Proceeds were used for financing a portion of MPUA's office and training center. The financing agreement calls for quarterly principal and interest payments through January 2042 and has a stated interest rate of 2.5%.

The revenue bonds are special, limited obligations of MEC, payable solely out of the net revenues relating to the ownership and operation of the project funded with the bonds, the ownership and a pledge and security interest in the respective bond sale proceeds and assets held by trustees under each respective bond indenture. The net revenues include sales to participating MEC members and other municipalities pursuant to unit-specific, life-of-unit, take-or-pay power purchase agreements between MEC and each of the municipalities participating with MEC in the respective project.

The bond indentures contain certain financial and other covenants, including a rate covenant to provide sufficient revenues for payments into the various accounts held by bond trustees for reserves and for payment of principal and interest. MEC is required to collect in revenues for the MoPEP Fund at least an additional 10 percent of the aggregate amount payable in each fiscal year for all indebtedness, including MoPEP's allocable portion thereof. The fair value of three debt service reserve funds has dropped below the minimum level allowed in the bond agreements due to market fluctuations. MEC is required to make equal monthly deposits into these accounts to get them back to their required levels, which MEC is following. The management of MEC is not aware of any instances of default with respect to bond covenants.

Refunding Debt Issues

MEC periodically, among other factors, reviews the current interest rates in the municipal bond markets compared to the interest rates MEC is currently paying on its debt, and other debt terms, to determine if debt service savings can be achieved through a refunding of debt. If significant debt service savings can be achieved and if other parameters established by MEC are met, MEC may undertake a debt refunding. MEC did not undertake any debt refundings during the years ended December 31, 2022 and 2021.

Total Interest Costs

Total interest costs incurred on long-term debt, excluding bond premiums, bond discounts, and the amortization of advance bond refunding costs, were $60,812,452 and $61,645,722 for 2022 and 2021, respectively.

Future Debt Service Payments

Future payments due on long-term debt as of December 31, 2022 are as follows:

	Revenue Bonds			Other Financings		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 42,685,000	$ 60,254,196	$ 102,939,196	$ 24,579,260	$ 723,114	$ 25,302,374
2024	44,765,000	57,975,552	102,740,552	5,189,044	231,460	5,420,504
2025	46,150,000	55,631,580	101,781,580	4,232,711	221,053	4,453,764
2026	48,435,000	53,222,741	101,657,741	2,271,522	210,382	2,481,904
2027	50,895,000	50,694,147	101,589,147	1,115,981	199,442	1,315,423
2028	53,080,000	48,049,467	101,129,467	455,667	188,226	643,893
2029	59,915,000	45,642,799	105,557,799	467,165	176,728	643,893
2030	59,475,000	42,632,158	102,107,158	478,954	164,938	643,892
2031	62,405,000	39,410,054	101,815,054	491,041	152,852	643,893
2032	65,745,000	36,115,434	101,860,434	503,433	140,460	643,893
2033	66,360,000	32,878,462	99,238,462	516,137	127,756	643,893
2034	80,665,000	29,570,166	110,235,166	529,162	114,731	643,893
2035	76,725,000	25,579,642	102,304,642	542,515	101,377	643,892
2036	67,690,000	21,913,745	89,603,745	556,206	87,687	643,893
2037	65,755,000	18,342,757	84,097,757	570,242	73,651	643,893
2038	69,830,000	14,239,031	84,069,031	584,632	59,261	643,893
2039	65,505,000	9,985,305	75,490,305	599,386	44,507	643,893
2040	49,050,000	6,574,328	55,624,328	614,511	29,381	643,892
2041	51,460,000	3,756,803	55,216,803	630,019	13,874	643,893
2042	21,520,000	1,110,651	22,630,651	159,973	1,000	160,973
2043	5,075,000	261,950	5,336,950	-	-	-
Total	$ 1,153,185,000	$ 653,840,968	$ 1,807,025,968	$ 45,087,561	$ 3,061,880	$ 48,149,441

NOTE 7: LETTERS OF CREDIT

MEC obtained standby letters of credit totaling $7.5 million in December 2014 to replace $6,489,500 of deposits MEC had with two regional transmission operators. $7.5 million of MEC's line of credit is pledged as collateral for these letters of credit, which expire when the line of credit matures on April 5, 2024.

NOTE 8: ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations ("AROs") are recognized in the period in which they are incurred if a reasonable estimate of the obligation can be made. The AROs are accreted to their present value at the end of each reporting period. The associated estimated AROs are reported as a deferred outflow of resources and amortized over the useful life of the associated capital asset. MEC applies the regulatory provisions of GASB codification section Re 10, *Regulated Operations* in accordance with its rate-making policies to its accounting for AROs.

MEC's AROs consist of costs associated with jointly-owned plants where MEC is considered a minority owner. In accordance with GASB Statement No. 83, the ARO associated with each of these power generation projects is measured using the ARO accounting standards set by the Financial Accounting Standards Board as these are the accounting standards followed by each of these power generation facilities.

The projects that MEC jointly owns, as detailed below, are required by various state and federal agencies to decommission coal ash landfill sites, coal mines, and injection wells upon the end of the capital assets' life. Assurance provisions under the applicable laws and regulations are met for the Plum Point project by funding a trust account restricted for ARO reclamation costs. The total balance of this trust account at December 31, 2022 and 2021 was $837,600 and $742,203, respectively, with MEC's share of the trust account being $185,193 and

$164,101, respectively. Evergy as the majority owner of the Iatan 2 project, pledged a corporate guarantee of its creditworthiness for the assurance that the closure and post-closure care will be performed as required. Prairie State Generation Company, LLC, as the operating company for the Prairie State project, posted surety bonds in the amount of $11.2 million as security for the reclamation costs as of December 31, 2022 and 2021, respectively.

The following tables present the details of MEC's ARO balances for the years ended December 31, 2022 and 2021:

	MEC Ownership Share	MEC ARO Balance 12/31/2022	MEC ARO Balance 12/31/2021	Total Project ARO Balance 12/31/2022	Total Project ARO Balance 12/31/2021
Plum Point Project					
Coal Combustion Residuals Closure	22.11%	$ 254,078	$ 244,131	$ 1,149,154	$ 1,104,166
Iatan 2 Project (Common Property)					
Coal Combustion Residuals Closure	6.36%	729,774	696,758	11,474,434	10,955,314
Fuel Storage	6.36%	4,679	4,390	73,569	69,025
Total Iatan 2 Project		734,453	701,148	11,548,003	11,024,339
Prairie State Project					
Coal Combustion Residuals Closure	12.33%	2,959,412	2,750,312	24,001,719	22,305,856
Coal Mine Reclamation	12.33%	485,081	418,798	3,934,152	3,396,577
Underground Injection Control Wells	12.33%	21,137	19,650	171,427	159,367
Total Prairie State Project		3,465,630	3,188,760	28,107,299	25,861,800
Total MJMEUC		$ 4,454,161	$ 4,134,039	$ 40,804,456	$ 37,990,305

	Associated Capital Asset	Capital Asset Estimated Remaining Useful Life	Assets Restricted for Liabilities 12/31/2022	Assets Restricted for Liabilities 12/31/2021
Plum Point Project				
Coal Combustion Residuals Closure	Landfill Cell	1 - 2 Years	$ 185,193	$ 164,101
Iatan 2 Project				
Coal Combustion Residuals Closure	Landfill Cell	7 - 69 Years	-	-
Fuel Storage	Storage Tanks	22 - 38 Years	-	-
Prairie State Project				
Coal Combustion Residuals Closure	Landfill	31 Years	-	-
Coal Mine Reclamation	Coal Mine	17,853,359 Tons	-	-
Underground Injection Wells	Injection Wells	37 Years	-	-

NOTE 9: INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund receivable and payable resulting from interfund transactions were as follows:

	2022		2021	
	Receivable	Payable	Receivable	Payable
General Fund	$ 4,113,069	$ -	$ 1,464,490	$ 354,960
Energy Services Fund	-	163,103	-	714,523
MoPEP Fund	1,578,006	-	4,595,462	-
MMMPEP Fund	-	2,277,531	354,960	773,992
SWMPEP Fund	-	248,442	-	935,032
Plum Point Fund	-	611,833	-	1,484,970
Iatan 2 Fund	-	627,878	-	362,941
Prairie State Fund	-	1,383,241	-	1,788,494
Transmission Fund	-	379,047	-	-
Total	$ 5,691,075	$ 5,691,075	$ 6,414,912	$ 6,414,912

The balances due to the General Fund from the other funds are for costs incurred by the General Fund that are allocable to the other funds and not paid as of the end of the fiscal year. At the end of 2022, the Prairie State and Transmission Funds had a deficit cash balance in a bank account shared with other funds. At the end of 2022 and 2021, the Energy Services Fund has a deficit cash balance in a bank account shared with other funds. As a result, the Prairie State, Transmission, and the Energy Services Funds are deemed to have borrowed this money, on a temporary basis, from MoPEP and this borrowing is included in the schedule above. The remaining amounts due to MoPEP and MMMPEP, are for energy sales, or for over payment of energy sales, from the respective fund, according to power purchase agreements. The interfund balances are normally repaid monthly.

Interfund Transfers

Operating Transfers

A summary of interfund operating transfers for the years ended December 31 were as follows:

	2022				2021			
	Alliance Fund		General Fund		Alliance Fund		General Fund	
Transferred from:								
General Fund	$	859,214	$	-	$	999,832	$	-
Energy Services Fund		387,102		-		-		305,000
MoPEP Fund		58,859		1,101,476		-		1,163,102
MMMPEP Fund		16,563		377,729		-		356,129
SWMPEP Fund		14,197		172,543		-		183,116
Plum Point Fund		19,127		460,114		-		467,261
Iatan 2 Fund		16,366		326,432		-		331,503
Prairie State Fund		23,662		627,994		-		637,749
Transmission Fund		62,720		-		-		-
Total Transfers	$	1,457,810	$	3,066,288	$	999,832	$	3,443,860

Operating transfers are made to the Alliance and General Funds by the other funds for costs incurred by these funds that are allocable to the other funds. Amounts paid by a fund to another fund for energy and other services as part of its normal operations are included in operating revenues and expenses and are not considered interfund transfers; however, these transactions are eliminated in the government-wide financial statements.

Nonoperating Transfers

A summary of interfund nonoperating transfers for the years ended December 31 were as follows:

	General Fund			
	2022		2021	
Transferred from:				
Alliance Fund	$	643,893	$	-
MoPEP Fund		-		741,394
MMMPEP Fund		-		45,940
Plum Point Fund		-		1,218,309
Iatan 2 Fund		-		881,780
Prairie State Fund		-		3,175,188
Total Transfers	$	643,893	$	6,062,611

Nonoperating transfers were made to the General Fund from the other funds to fund the land purchase, pre-construction, construction costs, and debt service of MPUA's new office and training center. MEC has dedicated accumulated investment earnings from the various MEC funds to be the sole source of funds to pay for the new office and training center.

NOTE 10: RESTRICTED ASSETS AND NET POSITION

Restricted assets were as follows as of December 31:

	2022	2021
For Utility Plant Projects:		
Held by Trustees for Regular Debt Service Payments:		
Plum Point Energy Station	$ 15,935,502	$ 15,584,748
Iatan Unit 2	12,241,921	11,938,024
Prairie State Energy Campus	18,117,547	17,805,945
Dogwood	182,944	157,350
Dogwood - Capitalized Interest	344,662	340,773
MoPEP Facilities	671,749	331,657
Held by Trustees for Debt Service Reserve:		
Plum Point Energy Station	22,865,286	23,644,781
Iatan Unit 2	17,249,814	18,557,522
Prairie State Energy Campus	49,229,508	53,043,881
MoPEP Facilities Common Reserve	8,602,934	6,320,947
Held by Trustees for Debt Financing Costs:		
Dogwood	-	18,279
Held by Trustees for Asset Retirement Obligations:		
Plum Point Energy Station	185,193	164,101
Held by MJMEUC for Utility Plant Operations and Maintenance:		
Plum Point Energy Station	7,271,175	7,228,955
Iatan Unit 2	4,683,858	4,651,198
Prairie State Energy Campus	4,834,774	4,806,641
	$ 162,416,867	$ 164,594,802

Net position pertaining to the above accounts is restricted for the following purposes:

	2022	2021
Debt Service and Debt Service Reserves	$ 37,817,488	$ 40,637,963
Asset Retirement Obligations	185,193	164,101
Restricted for Pension Plan	-	509,082
Operation and Maintenance of Power Plants	6,476,690	6,373,677
	$ 44,479,371	$ 47,684,823

NOTE 11: RELATED ENTITY TRANSACTIONS

Significant transactions among the three-member entities of MPUA reported in the accompanying financial statements are as follows:

The Association and MGC reimburse MEC's Alliance Fund for time spent by MEC employees on the Association and MGC matters. Salary reimbursements received from the association totaled $481,102 for 2022 and $363,192 for 2021. Salary reimbursements received from MGC totaled $140,036 for 2022 and $132,749 for 2021. Expenses reported in the accompanying Statements of Revenues, Expenses, and Changes in Net Position are net of these reimbursements.

Most of the telephone, utility, postage and other miscellaneous office expenses not directly attributable to a specific program or member are charged to MEC's Alliance Fund. The Association and MGC together transferred $143,882 and $116,620 for 2022 and 2021 respectively, to MEC to pay their allocated share of Alliance expenses. The MPUA office and training center is owned by MEC and MEC's Alliance Fund received a total of $37,000 of rent from the Association and MGC for fiscal year 2022. On December 31, 2022 MEC owed the Association $19,325 and MGC owed MEC $8,724 related to the above items. On December 31, 2021, MEC owed the Association $35,869 and MGCM owed MEC $9,066 related to the above items.

A fourth MPUA related entity, MPUA Resource Services Corporation ("RSC"), was created in 2017. RSC is a non-profit and tax-exempt corporation formed to provide services to governmental entities that have utilities. RSC does not share office and other expenses with the other three MPUA entities on a joint operating and cost sharing basis and instead MEC and MAMU charge RSC for services provided to it. For the year ended December 31, 2021, RSC paid MEC's Alliance Fund $2,858 as fees for services provided and no fees were paid for fiscal year 2022. RSC started providing lineworker services to MEC for maintenance of its transmission assets and MEC paid RSC $48,756 for these services for fiscal year 2022. MEC owed RSC $9,157 for these services on December 31, 2022. MEC has agreed to invest up to $3,000,000 in RSC to provide RSC with funds as necessary to develop future programs and services of RSC. These funds are to be repaid to MEC, with interest. As of December 31, 2022, MEC is reporting an investment of $708,210 equal to funds advanced for RSC's Electric Line Services Program under this agreement plus accrued interest.

NOTE 12: PENSION PLAN

General Information about the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

MEC's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. MEC participates in the Missouri Local Government Employees Retirement System ("LAGERS"). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues publicly available financial reports that include financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at
www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

The benefits provisions adopted by MEC are as follows.

Benefit Multiplier	2.0%
Final Average Salary	3 years
Member Contributions	0.0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms

At June 30, the following employees were covered by the benefit terms:

	2022	2021
Inactive Employees or Beneficiaries Currently Receiving Benefits	10	11
Inactive Employees Entitled to but not yet Receiving Benefits	5	4
Active Employees	33	32
Total	48	47

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. The Employer contribution rate for 2022 and 2021 was 17.6% and 17.3% respectively, of annual covered payroll. Actual contributions made by MEC for 2022 and 2021 were $780,509 and $672,541, respectively.

Net Pension (Asset)/Liability

The employer's net pension (asset)/liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension (asset)/liability was determined by actuarial valuations as of February 28, 2022 and 2021.

Actuarial Assumptions

The total pension liability in the February 28, 2022 and 2021, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	
2022	2.75% wage inflation; 2.25% price inflation
2021	3.25% wage inflation; 2.5% price inflation
Salary Increase	
2022	2.75% to 6.75%, including wage inflation
2021	3.25% to 6.55%, including wage inflation

The actuarial assumptions used in the February 28, 2022 and 2021 valuations were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

For the February 28, 2022 and 2021 valuations, the healthy mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rates of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The expected long-term real rate of return for 2022 and 2021, net of manager fees, was 7.0% per annum. The target allocation for each major asset class is summarized in the following table for both 2022 and 2021:

2022 and 2021 Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.00%	4.16%
Fixed Income	28.00%	1.05%
Real Assets/Real Return	33.00%	2.09%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability for 2022 and 2021 is 7.0%. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at the actuarially determined rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at June 30, 2020	$ 10,916,756	$ 9,126,467	$ 1,790,289
Changes for 2021:			
Service Cost	475,809	-	475,809
Interest	798,512	-	798,512
Difference Between Expected and Actual Experience	33,049	-	33,049
Contributions - Employer	-	648,193	(648,193)
Contributions - Employee	-	-	-
Net Investment Income	-	2,624,496	(2,624,496)
Changes of Assumptions	(211,022)	-	(211,022)
Benefit Payments, Including Refunds	(277,954)	(277,954)	-
Administrative Expenses	-	(4,729)	4,729
Other Changes	-	127,759	(127,759)
Net Changes	818,394	3,117,765	(2,299,371)
Balances at June 30, 2021	11,735,150	12,244,232	(509,082)
Changes for 2022:			
Service Cost	457,807	-	457,807
Interest	827,467	-	827,467
Difference Between Expected and Actual Experience	(37,097)	-	(37,097)
Contributions - Employer	-	721,283	(721,283)
Contributions - Employee	-	-	-
Net Investment Income	-	7,863	(7,863)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds	(283,230)	(283,230)	-
Administrative Expenses	-	(5,305)	5,305
Other Changes	-	(115,931)	115,931
Net Changes	964,947	324,680	640,267
Balances at June 30, 2022	$ 12,700,097	$ 12,568,912	$ 131,185

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate

The following presents the net pension (asset)/liability of MEC as of June 30, calculated using the discount rate of 7.0% for 2022 and 2021, as well as what MEC's net pension (asset)/liability would be using a discount rate that is 1 percentage point lower or 1 percentage point higher than the respective discount rate.

2022		Current Single Discount	
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total Pension Liability	$ 14,482,471	$ 12,700,097	$ 11,209,223
Plan Fiduciary Net Position	12,568,912	12,568,912	12,568,912
Net Pension Liability (Asset)	$ 1,913,559	$ 131,185	$ (1,359,689)

2021		Current Single Discount	
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total Pension Liability	$ 13,407,402	$ 11,735,150	$ 10,339,965
Plan Fiduciary Net Position	12,244,232	12,244,232	12,244,232
Net Pension Liability (Asset)	$ 1,163,170	$ (509,082)	$ (1,904,267)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued LAGERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2022 and 2021, MEC recognized pension expense of $587,422 and $301,738 respectively. MEC reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 710,202	$ (31,599)
Changes in Assumptions	58,801	(168,250)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(264,748)
Contributions Subsequent to the Measurement Date	436,731	-
Total	$ 1,205,734	$ (464,597)

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 923,334	$ -
Changes in Assumptions	101,865	(203,531)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,291,390)
Contributions Subsequent to the Measurement Date	361,794	-
Total	$ 1,386,993	$ (1,494,921)

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ending December 31, 2023. The remaining amounts reported as deferred outflows and (inflows) of resources related to pensions as of December 31, 2022, will be recognized in pension expense as follows:

Year Ending June 30:		
2023	$	98,657
2024		44,404
2025		(87,911)
2026		249,057
2027		17,081
Thereafter		(16,882)
Total	$	304,406

NOTE 13: COMMITMENTS AND CONTINGENCIES

Power Supply and Related Contracts

To ensure adequate power supplies for its members, MEC enters into contracts with electric energy suppliers. These contracts have various terms covering the minimum required megawatts of power to be purchased, prices to be paid and period covered.

Nonrenewable Resources

MEC has long-term contracts with the Southwestern Power Administration and two unit-specific contracts of fixed-term lengths with the Sikeston Board of Municipal Utilities for a total of 40 MW of electric power.

In 2018, MEC executed a long-term power purchase agreement with Empire District Electric Company ("Empire"), a subsidiary of Liberty Utilities Co., to purchase 78 MW of capacity and 85 MW per hour of energy from five select power generation sources within Empire's generation resource mix. One of the resources is a wind farm and MEC does receive its proportional share of the renewable energy credits from this resource. The agreement is for a five-year term commencing on June 1, 2020 and ending on May 31, 2025. MEC has committed all the capacity and energy from this power purchase contract to SWMPEP.

In 2006, MEC executed a long-term power purchase contract with Plum Point Energy Associates ("PPEA"), to purchase a portion of the capacity and energy of PPEA's interest in the Plum Point Energy Station. This is separate from MEC's ownership interest in the plant (see Note 3). The power purchase contract entitles MEC to 7.52% (approximately 50 MW) of capacity and energy from Plum Point. The contract obliges MEC to pay a monthly capacity payment which is based on the availability of the unit. MEC has committed all of the capacity and energy from this power purchase contract to MoPEP.

In January 2004, MEC entered a 40 year take-or-pay "Participation Agreement" with the Omaha Public Power District ("OPPD") to purchase a share of the capacity and energy of OPPD's Nebraska City Unit 2 ("NC2"). The NC2 unit is a 663-megawatt (MW) coal-fired generating station solely owned by OPPD. MEC is entitled to 55.23 MW, or 8.33%, of capacity and energy from NC2 and is committed to pay 8.33% of NC2 project costs, including debt service, whether the unit is operating or not. MEC's pro rata share of the original total project costs is being financed by OPPD via a revenue bond issuance, which was and may be partially refunded from time to time. MEC has pledged the revenues from sales of its share of NC2 power generation output to its share of NC2's capacity and energy, including bond debt service. MEC also has certain limited step-up obligations for additional capacity and energy costs in the event another of the six other participating public power districts and municipal utilities fail to pay obligations under its respective Participation Agreement. MEC has committed all the capacity and energy from this Participation Agreement to MoPEP.

In November 2019, MEC executed a power purchase agreement with Associated Electric Cooperative, Inc. for 25 MW of peaking capacity and peaking energy. The agreement is effective June 1, 2021 through May 31, 2026. The capacity and energy are dedicated to MMMPEP.

Renewable Resources

In 2006, MEC executed a long-term power purchase agreement with Loess Hills Wind Farm, located in the City of Rock Port, Missouri, for the purchase of 5 MW of capacity and energy. MEC has rights to purchase the entire capacity and energy from this wind generation facility, which is fully dedicated to MoPEP. MEC has the right, but not the obligation, to extend this agreement through 2027 with optional future periods beyond 2027 dependent on mutually agreeable terms.

In September 2008, MEC executed a long-term power purchase agreement to purchase energy from a landfill gas-powered electric generating facility located near the City of Lamar, Missouri. The City of Lamar, a member of MoPEP, is responsible for installing and operating the gas turbines with a total generating facility output of 3.2 MW that commenced commercial operation in June 2010. In December 2012, the capacity of the facility output was increased by an additional 2.4 MW to a total of 5.6 MW. The capacity of the facility was again increased by an additional 2.0 MW to 7.6 MW in May 2018. The take-or-pay agreement provides for MEC to receive the entire capacity and energy, including additional capacity added by the facility, until the agreement expires in 2023. The capacity and energy are fully dedicated to MoPEP.

In September 2013, MEC executed a long-term power purchase agreement with Marshall Wind Energy LLC for the purchase of 20.0 MW capacity and energy from its wind farm. The facility officially entered commercial operation on May 1, 2016. The capacity and energy are dedicated to MoPEP.

In January 2014, MEC executed a long-term power purchase agreement with Black Oak Power Producers, LLC for the purchase of 3.8 MW capacity and energy from its landfill-gas-powered electric generating facility located in Hartville, Missouri. The facility began generating power in October 2014. The capacity and energy are fully dedicated to MoPEP.

In May 2016, MEC executed a long-term power purchase agreement for the rights to purchase all the capacity and energy from multiple solar power generating farms in Missouri. The power generating farms were to be constructed in up to seven cities that are members of MoPEP. MC Power Companies, Inc. is responsible for construction and operation of the approximate total 16 MW of the farms. MEC has certain option rights to purchase each solar farm at or after the end of the seventh contract year. MEC executed a purchase option of four of the five solar farms in 2022 with the intention of executing the purchase option on the fifth farm in 2023. The capacity and energy of each solar farm is fully dedicated to MoPEP.

Below is a summary of the five farms constructed which make up the 16 MW:

MoPEP Member	Facility Status
City of Chillicothe, Missouri	Commercial Operation June 2017
City of Lebanon, Missouri	Commercial Operation August 2017
City of Higginsville, Missouri	Commercial Operation December 2017
City of El Dorado Springs, Missouri	Commercial Operation May 2018
City of Farmington, Missouri	Commercial Operation August 2018

In June 2016, MEC executed a long-term agreement with Grain Belt Express Clean Line LLC ("Grain Belt Express") to deliver energy up to 200 MW of wind generated power in Kansas into a MISO interconnection located in Missouri. This contract is contingent on the approval of the Missouri Public Service Commission ("MOPSC") of the Grain Belt Express project and the project's actual construction. This agreement will begin when the transmission project begins commercial operations and can provide the transmission service to MEC. The term of this agreement is for 15-25 years, determined from the contract effective date.

In January 2017, MEC executed a long-term agreement with Iron Star Wind Project, LLC ("Iron Star") for the purchase of a minimum of 100 MW and up to 200 MW capacity and energy from its Iron Star Project. In December 2017, MEC provided notice to Iron Star it intends to purchase 136 MW under this agreement. The Project is in Kansas and the energy generated by the project will be transmitted to a MISO interconnection point in Missouri via the Grain Belt Express project discussed above. This agreement is contingent upon the final construction of the Grain Belt Express project. The initial delivery date of energy is within 3 days of the available date of the Grain Belt Express project. The initial term of this agreement is for 20 years and MEC has the option to extend the agreement for two additional 5-year periods. In 2021, an amendment to this agreement changed the source of the capacity and energy to Iron Star's Santa Fe Project.

Illinois Legislation – Prairie State Project

On September 15, 2021, the Illinois legislature and the governor signed into law comprehensive energy legislation called the Climate and Equitable Jobs Act (CEJA). Among other things, the CEJA requires a 45% reduction in existing power plant emissions by January 1, 2035. If the 45% reduction in emissions is not achieved by December 31, 2035, the CEJA requires further action such as the possible closure of one or more fossil fueled generation units to reach the 45% reduction by June 30, 2038. In addition, all coal-fired generation units, including the Prairie State Project, must permanently reduce carbon dioxide emissions to zero by no later than December 2045. The CEJA does, however, provide that if a resource adequacy shortfall of in-state generation occurs, the plant can continue to operate until the reliability can otherwise be addressed. During the 2022-2023 planning year, Illinois was a net capacity importer. With the announced and required retirements, there is potential that Illinois will need to import even more capacity into the future.

Prior to the passage of the CEJA, MEC and the other Prairie State owners engaged consultants to develop various contingency plans to manage the impacts of comprehensive energy legislation that had previously been introduced in Illinois, and that planning continues. Further, the Prairie State owners will continue to advocate for favorable treatment of the Prairie State Project that recognizes its value to the ratepayers and the impact its closure would have on the communities. The Prairie State owners are also evaluating additional mitigation measures, including certain potential mitigation measures included in the CEJA. Nevertheless, the ultimate impact on the Prairie State Project and MEC may be material, particularly after 2035. Such potential impacts cannot be measured with certainty at this time, as any evaluation would be based on a number of variables, including, but not limited to, the availability and cost of control technologies, such as carbon capture and sequestration, participant load requirements and cost of power, including replacement power. Closure of Prairie State would not terminate the power purchase agreement between MEC and its members or relieve the MEC members from their payment obligations thereunder.

REQUIRED SUPPLEMENTARY INFORMATION

MISSOURI ELECTRIC COMMISSION

LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS - LAST TEN FISCAL YEARS
December 31, 2022

	2022	2021	2020	2019	2018
Actuarially Determined Contributions	$ 780,509	$ 676,428	$ 669,530	$ 597,041	$ 521,408
Contributions in Relaton to the Actuarilly Determined Contribution	780,509	672,541	669,530	597,041	518,066
Contribution Deficiency (Excess)	$ -	$ 3,887	$ -	$ -	$ 3,342
Covered Payroll	$ 4,434,710	$ 3,978,333	$ 4,107,544	$ 3,731,508	$ 3,342,360
Contributions as a Percentage of Covered Employee Payroll	17.60%	16.91%	16.30%	16.00%	15.50%

	2017	2016	2015	2014	2013
Actuarially Determined Contributions	$ 472,789	$ 357,689	$ 355,667	$ 347,452	$ 299,869
Contributions in Relaton to the Actuarilly Determined Contribution	445,158	357,689	355,667	347,452	299,869
Contribution Deficiency (Excess)	$ 27,631	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,070,055	$ 2,649,549	$ 2,487,180	$ 2,285,973	$ 1,934,741
Contributions as a Percentage of Covered Payroll	14.50%	13.50%	14.30%	15.20%	15.50%

Note: Information presented in this schedule has been determined as of MEC's most recent fiscal year-end (December 31) in accordance with GASB 68.

MISSOURI ELECTRIC COMMISSION

LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATED RATIOS
December 31, 2022 *

Total Pension Liability	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	$ 457,807	$ 475,809	$ 442,980	$ 389,547	$ 346,883	$ 313,892	$ 289,867	$ 262,790
Interest on the Total Pension Liability	827,467	798,512	681,515	597,138	514,067	461,799	383,108	335,167
Benefit Changes	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(37,097)	33,049	667,387	256,071	359,840	25,663	180,411	119,228
Assumption Changes	-	(211,022)	-	-	-	(56,982)	360,249	-
Benefit Payments	(283,230)	(277,954)	(113,447)	(97,209)	(94,717)	(90,916)	(83,027)	(55,925)
Refunds	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	964,947	818,394	1,678,435	1,145,547	1,126,073	653,456	1,130,608	661,260
Total Pension Liability, Beginning	11,735,150	10,916,756	9,238,321	8,092,774	6,966,701	6,313,245	5,182,637	4,521,377
Total Pension Liability, Ending	$ 12,700,097	$ 11,735,150	$ 10,916,756	$ 9,238,321	$ 8,092,774	$ 6,966,701	$ 6,313,245	$ 5,182,637
Plan Fiduciary Net Position								
Contributions - Employer	$ 721,283	$ 648,193	$ 629,911	$ 561,683	$ 478,823	$ 402,480	$ 351,572	$ 359,868
Contributions - Employee	-	-	-	-	-	-	-	-
Pension Plan Net Investment Income	7,863	2,624,496	126,317	495,670	784,867	664,100	(18,952)	92,005
Benefit Payments	(283,230)	(277,954)	(113,447)	(97,209)	(94,717)	(90,916)	(83,027)	(55,925)
Refunds	-	-	-	-	-	-	-	-
Pension Plan Administrative Expense	(5,305)	(4,729)	(6,053)	(5,316)	(3,757)	(3,541)	(3,030)	(3,169)
Other	(115,931)	127,759	70,334	(2,339)	(8,541)	(71,400)	(15,191)	177,079
Net Change in Plan Fiduciary Net Position	324,680	3,117,765	707,062	952,489	1,156,675	900,723	231,372	569,858
Plan Fiduciary Net Position, Beginning	12,244,232	9,126,467	8,419,405	7,466,916	6,310,241	5,409,518	5,178,146	4,608,288
Plan Fiduciary Net Position, Ending	$ 12,568,912	$ 12,244,232	$ 9,126,467	$ 8,419,405	$ 7,466,916	$ 6,310,241	$ 5,409,518	$ 5,178,146
Employer's Net Pension Liability/(Asset)	$ 131,185	$ (509,082)	$ 1,790,289	$ 818,916	$ 625,858	$ 656,460	$ 903,727	$ 4,491
Plan Fiduciary Net Position as Percentage of Total Pension Liability	98.97%	104.34%	83.60%	91.14%	92.27%	90.58%	85.69%	99.91%
Covered Payroll	$ 3,999,201	$ 3,729,187	$ 4,004,625	$ 3,467,962	$ 3,078,901	$ 2,730,938	$ 2,484,808	$ 2,399,441
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	3.28%	-13.65%	44.71%	23.61%	20.33%	24.04%	36.37%	0.19%

Note: This schedule will ultimately contain ten years of data as it becomes available. Information presented in this schedule has been determined as of the measurement date (June 30) used to calculate MEC's net pension liability/(asset).

SUPPLEMENTARY INFORMATION

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF NET POSITION
Non-Major Funds
December 31, 2022

	Alliance Fund	General Fund	Energy Services Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CAPITAL ASSETS				
Plant, Buildings, and Equipment in Service, Net	$ 55,969	$ 22,412,459	$ 166,965	$ 22,635,393
Construction Work in Progress	-	5,037	-	5,037
Total Capital Assets, Net	55,969	22,417,496	166,965	22,640,430
OTHER ASSETS				
Investments	-	708,210	-	708,210
Total Other Assets	-	708,210	-	708,210
CURRENT ASSETS				
Cash and Cash Equivalents	741,842	1,389,091	-	2,130,933
Accounts Receivable, Net	3,660	1,627,601	235,281	1,866,542
Due from Other Funds	-	4,113,069	-	4,113,069
Prepaid Expenses	69,979	133,391	213,697	417,067
Total Current Assets	815,481	7,263,152	448,978	8,527,611
Total Assets	871,450	30,388,858	615,943	31,876,251
DEFERRED OUTFLOWS OF RESOURCES	-	1,205,734	-	1,205,734
Total Assets and Deferred Outflows of Resources	$ 871,450	$ 31,594,592	$ 615,943	$ 33,081,985
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
NONCURRENT LIABILITIES				
Long-Term Debt, Net of Current Maturities	$ -	$ 9,310,132	$ -	$ 9,310,132
Lease Obligations, Net of Current Portion	25,188	-	-	25,188
Security Deposits Held	-	500,000	-	500,000
Net Pension Liability	-	131,185	-	131,185
Total Noncurrent Liabilities	25,188	9,941,317	-	9,966,505
CURRENT LIABILITIES				
Accounts Payable	57,246	1,801,786	357,985	2,217,017
Accrued Payroll and Payroll Taxes	246,342	137,279	18,584	402,205
Due to Other Funds	-	-	163,103	163,103
Unearned Revenue	14,515	4,067,699	-	4,082,214
Current Portion of Lease Obligations	10,956	-	-	10,956
Current Maturities, Long-Term Debt	-	404,795	-	404,795
Total Current Liabilities	329,059	6,411,559	539,672	7,280,290
Total Liabilities	354,247	16,352,876	539,672	17,246,795
DEFERRED INFLOWS OF RESOURCES	-	464,597	-	464,597
Net Position				
Net Investment in Capital Assets	19,825	12,699,656	166,965	12,886,446
Unrestricted	497,378	2,077,463	(90,694)	2,484,147
Total Net Position	517,203	14,777,119	76,271	15,370,593
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 871,450	$ 31,594,592	$ 615,943	$ 33,081,985

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF NET POSITION
Non-Major Funds
December 31, 2021

	Alliance Fund	General Fund	Energy Services Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CAPITAL ASSETS				
Plant, Buildings, and Equipment in Service	$ 1,215,838	$ 2,032,229	$ 221,108	$ 3,469,175
Construction Work in Progress	-	20,103,357	11,440	20,114,797
Total Capital Assets, Net	1,215,838	22,135,586	232,548	23,583,972
OTHER ASSETS				
Investments	-	101,000	-	101,000
Net Penion Asset	-	509,082	-	509,082
Regulatory Assets	-	119,940	-	119,940
Total Other Assets	-	730,022	-	730,022
CURRENT ASSETS				
Cash and Cash Equivalents	320,626	3,234,433	308,073	3,863,132
Accounts Receivable, Net	-	262,117	123,238	385,355
Due from Other Funds	-	1,464,490	-	1,464,490
Prepaid Expenses	53,532	100,006	201,703	355,241
Total Current Assets	374,158	5,061,046	633,014	6,068,218
Total Assets	1,589,996	27,926,654	865,562	30,382,212
DEFERRED OUTFLOWS OF RESOURCES	-	1,386,993	-	1,386,993
Total Assets and Deferred Outflows of Resources	$ 1,589,996	$ 29,313,647	$ 865,562	$ 31,769,205
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
NONCURRENT LIABILITIES				
Long-Term Debt, Net of Current Maturities	$ 819,000	$ 9,814,559	$ -	$ 10,633,559
Lease Obligations, Net of Current Maturities	36,142	-	-	36,142
Security Deposits Held	-	500,000	-	500,000
Total Noncurrent Liabilities	855,142	10,314,559	-	11,169,701
CURRENT LIABILITIES				
Accounts Payable	69,240	2,096,879	116,239	2,282,358
Accrued Payroll and Payroll Taxes	236,932	84,151	15,216	336,299
Due to Other Funds	-	354,960	714,523	1,069,483
Unearned Revenue	14,515	-	-	14,515
Current Portion of Lease Obligations	13,406	-	-	13,406
Current Maturities, Long-Term Debt	60,000	285,441	-	345,441
Accrued Interest Payable on Debt	1,222	10,421	-	11,643
Total Current Liabilities	395,315	2,831,852	845,978	4,073,145
Total Liabilities	1,250,457	13,146,411	845,978	15,242,846
DEFERRED INFLOWS OF RESOURCES	-	1,494,921	-	1,494,921
Net Position				
Net Investment in Capital Assets	287,290	10,489,935	232,548	11,009,773
Restricted	-	509,082	-	509,082
Unrestricted	52,249	3,673,298	(212,964)	3,512,583
Total Net Position	339,539	14,672,315	19,584	15,031,438
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,589,996	$ 29,313,647	$ 865,562	$ 31,769,205

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Non-Major Funds
Year Ended December 31, 2022

	Alliance Fund	General Fund	Energy Services Fund	Total
OPERATING REVENUES				
Scheduling Services	$ -	$ -	$ 1,701,638	$ 1,701,638
Technical Services	-	-	316,571	316,571
Transfers from MAMU and MGCM	180,882	-		180,882
Conferences and Member Training	112,733	-	524,000	636,733
Other	17,022	168,246	-	185,268
Total Operating Revenues	310,637	168,246	2,542,209	3,021,092
OPERATING EXPENSES				
Personnel Services and Staff Support	686,385	920,577	877,894	2,484,856
Professional Services	-	620,464	132,060	752,524
Rental and Maintenance	241,082	1,078	275,951	518,111
Utilities	216,310	-	-	216,310
Technical Services	-	-	318,612	318,612
Conferences and Member Training	96,815	-	412,503	509,318
Depreciation and Amortization	51,386	712,404	64,032	827,822
Other Operating Expenses	450,019	534,068	17,368	1,001,455
Total Operating Expenses	1,741,997	2,788,591	2,098,420	6,629,008
Operating Income (Loss)	(1,431,360)	(2,620,345)	443,789	(3,607,916)
NONOPERATING REVENUES (EXPENSES)				
Investment Return	-	252,142	-	252,142
Gain on Disposal of Capital Assets	875,910	-	-	875,910
Interest and Fees Expense	(80,803)	(377,960)	-	(458,763)
Net Nonoperating Revenues (Expenses)	795,107	(125,818)	-	669,289
OTHER FINANCING SOURCES (USES)				
Interfund Non-Operating Transfers	(643,893)	643,893	-	-
Interfund Operating Transfers (net)	1,457,810	2,207,074	(387,102)	3,277,782
Increase in Net Position	177,664	104,804	56,687	339,155
Net Position, Beginning of Period	339,539	14,672,315	19,584	15,031,438
Net Position, End of Period	$ 517,203	$ 14,777,119	$ 76,271	$ 15,370,593

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Non-Major Funds
Year Ended December 31, 2021

	Alliance Fund	General Fund	Energy Services Fund	Total
OPERATING REVENUES				
Scheduling Services	$ -	$ -	$ 1,604,604	$ 1,604,604
Technical Services	-	-	199,124	199,124
Transfers from MAMU and MGCM	116,620	-		116,620
Conferences and Member Training	11,080	-	413,245	424,325
Other	24,198	186,057	-	210,255
Total Operating Revenues	151,898	186,057	2,216,973	2,554,928
OPERATING EXPENSES				
Personnel Services and Staff Support	608,508	615,648	837,027	2,061,183
Professional Services	-	1,115,707	190,181	1,305,888
Rental and Maintenance	130,029	2,605	220,537	353,171
Utilities	74,079	-	-	74,079
Technical Services	-	-	285,355	285,355
Conferences and Member Training	35,039	-	392,579	427,618
Depreciation and Amortization	78,901	8,755	65,082	152,738
Other Operating Expenses	202,677	382,376	10,330	595,383
Total Operating Expenses	1,129,233	2,125,091	2,001,091	5,255,415
Operating Income (Loss)	(977,335)	(1,939,034)	215,882	(2,700,487)
NONOPERATING REVENUES (EXPENSES)				
Investment Return	-	9,914	-	9,914
Interest and Fees Expense	(43,972)	(198,350)	-	(242,322)
Net Nonoperating Revenues (Expenses)	(43,972)	(188,436)	-	(232,408)
OTHER FINANCING SOURCES (USES)				
Interfund Non-Operating Transfers	-	6,062,611	-	6,062,611
Interfund Operating Transfers	999,832	2,444,028	(305,000)	3,138,860
Increase (Decrease) in Net Position	(21,475)	6,379,169	(89,118)	6,268,576
Net Position, Beginning of Period	361,014	8,293,146	108,702	8,762,862
Net Position, End of Period	$ 339,539	$ 14,672,315	$ 19,584	$ 15,031,438

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Non-Major Funds

Year Ended December 31, 2022

	Alliance Fund	General Fund	Energy Services Fund	Total
OPERATING ACTIVITIES				
Receipts from Power and Transmission Sales	$ -	$ -	$ -	$ -
Receipts from (Payment to) other Revenue Sources (Expenses)	306,977	(133,078)	2,430,166	2,604,065
Payments for Power Purchases and Other Goods and Services	(1,032,667)	(1,364,148)	(1,478,162)	(3,874,977)
Payments to Employees for Services and Benefits	(676,975)	(1,076,247)	(874,526)	(2,627,748)
Net Cash Provided (Used) by Operating Activities	(1,402,665)	(2,573,473)	77,478	(3,898,660)
NONCAPITAL FINANCING ACTIVITIES				
Interfund Operating Transfers	1,457,810	2,207,074	(387,102)	3,277,782
Net Cash Provided (Used) by Noncapital Financing Activities	1,457,810	2,207,074	(387,102)	3,277,782
CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund Transfers for Debt Service Payments	(643,893)	643,893	-	-
Principal Payments on Long-Term Debt	(879,000)	(385,073)	-	(1,264,073)
Principal Payments on Lease Obligations	(13,404)	-	-	(13,404)
Payments of Interest and Fees on Debt	(80,621)	(388,381)	-	(469,002)
Payments of Interest on Lease Obligations	(1,404)	-	-	(1,404)
Proceeds from Disposal of Capital Assets	1,984,393	-	-	1,984,393
Acquisition and Construction of Capital Assets	-	(994,314)	1,551	(992,763)
Net Cash Provided (Used) by Capital and Related Financing Activities	366,071	(1,123,875)	1,551	(756,253)
INVESTING ACTIVITIES				
Purchases of Investments	-	(607,210)	-	(607,210)
Interest Received	-	252,142	-	252,142
Net Cash Provided (Used) by Investing Activities	-	(355,068)	-	(355,068)
Net Increase (Decrease) in Cash and Cash Equivalents	421,216	(1,845,342)	(308,073)	(1,732,199)
Cash and Cash Equivalents at Beginning of Year	320,626	3,234,433	308,073	3,863,132
Cash and Cash Equivalents at End of Year	$ 741,842	$ 1,389,091	$ -	$ 2,130,933
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (1,431,360)	$ (2,620,345)	$ 443,789	$ (3,607,916)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	51,386	712,404	64,032	827,822
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:				
Accounts Receivable	(3,660)	(1,365,484)	(112,043)	(1,481,187)
Due from Other Funds	-	(3,003,539)	-	(3,003,539)
Prepaid Expenses	(16,447)	(33,385)	(11,994)	(61,826)
Regulatory Assets	-	119,940	-	119,940
Accounts Payable	(11,994)	(295,093)	241,746	(65,341)
Accrued Payroll and Payroll Taxes	9,410	53,128	3,368	65,906
Due to Other Funds	-	-	(551,420)	(551,420)
Unearned Revenue	-	4,067,699	-	4,067,699
Deposits Held	-	-	-	-
Net Pension Asset	-	509,082	-	509,082
Net Pension Liability	-	131,185	-	131,185
Deferred Outflows of Resources	-	181,259	-	181,259
Deferred Inflows of Resources	-	(1,030,324)	-	(1,030,324)
Net Cash Provided (Used) by Operating Activities	$ (1,402,665)	$ (2,573,473)	$ 77,478	$ (3,898,660)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Acquired by Capital Lease	$ -	$ -	$ -	$ -
Capital Assets Acquisitions Included in Accounts Payable	$ -	$ 2,943	$ -	$ 2,943

MISSOURI ELECTRIC COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Non-Major Funds

Year Ended December 31, 2021

	Alliance Fund	General Fund	Energy Services Fund	Total
OPERATING ACTIVITIES				
Receipts from Power and Transmission Sales	$ -	$ -	$ -	$ -
Receipts from (Payment to) other Revenue Sources (Expenses)	149,635	(4,364,244)	2,228,619	(1,985,990)
Payments for Power Purchases and Other Goods and Services	(465,506)	(970,569)	(726,256)	(2,162,331)
Payments to Employees for Services and Benefits	(563,405)	(973,398)	(833,355)	(2,370,158)
Net Cash Provided (Used) by Operating Activities	(879,276)	(6,308,211)	669,008	(6,518,479)
NONCAPITAL FINANCING ACTIVITIES				
Interfund Operating Transfers	999,832	2,444,028	(305,000)	3,138,860
Net Cash Provided (Used) by Noncapital Financing Activities	999,832	2,444,028	(305,000)	3,138,860
CAPITAL AND RELATED FINANCING ACTIVITIES				
Interfund Transfers for Capital Acquisition	-	12,724,057	-	12,724,057
Proceeds from Issuance of Long-Term Debt	-	10,100,000	-	10,100,000
Principal Payments on Long-Term Debt	(60,000)	-	-	(60,000)
Principal Payments on Lease Obligations	(22,885)	-	-	(22,885)
Payments of Interest and Fees on Debt	(42,683)	(187,929)	-	(230,612)
Payments of Interest on Lease Obligations	(1,368)	-	-	(1,368)
Proceeds from Disposal of Capital Assets	-	10,319	-	10,319
Acquisition and Construction of capital Assets	(10,468)	(15,456,745)	(55,935)	(15,523,148)
Net Cash Provided (Used) by Capital and Related Financing Activities	(137,404)	7,189,702	(55,935)	6,996,363
INVESTING ACTIVITIES				
Purchases of Investments	-	(101,000)	-	(101,000)
Investment Income	-	9,914	-	9,914
Net Cash Used by Investing Activities	-	(91,086)	-	(91,086)
Net Increase (Decrease) in Cash and Cash Equivalents	(16,848)	3,234,433	308,073	3,525,658
Cash and Cash Equivalents at Beginning of Year	337,474	-	-	337,474
Cash and Cash Equivalents at End of Year	$ 320,626	$ 3,234,433	$ 308,073	$ 3,863,132
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	$ (977,335)	$ (1,939,034)	$ 215,882	$ (2,700,487)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	78,901	8,755	65,082	152,738
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:				
Accounts Receivable	1,162	(262,117)	11,646	(249,309)
Due from Other Funds	-	(4,288,184)	-	(4,288,184)
Prepaid Expenses	(36,126)	(28,167)	(58,276)	(122,569)
Regulatory Assets	-	(79,478)	-	(79,478)
Accounts Payable	12,444	637,764	10,502	660,710
Accrued Payroll and Payroll Taxes	45,103	5,165	3,672	53,940
Due to Other Funds	-	-	420,500	420,500
Unearned Revenue	(3,425)	-	-	(3,425)
Deposits Held	-	-	-	-
Net Pension Asset	-	(509,082)	-	(509,082)
Net Pension Liability	-	(1,790,289)	-	(1,790,289)
Deferred Outflows of Resources	-	441,535	-	441,535
Deferred Inflows of Resources	-	1,494,921	-	1,494,921
Net Cash Provided (Used) by Operating Activities	$ (879,276)	$ (6,308,211)	$ 669,008	$ (6,518,479)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Acquired by Capital Lease	$ 38,991	$ -	$ -	$ 38,991
Capital Assets Acquisitions Included in Accounts Payable	$ -	$ 1,545,651	$ -	$ 1,545,651

MISSOURI ELECTRIC COMMISSION

SCHEDULE OF CHANGES IN RESTRICTED BOND ACCOUNTS
HELD IN TRUST BY THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
Year Ended December 31, 2022

	Fair Value 12/31/2021	Receipts and Transfers In	Disbursements and Transfers Out	Change in Fair Value	Change in Interest Receivable	Fair Value 12/31/2022
Power Project Revenue Bonds (Plum Point Project) Series 2006, Series 2009A, Series 2009B, Series 2014A and Series 2015A						
Debt Service Fund	$ 15,584,748	$ 23,422,539	$ 23,095,213	$ -	$ 23,428	$ 15,935,502
Debt Service Reserve Account	23,644,781	19,604,804	19,118,027	(1,266,272)	-	22,865,286
Total	$ 39,229,529	$ 43,027,343	$ 42,213,240	$ (1,266,272)	$ 23,428	$ 38,800,788
Power Project Revenue Bonds (Iatan 2 Project) Series 2006A, 2006B, 2009A, 2009B, Series 2014A and Series 2015A						
Debt Service Fund						
Tax Exempt	$ 11,938,024	$ 18,681,796	$ 18,377,893	$ -	$ (6)	$ 12,241,921
Debt Service Reserve Account	18,557,522	12,071,647	11,801,817	(1,577,538)	-	17,249,814
Total	$ 30,495,546	$ 30,753,443	$ 30,179,710	$ (1,577,538)	$ (6)	$ 29,491,735
Power Project Revenue Bonds (Prairie State Project) Series 2007A, 2007B, 2009A, 2009B, 2010A, 2010B, 2015A and 2016A						
Debt Service Fund						
Tax Exempt	$ 17,805,945	$ 54,493,412	$ 54,237,479	$ -	$ 55,669	$ 18,117,547
Debt Service Reserve Accounts	53,043,881	25,007,722	23,792,909	(5,029,186)	-	49,229,508
Total	$ 70,849,826	$ 79,501,134	$ 78,030,388	$ (5,029,186)	$ 55,669	$ 67,347,055
Power Supply System Revenue Bonds (Dogwood Energy Center) Series 2018						
Debt Service Fund	$ 157,350	$ 2,669,887	$ 2,644,293	$ -	$ -	$ 182,944
Project Account	18,279	1	18,280	-	-	-
Capitalized Interest	340,773	3,889	-	-	-	344,662
Total	$ 516,402	$ 2,673,777	$ 2,662,573	$ -	$ -	$ 527,606
Power Supply System Revenue Bonds (MoPEP Facilities) Series 2017 and 2022						
Debt Service Fund	$ 331,657	$ 3,680,293	$ 3,371,475	$ -	$ 31,274	$ 671,749
Debt Service Reserve Account	6,320,947	11,164,757	8,292,551	(590,219)	-	8,602,934
Total	$ 6,652,604	$ 14,845,050	$ 11,664,026	$ (590,219)	$ 31,274	$ 9,274,683

APPENDIX B

CERTAIN INFORMATION REGARDING THE UNIT POWER PURCHASERS

CITY OF COLUMBIA, MISSOURI
701 East Broadway
Columbia, Missouri 65205
(573) 874-2489
Fiscal Year Ending September 30

Organization

The City of Columbia, Missouri (*"Columbia"*) was incorporated in 1826 and became a Constitutional Charter City in 1949. Columbia is located near the center of the state, and is joined by interstate with Kansas City, Missouri, to the west and St. Louis, Missouri, to the east. Columbia is located in Boone County. Columbia's utility is Columbia Water & Light (*"CWLD"*), which was formed in 1904. Columbia is home to the University of Missouri, Columbia College and Stephens College.

Columbia is organized under the laws of the State of Missouri and operates under a Constitutional Charter approved by the citizenry in 1949. Columbia is governed according to a Council–Manager form of government. The Mayor and six council members are elected by the citizens of Columbia for three years with staggered terms of service. The City Council appoints a City Manager to implement its policies and direct operations of Columbia departments, including CWLD.

All decisions concerning CWLD are made by the City Council. Recommendations are made to the Council by the Water and Light Advisory Board (the *"Board"*). The Board is a five member advisory board created by the City Charter. Board members serve overlapping four-year terms. The Board's powers and duties are solely advisory. The Board performs duties according to the City Charter and Code of Ordinances of the City of Columbia, Missouri, and reports its findings and recommendations at least annually to the residents of Columbia and the City Council.

Service Territory, Transmission and Distribution System

CWLD serves retail customers inside and outside the limits of Columbia. The CWLD service area is approximately 60 square miles. CWLD serves over 52,100 retail electric customers and over 51,000 retail water customers.

CWLD's transmission system is comprised of approximately 70 miles of 161 kV lines and 69 kV lines. CWLD's transmission system is interconnected to transmission facilities owned by Associated Electric Cooperative, Ameren, City of Fulton, and the University of Missouri. As of September 30, 2022, CWLD's distribution system consisted of approximately 889 circuit miles of overhead and underground lines. Columbia maintains eight distribution substations.

Power Supply

General. Columbia provides power and energy to its customers from a combination of owned generating resources and purchased power. See the caption "Operating Statistics" below for certain historical information regarding CWLD's demand and energy requirements.

System Facilities. CWLD owns and operates the Columbia Municipal Power Plant, which has one natural gas boiler and one gas turbine. The plant has a net rated capacity of 47.5 MW and the last unit was placed in service in 1970. The plant is used primarily for system support and contributed approximately .002% of system energy during the 2022 fiscal year.

CWLD also owns 3MW of landfill gas generation. This facility began operation in June 2009 with two 1 MW generators. In 2013, a third 1 MW generator began operation. CWLD has purchased a fourth 1 MW generator, which is expected to be installed by early 2024 following delivery of materials. In 2010, CWLD purchased a 25% (36 MW) interest in the 144 MW natural gas fired Columbia Energy Center peaking facility. Columbia purchased the remaining 75% of Columbia Energy Center in May 2011. The Columbia Energy Center is used primarily to bring balance and reliability to the grid when called upon by MISO and contributed approximately 4.5% of system energy during the 2022 fiscal year.

Power Supply Contracts. The majority of CWLD's energy is purchased from market participants under long-term contracts. Columbia has long term purchase agreements in place with the City of Sikeston, Missouri, MEC, Associated Electric Cooperative, Ameresco, NextEra and Truman Solar. The amount and term of these contracts is as follows:

Long Term Power Supply Contracts

	Capacity (MW)	Contract Expiration
City of Sikeston, Missouri	66	Plant Life
MEC – Prairie State	50	Plant Life
MEC – Iatan	20	Plant Life
Associated Electric Cooperative (Wind)	6.3	June 2027
Ameresco	3	April 2029
NextEra (Wind)	21	December 2040
NextEra (Wind)(January 2017)	27	December 2040
NextEra (Wind)(January 2023)	18	December 2040
Truman Solar	10	May 2031

In 2015, CWLD also entered into a capacity-only contract with Dynegy Marketing and Trade, LLC. The contract started in 2017-2018 with 5 MW's of capacity and runs for ten years. Capacity amounts increase to 45 MW's in planning year 2023-2024 and remain at that level until termination.

Columbia has contracted with The Energy Authority ("*TEA*") to act as the MISO market participant for the City. All short-term purchased power arrangements are handled by TEA, with prior approval by the CWLD. In addition, the CWLD has contracted with TEA for power supply risk management services. CWLD's portfolio is modeled and monthly status updates are held to review current status and future options. The City has also requested TEA provide a detailed study regarding the various options associated with the City adopting a 100% renewable energy goal by 2030. Results of this study were presented to the Water & Light Advisory Board (WLAB) in July and a meeting will be scheduled with the City Council within the next few months.

CWLD expects to utilize market purchases for short-term requirements and arrange additional power supply contracts to provide sufficient capacity and energy to meet customer loads into the foreseeable future.

Environmental and Regulatory Factors

The Columbia Municipal Power Plant has the capability to burn coal, gas, and wood. Because of regulations related to coal ash and increasing regulations on emissions, coal combustion was discontinued in September 2015. Other measures have also been installed at the plant to accurately measure and reduce air emissions produced by the remaining natural gas units. The system is in full compliance with air quality standards set forth by the Missouri Air Conservation Commission and approved by the Federal Environmental Protection Agency. During 2008, CWLD received a temporary permit to test burn wood as a fuel source. Missouri Department of Natural Resources subsequently informed CWLD that no further permitting would be required in order to continue burning wood as a fuel source.

Projected Capital Additions

Current estimates indicate that CWLD will invest up to $77.7 million in capital improvements over the next 5 years. An Integrated Electric Resource and Master Plan was completed in 2021, which sets forth future capital projects. Planned capital improvements include additions to the transmission system; additions to the landfill gas plant; and improvements and updates to the distribution system. CWLD expects to finance the improvements with a combination of cash from operations, and bonds authorized by City voters at an election held in April 2015.

Electric Rates

The City Council has sole authority to establish electric rates. Columbia reviews these rates and charges annually. The City Council has also granted CWLD the authority to automatically adjust energy rates included in its electric class rate schedules in accordance with a fuel adjustment rider (the *"Fuel Adjustment Rider"*).

As provided in its bond indentures, Columbia covenants to charge and collect rates for the electric power and energy supplied by CWLD's electric system shall be required to provide the greater of (i) net revenues sufficient to cover 110% of CWLD's aggregate debt service, or (ii) revenues and income sufficient to pay operating expenses, 100% of aggregate debt service on all bonds of Columbia and any other charges required to be paid out of revenues of CWLD's electric system. Other charges to be paid out of revenues are generally defined by the City to include payments in lieu of taxes to Columbia, capital improvements and replacements that are not bond financed and system working capital requirements. In addition, Columbia covenants to review the sufficiency of its rates for electric service annually.

The current electric rate schedule became effective July 1, 2023. The City will be implementing a power cost adjustment clause, effective October 1, 2023. The power cost adjustment clause allows the City immediate recovery of the average power cost per kilowatt hour above or below $0.0576 per kilowatt hour. The power cost adjustment is based on all revenues and expenses related to power supply including fuel, transmission and purchased power.

Columbia's electric service rate schedules are designed to encourage energy conservation and the efficient use of energy. All customer classes are subject to seasonal rates that increase during peak summer months.

Energy Sales and Customer Information

Columbia continues to experience growth in its energy requirements. Due to the national economic situation, CWLD's customer growth has slowed from a 1%-2% annual growth to a 0.5%-1% growth. Forecasts of peak loads and annual energy requirements have been adjusted. CWLD developed a new Integrated Resource Plan as part of the Integrated Electric Resource and Master Plan in December 2021.

Historical Peak Load and Metered Energy Sales

Fiscal Year	Peak Load (in MW)	Total Energy Sold (MWh)
2018	263	1,194,769
2019	259	1,143,673
2020	248	1,127,707
2021	261	1,148,213
2022	262	1,186,585

CWLD's service area is primarily residential in nature. As of September 30, 2022, 86.5% of CWLDs customers were residential, 13.4% were commercial and 0.1% were industrial or other classifications.

Customers by Class
Fiscal Year Ending September 30

	2020	2021	2022
Residential	44,367	44,778	45,169
Commercial	6,910	6,949	7,039
Industrial	30	30	30
Total Customers	51,307	51,757	52,238

CWLD's sales are dispersed among all customer classes. As of September 30, 2022, 38.0% of CWLD's energy sales were made to residential customers, 38.6% were made to commercial customers and 23.4% were attributable to industrial and other customers. Large commercial and industrial customers represent the full spectrum of CWLD's business. Food processing, electronics, car parts, insurance, and health care represent major areas of the large customer base.

Energy Sales (MWh) by Class
Fiscal Year Ending September 30

	2020	2021	2022
Residential	432,809	442,495	450,623
Commercial	444,619	446,235	458,075
Industrial	250,279	259,483	277,887
Total Retail Sales (MWh)	1,127,707	1,148,213	1,186,585

As of September 30, 2022, 43.7% of CWLD's revenues from the sale of energy were made to residential customers, 37.1% were made to commercial customers and 19.2% were attributable to industrial and other customers.

Energy Revenues by Class
Fiscal Year Ending September 30

	2020	2021	2022
Residential	$51,753,151	$52,706,632	$53,773,227
Commercial	44,652,579	44,315,123	45,625,211
Industrial	21,506,568	22,056,293	23,650,449
Total Retail Sales	$117,912,298	$119,078,048	$123,048,887

Regional Transmission Organization

CWLD became a member of MISO in 2005. CWLD is a Transmission Owner (*"TO"*) and has contracted with TEA for market participant services. CWLD receives revenue as a TO and by selling energy in the market when not needed for local requirements. CWLD has 86 MW's of life-of-plant coal generation in the SPP RTO. With the assistance of TEA, CWLD has been able to sell SPP resources whenever the margin is favorable. CWLD only participates in low-risk transactions. TEA also provides energy risk management services for CWLD. CWLD's portfolio is modeled and monthly telephone status update meetings are held to assess current and long-term positions. Energy sales are from existing supplies that are not needed for native load and benefit CWLD's customers by mitigating rate changes.

Revenues From RTO Transactions
Fiscal Year Ending September 30

	2020	2021	2022
Energy Revenues	$ 849,326	$2,631,109	$ 1,026,154
Transmission Revenues	1,956,288	3,986,491	12,045,822
Total RTO Revenues	$2,805,614	$6,617,600	$13,071,976

Financial Condition

The tables of the Condensed Balance Sheet and Condensed Statement of Operations for the last three fiscal years on the following page has been prepared by CWLD based upon audited financial statements. Copies of the City's audited financial statements may be obtained from City of Columbia, Finance Department, P. O. Box 6015, Columbia, Missouri 65205 or on the web at www.como.gov.

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Condensed Balance Sheet
Fiscal Year Ending September 30

	2020	2021	2022
Assets and Deferred Outflows			
Net Plant in Service	$266,724,513	$257,754,038	$249,733,191
Cash and Marketable Securities	84,769,094	95,576,257	82,599,994
Other Assets	88,001,704	110,806,467	104,759,039
Total Assets	439,495,311	464,136,762	437,092,224
Deferred Outflows	12,298,546	7,854,011	9,354,100
Total Assets and Deferred Outflows	$451,193,857	$471,990,773	$446,446,324
Liabilities, Equity and Deferred Inflows			
Net Position	$232,217,262	$247,141,584	$246,181,612
Revenue Bonds Payable, Noncurrent	185,020,685	173,536,947	161,719,684
Other Noncurrent Liabilities	6,232,511	0	0
Current Liabilities from Restricted	17,064,851	21,516,925	19,928,731
Current Liabilities	9,985,682	11,013,521	11,668,454
Total Liabilities and Retained Earnings	450,520,991	453,208,977	439,498,481
Deferred Inflows	1,272,866	18,781,796	6,947,843
Total Liabilities, Equity & Deferred Inflows	$451,793,857	$471,990,773	$446,446,324

Condensed Statement of Operations
Fiscal Year Ending September 30

	2020	2021	2022
Revenues[1]			
Sale of Electricity Retail	$125,796,791	$129,086,837	$132,725,289
Other Revenues[2][3]	29,355,036	34,621,705	42,431,735
Total Revenues	$155,151,827	$163,708,542	$175,157,024
Operating Expenses			
Fuel and Purchased Power	$ 65,576,092	$71,798,288	$ 93,459,033
Other Electric Production Expenses	3,954,493	3,991,964	6,280,414
Electric Distribution & Transmission	15,615,911	15,821,344	18,491,855
Other Operating Expenses[3]	26,520,647	27,476,005	27,272,901
Total Operating Expenses	$111,667,143	$119,087,601	$145,504,203
Other Expenses			
Depreciation	$ 15,852,300	$ 15,837,934	$ 15,581,433
Interest Expense	6,437,821	5,907,288	5,373,344
Other	18,438,752	17,718,265	17,786,450
Total Other Expenses	$40,728,873	$ 39,463,487	$ 38,741,227
Contributed Capital	$ 760,378	$ 952,600	$ 765,638
Net Earnings	$ 3,516,189	$ 6,110,054	$ (8,322,768)

(1) Excludes non-operating operating revenues (e.g., investment revenue, miscellaneous revenue and revenue from other governmental units).
(2) Does not include unrealized gains.
(3) Includes operating revenues or expenses associated with the operation of the City's water system.

Net Revenues Available for Debt Service[1]
Fiscal Year Ending September 30

	2020	2021	2022
Total Gross Revenue[2][3][4]	$155,151,827	$163,708,542	$175,157,024
Operating Expenses[4][5]	(111,667,143)	(119,087,601)	(145,504,203)
Net Revenue Available for Coverage	$ 43,484,684	$ 44,620,941	$ 29,652,821
Principal and Interest Payments[6]	$17,132,851	$13,090,756	$16,698,938
Debt Service Coverage	2.54x	3.41x	1.78x

(1) Calculation may differ from specifics of City ordinances.
(2) Excludes non-operating operating revenues (e.g., investment revenue, miscellaneous revenue and revenue from other governmental units).
(3) Columbia increased electric rates effective July 1, 2023.
(4) Includes operating revenues and expenses associated with the operation of the City's water system.
(5) Excludes "Other Expenses" as shown on the table "Condensed Statement of Operations" on the prior page.
(6) Columbia is currently in the process of issuing its Water and Electric System Revenue Bonds, Series 2023A, in the approximate principal amount of $27,695,000 to finance improvements to the water system. The bonds are anticipated to be issued in October 2023.

Litigation

There is no material pending litigation relating to CWLD or its operations.

CITY OF INDEPENDENCE, MISSOURI
111 E. Maple Street
Independence, Missouri 64050
(816) 325-7500
FISCAL YEAR ENDING JUNE 30

Organization

Incorporated in 1849, the City of Independence, Missouri (*"City"*) is the county seat of Jackson County and adjoins Kansas City, Missouri, to the west. The City is the fifth largest city in Missouri and the City's Electric Department (*"Department"*) operates the second largest municipal electric utility in the state.

The City is organized under the laws of the State of Missouri and operates under a Constitutional Charter approved by the citizenry in December 1961 and amended in 1972, 1978, 1985, 1987, 1999, and 2002. The City is governed according to a Council-Manager form of government. The City Council consists of seven members: four council members from single member districts, two council members elected at large, and a Mayor elected at large. Non-partisan elections are held every two years to provide for staggered terms of office. The Mayor and two at-large council members are elected to four year terms and, in alternating elections, the four district council members are elected to four year terms. The City Council appoints a City Manager to implement its policies and direct operations of City departments, including the Department.

The Public Utilities Advisory Board (*"Board"*) is a seven-member advisory board created by the City Charter and appointed by the City Council for overlapping four year terms. The Board's powers and duties are solely advisory. The Board is empowered to inspect or investigate all public utilities owned and operated by the City and all public utilities operating under franchises or permits granted by the City. The Board "shall report its findings and recommendations at least annually to the City Council, the people of the City, the City Manager, and the respective director(s) of the public utilities operated within the City to which such findings and recommendations apply." As a matter of practice, the Board meets regularly, typically monthly, with the Electric Utility Director (as well as the Water Department and Wastewater Department Directors), receives reports from the Director on the status of operations, financial condition, or other operational aspects of the electric system and considers policy recommendations of the staff on important utility matters.

SERVICE TERRITORY, TRANSMISSION AND DISTRIBUTION SYSTEM

The Department serves retail customers only within the limits of the City. The City limits consist of a 78 square mile area. The Department serves all the retail customers within the City limits except for the area occupied by the Lake City Arsenal, a United States Government Reservation (approximately 6.5 square miles).

The Department's transmission system is comprised of approximately 26 miles of 161 kV lines and approximately 67 miles of 69 kV lines. The Department's Eckles Road Switching Station forms an interconnection with Associated Electric Cooperative, Inc's Missouri City to Eckles Rd. and Eckles Rd to Pittsville 161kV lines. The Department's 161 kV line from Eckles Road to Evergy's Sibley Substation provides an interconnection with Evergy. The Department has four additional 161 kV interconnections with Evergy: 161 kV line connects the Department's Substation M to Evergy's Hawthorn Substation, 161 kV line connects the Department's Substation N with Evergy's Blue Valley Substation, 161 kV line connects the Department's Substation A with Evergy's Blue Mills Substation and 161 kV line connects the

Department's Eckles Rd. Switching Station with Evergy's Blue Mills Substation. In addition to these 161 kV interconnections, the Department maintains 69 kV interconnections, six with Evergy at various locations on the Department's 69 kV transmission system.

The Department's distribution system consists of approximately 564 circuit miles of 13 kV overhead lines, and 233 circuit miles of 13 kV underground lines.

In the Spring of 2023, the City announced its desire to hire consultants to study the financial viability of its municipal electric utility citing environmental and financial costs of generation. The City engaged in two RFQs to be conducted in parallel: one to determine the cost benefit analysis to the City for the purposes of selling or maintaining the electric utility, the second to present a long-term strategic plan in the option of maintaining ownership of the municipal electric utility. Once these studies are completed, multiple presentations to the general public are foreseen with a public vote on necessary City Charter changes and electric utility ownership will be held no later than November 2025.

POWER SUPPLY

Currently, the Department has 93.8 MW of accredited generating capacity (6 generating units) which is owned and operated by the Department. The amount of accredited capacity is based on the capacity accreditation rules of the SPP, in which the Department is a member. In addition, the Department has accredited generating capacity as described below.

Dogwood Generating Facility. On April 5, 2012, pursuant to an Asset Purchase Agreement with Dogwood Energy, LLC, the City purchased a 12.3% undivided interest (approximately 80 MW) in the Dogwood Generating Facility (*"Dogwood"*). See "MISSOURI PUBLIC ENERGY POOL #1 – Power Supply System Facilities – The Dogwood Generating Facility" for additional information.

Participation Power Agreement with OPPD. In January 2004, the City entered into a participation power agreement with OPPD (the *"OPPD Participation Agreement"*). Under the OPPD Participation Agreement, the City purchases an 8.33% share (approximately 57 megawatts) of a new 682 megawatt coal-fired baseload generating unit built at OPPD's existing Nebraska City power station site (*"Nebraska City Unit 2"*). The OPPD Participation Agreement provides that OPPD is the owner/operator of Nebraska City Unit 2 and OPPD sells the Department's share of the output on an actual cost-based approach. OPPD issued tax-exempt bonds to pay for the construction of Nebraska City Unit 2 and the Department is obligated to pay its appropriate share of the debt service on those bonds, fixed operation and maintenance costs, variable operating costs including fuel, and renewals and replacements of Nebraska City Unit 2. Nebraska City Unit 2 began commercial operation on May 1, 2009. The term of the OPPD Participation Agreement is 40 years from the commercial operation date and can be extended by the Department for the life of Nebraska City Unit 2.

Unit Power Purchase Agreement with MEC. In July 2005, the City executed their Unit Power Purchase Agreement with MEC, which was further amended and restated in June 2006. Under the Unit Power Purchase Agreement, the City purchases approximately 53 MW of capacity and energy from MEC's ownership interest in Iatan Unit 2. See "THE UNIT POWER PURCHASERS" in this Official Statement and APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS" hereto for additional information.

Renewable Energy Purchase Agreement with Smoky Hills Wind Project II, LLC. In August 2008, the City executed a certain renewable energy purchase agreement with Smoky Hills Wind Project II, LLC (the *"Smoky Hills Agreement"*) for a 15 MW purchase from a wind generation project located in central Kansas (the *"Smoky Hills Wind Farm"*). The City's purchase pursuant to the Smoky Hills Agreement is from Phase II of the Smoky Hills Wind Farm, which added 148 MW of wind generation to the existing 100 MW Phase I. Energy deliveries from the Smoky Hills Wind Farm began on December 8, 2008 and will continue for a term of 20 years with certain renewal options at the mutual agreement of the parties to the Smoky Hills Agreement.

Renewable Energy Purchase Agreement with Marshall Wind Energy, LLC. In May 2015, the City executed a certain renewable energy purchase agreement with Marshall Wind Energy LLC (the *"Marshall Wind Agreement"*). The Marshall Wind Agreement is for a 20 MW purchase from a wind generation project located in north central Kansas (the *"Marshall Wind Farm"*). Energy deliveries from the Marshall Wind Farm began on March 22, 2016 and will continue for a term of 20 years with certain renewable options at the mutual agreement of the parties.

Renewable Energy Purchase Agreement with MCP-Independence, LLC. In November 2015, the City executed a certain renewable energy purchase agreement with MCP-Independence, LLC. This agreement is for the energy produced from a 3 MW solar farm located on the City's Distribution system. In July 2017, the City executed a second renewable energy purchase agreement with MCP-Independence LLC to expand the solar farm by 8.5 MW. Both agreements provide that the City will purchase all energy output of the projects for the entire 25-year term of the agreements. Energy deliveries from the initial solar farm began on March 15, 2017 and deliveries for the expansion began June 14, 2018.

Capacity Purchase Agreement with Oneta Power LLC. In June 2019, the City executed a capacity purchase agreement with Oneta Power, LLC. The Oneta Energy Center is a 1,127 MW natural gas-fired combined cycle facility in Coweta, OK. The agreement allows the City to purchase up to 70 MW of SPP accredited capacity. The term of the agreement is 10 years and began on June 1, 2020 with 45 MW of capacity.

The Department believes that its total accredited generating capacity resources, including the City's interest in Dogwood and the other capacity purchases, is sufficient to meet its projected annual system peak load, including the SPP requirement of 15% reserves, through 2030.

A breakdown of Department-owned and jointly-owned generating facilities are shown in the following table:

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Generating Unit Characteristics

City Owned and Operated Units	Accredited Net Capacity (MW)	Year of Initial Operation	Fuel Type
Substation Generations – Combustion Turbine Units			
J-1 (Substation J)	12.3	1968	Oil
J-2 (Substation J)	13.3	1968	Oil
1-3 (Substation I)	17.2	1972	Oil
1-4 (Substation I)	15.8	1972	Oil
H- 5 (Substation H)	17.5	1972	Gas/Oil
H-6 (Substation H)	17.7	1974	Gas/Oil
Total IPL System (City Owned)	93.8		
Jointly Owned Units			
Dogwood Energy Facility	80.1	2001	Gas
Contract Resources			
OPPD – Nebraska City Unit No. 2	57.6	2009	Coal
MEC – Iatan Unit No. 2	53.0	2010	Coal
Marshall Wind Farm	7.3	2016	Wind
Smoky Hills Wind Farm Phase 2	4.0	2008	Wind
MCP – Independence	n/a	2017	Solar
MCP – Independence II	n/a	2018	Solar
Oneta LLC	45.0	2020	Gas
Total Contract Resources	166.9		
Total Resources	340.8		

REGIONAL RELIABILITY ORGANIZATION

The Department has been a member of the SPP since 1970 and operates its electric system in accordance with the SPP rules. Beginning in the year 2000 and due to the restructuring of the electric industry, the SPP began the administration and operation of a regional transmission tariff where certain SPP members elected to have the SPP operate their transmission facilities under this tariff. At that time, the Department elected not to become a transmission owning member and to maintain its own transmission facilities.

In June 2015, the Department became a transmission owning member in SPP. As a transmission owning member, the City designates its transmission facilities to the SPP for operation and administrative control. In return for turning over control of our transmission facilities to SPP, SPP will pay the Department for use of the transmission system by the Department and by other entities utilizing the SPP transmission system, which now would include the Department's facilities. The amount of revenue received is based on the Department's cost to own, maintain and operate the transmission system.

NERC assigned enforcement of the reliability standards to Regional Entities (*"RE"*), which are assigned to monitor and enforce compliance in geographic areas of North American. The City became a member of the Midwest Reliability Organization (*"MRO"*) in July 1, 2018 after the SPP membership voted to cease operations of the SPP RE. The MRO RE headquarters is located in St. Paul, Minnesota and has jurisdiction in much of the Midwest, including all or parts of the states of Arkansas, Illinois, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin.

ENVIRONMENTAL AND REGULATORY FACTORS

The Department operates its generation in accordance with the applicable federal and state emission rules and regulations. Blue Valley Unit No. 3, retired in June 2020, was subject to the Phase II requirements of the federal Acid Rain Program (*"ARP"*). The Department operates 6 combustion turbines, 2 each at substations H, I and J. These turbines must comply with state air regulations 10 CSR 10-6.261as well federal air, SPCC and TSCA regulations.

The Federal Clean Air Act (*"CAA"*) and Missouri Air Pollution Control Program (*"APCP"*) impose a suite of requirements on electric generating facilities. The several EPA air quality regulations are generally implemented by MoDNR through its State Implementation Plan (*"SIP"*). The regulatory programs are summarized at a high-level below. The Department currently has three (3) Part 70 Air Permits: Substation H OP2017-008, Substation I OP2017-009, and Substation J OP2017-010. With the cessation of generation activities at Blue Valley in June 2020, the City submitted a termination request and the Blue Valley permit expired on March 28, 2022. The City is in compliance with all stipulations of its Air Permits and does not anticipate a material impact resulting from these permits at this time.

In 2010, the EPA issued a final rule regulating hazardous air pollutant emissions from Compression Ignition Reciprocating Internal Combustion Engines (*"CI-RICE"*) larger than 100 braking horsepower, including formaldehyde. The rule provided differing mandatory requirements for engines based on total horsepower, with the most stringent controls, including the installation of catalytic converters, reserved for units over 500 horsepower. The Internal Combustion Maximum Achievable Control Technology Rule allows cities to designate these units for "emergency only" operation and generate with the units without any emission controls when power is interrupted from their regular supplier. The Department has six (6) RICE starting engines at Substation H, I and J that must comply with MACT requirements under Subpart ZZZZ National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. In addition, the City has two (2) RICE engines that are deployed for emergency operations to support plant functions (e.g., on-site fire suppression system pumps, water treatment plant back-up pumps, broadband system backup generators) at Blue Valley. Currently, the City is in compliance with all MACT Rule provisions.

Since the passage of the 2009 Greenhouse Gas Reporting Rule, the EPA has required facilities emitting at least 25,000 metric tons or more of carbon dioxide to report their greenhouse gas emissions to the Environmental Protection Agency every year. With the retirement of the Blue Valley Steam units in June 2020, the Electric System currently does not operate any facilities that are required to report the GHG emission under this rule. The GHG emissions of the substation generation turbines are subject to the GHG Reporting Rule but have not had emissions above the reporting threshold in the past. The emissions of the existing turbine fleet will continue to be monitored annually and will be reported if required. GHG regulations have no current material impact on the Electric System; however, the City is monitoring the regulation of GHG closely as any potential future carbon tax could have a significant impact.

In 2011, the EPA promulgated the Cross-State Air Pollution Rule (*"CSAPR"*) to reduce power plant emissions of SO2 and NOx emissions in certain states, including Missouri. Phase 1 of CSAPR began January 1, 2015 then followed by Phase 2 in 2017 for both Annual SO2 and NOx and the Ozone Season NOx Programs. The Electric System has built a substantial bank of historical SO2, NOx and OS NOx credits but does not currently operate any assets that require allocations for these emission SO2, NOx and

OS NOx emissions. The City cannot predict the impact of any future rulemaking on Electric System operations.

The Clean Water Act contains requirements relating to the discharge of process wastewater and storm water to navigable waters of the United States. The Missouri Department of Natural Resources (*"MoDNR"*) establishes the requirements through issuance of National Pollutant Discharge Elimination system (*"NPDES"*) permits. The Department has a NPDES permit for the Blue Valley Plant, Missouri State Operating Permit MO-0115924. This permit covers the outdoor storage of electrical equipment, a fueling island, outdoor utility pole storage, and the groundwater monitoring network surrounding the former CCR impoundments. The City is in compliance with all stipulations of the NPDES permit including maintaining an updated Stormwater Pollution Prevention Plan.

The Department has three (3) closed and capped coal combustion residuals (CCR) impoundments. These were closed under the EPA's 2015 Coal Combustion Residuals (*"CCR"*) Rule (40 CFR parts 257 and 261), and specifically closed under the Inactive CCR Surface Impoundment provisions of the Rule (§257.100) in December 2017. The Courts vacated the inactive surface impoundment provisions of the Rule August 21, 2018 and remanded the regulation of legacy impoundments back to EPA. The long-term maintenance of Power & Light's former CCR impoundments are currently regulated under Missouri State Operating Permit MO-0115924. Under the State's Operating Permit, the Department has thus far completed a Site Characterization Workplan, Site Characterization Report, Groundwater Sampling and Analysis Plan, and conducted eight (8) quarterly groundwater sampling events. By Permit, groundwater monitoring around the former impoundments is now complete. Groundwater is now being statistically evaluated for potential health impacts and the results will be published in the Baseline Monitoring Report to be completed in the fall of 2023. Under the EPA CCR Rule, the Department is required to maintain a publicly-accessible repository of closure documents which can be found at https://www.ci.independence.mo.us/PL/CCRRuleCompliance_BVGS . At this time the MoDNR has not promulgated a solid waste permitting system for the management and disposal of CCR generated by power stations. The MoDNR is regulating potential groundwater impacts surrounding former CCR impoundments through the Mo Clean Water Law and State NPDES program as stated above. If MoDNR promulgates a Solid Waste permit program for former CCR impoundments, the City will apply. The Department is monitoring the activities of EPA and MoDNR regarding CCR surface impoundments and will comply with any future compliance revisions. However, the final material impact of the former CCR impoundments on the City's Electric System cannot be evaluated at this time.

The Department is in compliance with all current federal and state regulations and expects to comply with future regulations through a combination of regular monitoring, analysis, reporting, strategic unit commitment, use of compliant fuel, and/or future environmental equipment enhancements.

PROJECTED CAPITAL PROJECTS

Current estimates indicate that the Department will invest approximately $52 million in capital projects over the next 5 fiscal years. The capital projects will be dedicated to improving and updating the distribution system and projects for generation, transmission and other facilities. It is expected that the Department will fund these projects with a combination of cash reserves and proceeds of municipal bonds.

ELECTRIC RATES

The City Council has sole authority to establish electric rates. The Council has adopted electric class rate schedules by ordinance after receiving recommendations from the Department and consideration of rate studies performed by outside consultants. The City Council has also granted the Department the authority to automatically adjust the monthly energy rates of its electric class rate schedules in accordance with a Power Supply Fuel - Energy Cost Adjustment Schedule (*"FCA"*). The Department reviews the rate structure at least annually to determine if modifications are needed.

As provided in its bond indentures, the City covenants to charge and collect rates for the electric power and energy supplied by the Department's electric system as shall be required to provide revenues and income sufficient to pay the cost of the following: operating expenses, 100% of aggregate debt service on all bonds of the City and any other charges required to be paid out of revenues of the Department's electric system. Other charges to be paid out of revenues are generally defined by the City to include the payment in lieu of taxes to the City, the financing of system capital improvements and replacements that are not bond financed by the City, and system working capital requirements. In addition, the City covenants to review the sufficiency of its rates for electric service annually.

In November 2008, the City Council adopted multiple schedules of rate increases following a 5-year cost-of-service study and rate plan performed by Sawvel and Associates, Inc. Under the adopted rate plan, base rates were increased by 9% beginning January 1, 2009, 5% on July 1, 2009, 5% on July 1, 2010, 5% on July 1, 2011, and 5% on July 1, 2012. In addition to any base rate increases, customer billing increases/decreases may result from changes in fuel and purchased power costs which are passed along to customers pursuant to the FCA. In December 2018, the City Council approved a 2% across the board rate reduction. This was implemented through the FCA. In August 2019, the City Council passed an additional 4% across the board rate reduction. In June 2023, the City Council approved the removal of the previous 6% rate reductions to be implemented in October 2023 in connection with the implementation of a new simplified rate structure.

The City's electric service rate schedules are generally similar in type and number to the rate schedules of other electric utilities adjoining its service territory.

ENERGY SALES AND CUSTOMER INFORMATION

The City has experienced moderate growth in its peak load and energy requirements over the last five years. The actual system peak load and energy requirements are significantly influenced by the variation in the number of summer season cooling degree days incurred in each annual period.

Historical Peak Load and Energy Sales
Fiscal Year Ending June 30

	Peak Load (in MW)	Total Energy Requirements (MWh)	Summer Cooling Degree Days (May-Sept.)
2018	283.5	1,093,956	1,256
2019	289.1	1,068,642	1,391
2020	276.0	1,044,512	1,489
2021	261.3	1,021,748	1,282
2022	267.0	1,060,368	1,608

The Department's Service area is residential in nature. As of June 30, 2022, 91.0% of the Departments customers were residential and 9.0% were commercial and industrial or other classifications.

Customers by Class
Fiscal Year Ending June 30,

	2020	2021	2022
Average Number of Customers:			
Residential	54,656	54,700	54,565
Commercial	5,209	5,066	5,206
Industrial	14	10	18
Other	63	162	62
Total Retail Sales	59,851	59,938	59,851

As of June 30, 2022, 54% of the Department's retail energy sales were made to residential customers and 46% were made to commercial customers, industrial and other customers. Commercial customers are primarily in the business of general retail, professional services and food service.

Energy Sales (MWh) by Class
Fiscal Year Ending June 30,

	2020	2021	2022
Residential	517,310	501,566	533,402
Commercial	422,343	413,080	396,012
Industrial	50,993	49,577	67,095
Other	1,118	195	146
Total Retail Sales	991,764	964,418	996,655
Wholesale	257,046	141,932	121,627
Total Energy Sales	1,248,810	1,106,350	1,118,282

As of June 30, 2022, 56% of the Department's retail revenues from the sale of energy were made to residential customers and 44% were made to commercial, industrial and other customers.

Energy Revenues by Class
Fiscal Year Ending June 30,

	2020	2021	2022
Residential	$ 69,507,000	$ 67,426,000	$ 69,555,000
Commercial	48,512,000	47,513,000	48,753,000
Industrial	3,549,000	3,454,000	6,004,000
Other	156,000	104,000	0
Total Retail Sales	$121,724,000	$118,497,000	$124,312,000
Wholesale	5,620,000	5,040,000	5,832,000
Total Energy Sales	$127,344,000	$123,537,000	$136,148,000

FINANCIAL CONDITION

The tables of the Condensed Balance Sheet and Condensed Statement of Operations for the last three fiscal years on the following page has been prepared by CWLD based upon audited financial statements. Copies of the City's audited financial statements may be obtained from the City Clerk, 111 E. Maple Street, Independence, Missouri 64050 or on the web at www.independencemo.org.

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Condensed Balance Sheet
Fiscal Year Ending June 30,

	2020	2021	2022
Assets			
Net Utility Plant	$225,329,976	$221,253,322	$220,611,817
Current Assets	113,894,503	79,255,207	78,797,868
Deferred Charges & Other Assets	35,936,031	37,895,029	21,716,622
Total Assets & Deferred Outflows	$375,160,510	$338,403,558	$321,126,307
Liabilities and Equity			
Current Liabilities	$ 17,440,411	$ 13,495,868	$ 17,116,399
Long Term Liabilities & Deferred Credits	230,059,035	213,076,373	184,551,125
Total Equity	127,661,064	111,831,317	119,548,783
Total Liabilities and Equity	$375,160,510	$338,403,558	$321,126,307

Condensed Statement of Operations
Fiscal Year Ending June 30,

	2020	2021	2022
Total Operating Revenue	$128,575,740	$128,548,974	$137,373,615
Operating & Maintenance Expenses			
Fuel	6,209,344	12,320,589	11,514,886
Purchased Power	43,479,246	43,581,552	47,002,843
Production	8,286,076	4,606,253	5,692,871
Transmission & Distribution	21,316,160	23,033,971	23,479,253
Customer Service	4,556,093	3,475,425	3,916,441
General & Administrative	18,593,994	17,174,202	8,975,005
Total O&M Expenses	$102,440,913	$104,731,992	$100,581,299
Other Expenses	27,188,604	35,096,868	25,754,355
Total Operating Revenue Deductions	$129,629,517	$139,828,860	$126,335,654
Net Operating Income	(1,053,777)	(11,279,886)	10,937,961
Total Non-Operating Deductions (net)	(2,371,783)	(4,599,670)	(3,236,993)
Net Income	$ (3,425,560)	$(15,879,556)	$ 7,700,968
Capital Contributions	37,799	49,809	16,498
Change in Net Position	$ (3,378,761)	$(15,829,747	$ 7,717,466

Net Revenues Available for Debt Service

	2020	2021	2022
Total Gross Revenue	$132,767,233	$129,655,541	$138,650,120
Revenue Available for Coverage of Electric Revenue Bonds	32,465,033	24,440,039	28,351,895
Principal and Interest Payments	11,645,350	10,535,050	3,781,853
Debt Service Coverage	2.79x	2.32x	7.50x

INVESTIGATIONS AND LITIGATION

Federal Investigation of Certain Transactions

In March of 2020, a federal grand jury issued a subpoena for records of closed-session (non-public) meetings held by the City Council of the City. Governing bodies of cities in Missouri are allowed by law to hold non-public meetings for a variety of purposes for which information discussed at such meetings may be detrimental if released to the public, including but not limited to buying or selling real estate and attorney-client matters such as litigation and contract negotiations. The three meetings for which records were requested were held on December 19, 2016, May 15, 2017 and October 23, 2017. During such meetings, the City Council discussed two transactions conducted by the City around the time of such meetings (although the City Council's discussion was not limited exclusively to such transactions). In one transaction, the City purchased approximately 94 acres of land and then leased the property to a private power company for the operation of a solar farm (the "*Solar Farm Transaction*"). In the other transaction, as part of the decommissioning of the "Missouri City Power Plant" that was once a part of the City's electric utility (known as "*Independence Power & Light*"), the City awarded a contract to demolish the Missouri City Power Plant (the "*Power Plant Demolition Transaction*"). The Solar Farm Transaction involved the purchase of property by the City for $985,000, which property had been acquired by the seller within the prior year for $550,000. The Power Plant Demolition Transaction involved the acceptance by the City of the higher of two bids received for the demolition project (the bid accepted was for approximately $9.75 Million and the rejected bid was for approximately $4.45 Million).

In March of 2020, the Federal Bureau of Investigations ("*FBI*") requested from the City copies of a resolution dated July 21, 2014 relating to the Power Plant Demolition Transaction, minutes of two meetings (June 27, 2016 and July 18, 2016), and a request for qualifications distributed by the City with respect to the Power Plant Demolition Transaction. In April of 2020, the FBI requested minutes of a June 23, 2017 meeting of the City utility board that advises the City Council on the governance of Independence Power & Light. In May of 2020, the FBI requested reimbursement receipts submitted by four members of the City Council and requested video of an April 3, 2017 City Council meeting. The Power Plant Demolition Transaction had been discussed at each of the meetings for which records were requested by the FBI. In June of 2020, the FBI requested data files establishing the boundaries of neighborhood council districts displayed on the City's website. The neighborhood councils are a system of not-for-profit entities at the neighborhood level that operate within defined boundaries and advocate for public services and improvements and economic development within their areas.

Based on the City's present knowledge and information available to the City, the City does not believe the ultimate resolution of the investigations will have a material adverse effect on system revenues or the overall financial condition of the System, the Department or the City.

Titan Fish Lawsuit

In July of 2020, Titan Fish Partners, LLC and a named individual filed a petition against the City and two City Council members (the "*Titan Fish Lawsuit*"). Titan Fish Partners, LLC is the seller of land to the City in the Solar Farm Transaction discussed above. The petition claims that certain statements made by such City Council members to and reported in the *Kansas City Star* charged Titan Fish Partners, LLC with being under investigation by the FBI, and that such statements caused damage to the plaintiffs based on defamation, intentional infliction of emotional distress, and tortious interference with a business expectancy. The defendants filed a motion for summary judgement denying the petition, in response to which the court granted the City's motion for summary judgment based on sovereign immunity, removing the City from the case. One of the City Council members was dismissed from the case following her death. The case continues against a single City Council member who was named in the petition. In addition, plaintiffs are currently seeking to amend their petition to add additional parties. The City does not believe the ultimate resolution of the Titan Fish Lawsuit will have a material adverse effect on system revenues or the overall financial condition of the System, the Department or the City.

Barry Jones Lawsuit

In December of 2018, Barry Jones, an individual customer of Independence Power & Light, brought suit (the "*Barry Jones Lawsuit*") against the City, Independence Power & Light, the Acting Director of Independence Power & Light and three companies that provided computer software to Independence Power & Light, seeking to certify a class for a class action lawsuit and alleging that Independence Power & Light had overcharged its customers on their electric utility bills by overstating the amount of electricity consumed. The allegations included violation of the Missouri Merchandising Practices Act, conversion by wrongfully taking money, unjust enrichment, fraudulent misrepresentation, negligent misrepresentation, breach of contract, and negligence *per se*. In February of 2019, the plaintiff filed a first amended petition adding two named plaintiffs to represent classes of for-profit and non-profit customers, in addition to the class of individual persons represented by Barry Jones. In June of 2021, the plaintiffs were granted leave to file a second amended petition in order to (1) add three additional defendants, including then-Mayor Eileen Weir, the City Council itself, and the City's Public Utilities Advisory Board, and (2) plead an additional nine causes of action, including additional claims of unjust enrichment, breach of contract, fraud, breach of fiduciary duty, negligence, civil conspiracy, negligence *per se*, substantial assistance and encouragement in the commission of a tort, and substantial assistance and encouragement in the commission of a tort. The second amended petition added the allegation that the 9.08% payment in lieu of tax charged by the City on gross receipts of Independence Power & Light violates Section 3.17 of the City's charter, which provides that "[t]he electric utility shall not be operated for the benefit of other municipal functions, and shall not be used directly or indirectly as a general revenue producing agency for the city, but it may pay to the city an amount in lieu of such taxes as are normally placed upon private business enterprises" and that "[a]fter providing for depreciation accruals and amortization of bonds, and for reasonable accumulation of surplus, the electric utility shall apply all annual profits to rate reductions."

A series of motions to dismiss were filed by the defendants. On January 18, 2022, the court entered an order granting motions to dismiss on claims against City Council, the City, Independence Power & Light, then-Mayor Eileen Weir and the City's Public Utilities Advisory Board for breach of fiduciary duty and on claims against City Council and the City's Public Utilities Advisory Board for civil conspiracy. Motions to dismiss other claims were denied. In the same order, the judge certified the class for the lawsuit as including all residential and commercial customers of Independence Power & Light from and after January 1, 2011, and all non-profit customers of Independence Power & Light from and after May 14, 2018. Multiple motions and briefs were filed by all parties throughout 2022, which resulted in the case being appealed by the plaintiffs to the Missouri Court of Appeals for the Western District in October 2022. Multiple motions and briefs were filed by all parties from October 2022 through August 2023, and the parties are now waiting for the Court of Appeals to set a date for oral arguments. The City does not believe the ultimate resolution of the Barry Jones Lawsuit will have a material adverse effect on system revenues or the overall financial condition of the System, the Department or the City.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS
OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary is not to be considered a full statement of the terms of the Indenture and accordingly is qualified by reference thereto and subject to the full text thereof. Capitalized terms not defined in this Appendix or in the Official Statement to which it is attached have the meanings set forth in the Indenture. The term "Project Agreement" as used in the Indenture and this Appendix has the same meaning as the term "Iatan Unit 2 Ownership Agreement" as used in the Official Statement to which this Appendix is attached.

Definitions

"*Account*" or "*Accounts*" means one or more of the separate accounts created in the Funds established in the Indenture.

"*Accrued Debt Service*" means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds, calculated as an amount equal to the sum of:

(a) the interest on the Bonds of such Series that has accrued and is unpaid and that will accrue by the end of the then current calendar month; and

(b) that portion of all Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due and payable that would accrue (if deemed to accrue in the same manner as interest accrues) by the end of the then current calendar month.

"*Additional Facilities*" means, MEC's Undivided Interest in:

(a) all renewals, repairs, replacements, extensions and additions to the Initial Facilities, including capital additions, capital betterments and capital replacements necessary or desirable, in the opinion of MEC, to keep the Iatan 2 Project in good operating condition or to prevent a loss of Revenues therefrom, or required by any governmental agency having jurisdiction over Iatan Unit 2 or for which MEC shall be responsible by virtue of any obligation of MEC arising under the Project Agreement; and

(b) all property, real, personal or mixed, of any nature, including electric, substation and transmission facilities, directly and functionally related to the Initial Facilities; provided, however, that Additional Facilities shall not include any additional electric generating units located at the site of the Initial Facilities or elsewhere and related facilities other than common facilities.

"*Aggregate Debt Service*" means for any period, as of the date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds Outstanding.

"*Annual Budget*" means the annual budget established for MEC and approved and adopted by the Board of Directors of MEC, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Indenture, and which shall incorporate the Annual Iatan 2 Budget and the MoPEP Iatan 2 Budget.

"*Annual Iatan 2 Budget*" means the annual budget established by MEC for the Iatan 2 Project, which shall be included in the Annual Budget, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Indenture.

"*Annual MoPEP Iatan 2 Budget*" means the annual budget established by MEC for the purpose of setting rates for services to the Pool Purchasers as set forth in the Pool Power Purchase Agreement, which shall be incorporated in the Annual Iatan 2 Budget contained in the Annual Budget, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Indenture.

"*Balloon Bonds*" means any Series of Bonds, other than a Series of Bonds that has a final maturity within 1 year of the original issue date of such Bonds, 25% or more of the original Principal Installments of which becomes due and payable (either by maturity or mandatory redemption), or may become due and payable or may be required to be purchased or redeemed upon demand of the holder, during the same Fiscal Year, if such Principal Installments becoming due and payable are not required to be amortized below such percentage by mandatory redemption or prepayment prior to such Fiscal Year.

"*Bondowner*", "*Owner*" or "*Registered Owner*" means the person in whose name any Bond is registered as shown on the bond register kept by the Trustee.

"*Bonds*" means bonds, notes or other obligations (other than Subordinated Bonds) authorized by and at any time issued, authenticated and Outstanding under the Indenture.

"*Book-Entry System*" means the book-entry system maintained by the Securities Depository described in the Indenture.

"*Capital Appreciation Bonds*" means any Bonds for which interest (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds, and (b) is payable only at the maturity of such Bonds, upon the redemption of such Bonds before maturity, or upon the conversion of such Bonds to Bonds with interest payable periodically in installments prior to maturity or prior to redemption or conversion before maturity.

"*Common Debt Service Reserve Account*" means the Common Debt Service Reserve Account established in the Debt Service Reserve Fund in the Indenture.

"*Common Debt Service Reserve Requirement*" means, as of any date of calculation, with respect to the Covered Bonds, an amount equal to the least of (a) 10% of the aggregate original principal amount (or "issue price", as computed for federal income tax purposes, if original issuance premium or discount is greater than 2%) of the Covered Bonds, (b) Maximum Annual Debt Service on the Covered Bonds, and (c) 125% of the average annual Debt Service on the Covered Bonds.

"*Costs of Acquisition and Construction*" means all costs of MEC properly attributable to the acquisition, construction and placing in service of the Iatan 2 Project and all expenses preliminary and incidental thereto incurred by MEC in connection therewith and in the issuance of the Bonds, including payment to MEC of any amounts, if necessary, to reimburse advances and payments previously made or incurred for any item of Costs of Acquisition and Construction.

"*Covered Bond*" or "*Covered Bonds*" means all Series of Bonds with respect to which MEC has specified pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds that such Series of Bonds will be secured by the Common Debt Service Reserve Account in the Debt Service Reserve Fund.

"*Debt Service*" means for any period, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of:

(a) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into any Series Debt Service Account in the Debt Service Fund made from Bond proceeds with respect to such Series; and

(b) that portion of each Principal Installment for such Series of Bonds which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later);

provided, however, that (1) the amount of such payments for any future period shall be calculated in accordance with the assumptions contained in the Indenture, and (2) there shall be excluded from such payments, cash, including proceeds of Refunding Bonds or other Bonds (*e.g.*, accrued and capitalized interest), or Defeasance Obligations (including, where appropriate, the earnings or other increment to accrue thereon) that are on deposit in an irrevocable escrow or trust account with the Trustee and are required to be applied to pay all or a portion of the principal of and interest on, as the same shall become due, any Bonds which would otherwise be considered Outstanding and such amounts so required to be applied are sufficient to pay such principal and interest.

"*Debt Service Fund*" means the Debt Service Fund established in the Indenture, and within such Fund a Series Debt Service Account to be established under a Supplemental Indenture for each Series of Bonds.

"*Debt Service Reserve Fund*" means the Debt Service Reserve Fund established in the Indenture, and within such Fund the Common Debt Service Reserve Account and each Series Debt Service Reserve Account, if any, established under a Supplemental Indenture for a particular Series of Bonds.

"*Debt Service Reserve Requirements*" means the Common Debt Service Reserve Requirement and the Series Debt Service Reserve Requirements.

"*Defeasance Obligations*" means:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series "SLGs").

(c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

(d) The interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable.

(e) Pre-refunded municipal bonds rated "Aaa" by Moody's at the time of purchase. If however, the issue is only rated by S&P (*i.e.*, there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AAA" rated pre-refunded municipals to satisfy this condition.

(f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

Farmers Home Administration (FmHA) Certificates of beneficial ownership

Federal Financing Bank

General Services Administration Participation certificates

U.S. Maritime Administration Guaranteed Title XI financing

U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds;

provided that any such obligations described in (b) through (f) above are not subject to redemption prior to maturity or the date such obligations must be liquidated for their intended purposes.

"*Event of Default*" means any of the events specified as Events of Default in the Indenture.

"*Fiscal Year*" means the annual 12-month accounting period of MEC as from time to time in effect, initially a period commencing on January 1 of each year and ending on the next succeeding December 31.

"*Fund*" or "*Funds*" means one or more of the funds established pursuant to the Indenture, including the Project Fund, the Revenue Fund, the Operation and Maintenance Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Bond Fund, the Rebate Fund, the Reserve and Contingency Fund and the General Reserve Fund, together with any additional funds established by a Supplemental Indenture pursuant to the Indenture.

"*General Reserve Fund*" means the General Reserve Fund established in the Indenture.

"*Initial Facilities*" means MEC's Undivided Interest in Iatan Unit 2 as set forth in the Project Agreement.

"*Investment Securities*" means and includes any of the following securities which are at the time legal for investment of MEC's funds under applicable law and the investment policies adopted by the Board of Directors of MEC:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

(2) Farmers Home Administration (FmHA) Certificates of beneficial ownership

(3) Federal Financing Bank

(4) Federal Housing Administration Debentures (FHA)

(5) General Services Administration Participation certificates

(6) Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations

(7) U.S. Maritime Administration Guaranteed Title XI financing

(8) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(1) Federal Home Loan Bank System Senior debt obligations

(2) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") Participation Certificates
Senior debt obligations

(3) Federal National Mortgage Association (FNMA or "Fannie Mae") Mortgage-backed securities and senior debt obligations

(4) Resolution Funding Corp. (REFCORP) obligations

(5) Farm Credit System
Consolidated system wide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating of AAAm-G, AAA-m, or AA-m by S&P, and of Aaa, Aal, or Aa2 by Moody's, including those for which the Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Bondowners must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including B1F and SAIF.

(g) Investment Agreements, including GIC's, Repurchase Agreements with a term in excess of 30 days, Forward Purchase Agreements and Reserve Fund Put Agreements which are either collateralized or are provided by an entity that is rated, or whose guarantor is rated, in at least the two highest rating categories, without regard to qualifier, by S&P and Moody's.

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated at the time of purchase by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers' acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime – 1" or better by Moody's and "A-1" or better by S&P.

(k) Repurchase Agreements for 30 days or less must follow the following criteria.

(1) Repos must be between MEC and a dealer bank or securities firm

(A) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or

(B) Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

(2) The written repo contract must include the following:

(A) Securities which are acceptable for transfer are:

(i) Direct U.S. governments, or

(ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(B) The term of the repo may be up to 30 days

(C) The collateral must be delivered to MEC, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(D) Valuation of Collateral

(i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by MEC to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by MEC, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) Legal opinion which must be delivered to MEC:

(A) Repo meets guidelines under state law for legal investment of public funds.

(l) Such other investments permitted by a Supplemental Indenture that are rated in either of the two highest categories by a nationally recognized rating agency (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise) or that are approved in writing by the issuer or provider of a Qualified Credit Facility.

"*Maximum Annual Debt Service*" means (a) when calculated with respect to any Series of Bonds, the maximum amount of Debt Service with respect to such Series of Bonds as computed for the then current or any succeeding Fiscal Year, and (b) when calculated with respect to all Series of Bonds, the maximum amount of Aggregate Debt Service as computed for the then current or any succeeding Fiscal Year.

"*MEC Members*" means those municipalities of the State of Missouri who are members of MEC under the Joint Contract, or who become members of MEC pursuant to any future supplement to the Joint Contract.

"*Net Revenues*" means, for any period of calculation, the total Revenues during such period less the total Operation and Maintenance Expenses during such period.

"*Officer's Certificate*" means a written certificate, written order or written request of MEC signed on behalf of MEC by an authorized officer, which certificate shall be deemed to constitute a representation of, and shall be binding upon, MEC with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Trustee.

"*Operating Reserve Requirement*" means, on and after the date Iatan Unit 2 commences commercial operations, $2,500,000 or such greater amount required to be on deposit in the Operating Reserve Account in the Operation and Maintenance Fund as may be provided in an Annual Iatan 2 Budget; provided however, if MEC is required to fund operating reserves pursuant to the Project Agreement, the amount of such funds deposited by MEC shall be credited against the amount of the Operating Reserve Requirement.

"*Operation and Maintenance Expenses*" means all of MEC's costs and expenses related to the operation and maintenance of the Iatan 2 Project or the satisfaction of MEC's obligations under the Power Purchase Agreements incurred in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, including amounts reasonably required to be set aside in reserves for items of operation and maintenance expenses the payment of which is not then immediately required.

"*Operation and Maintenance Fund*" means the Fund by that name established pursuant to the Indenture.

"*Outstanding*" means, as of the date of determination (subject to the provisions of the Indenture), all Bonds theretofore authenticated and delivered under the Indenture, except the following:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation as provided in the Indenture;

(b) Bonds for whose payment or redemption money or Defeasance Obligations in the necessary amount has been deposited with the Trustee in trust for the Owners of such Bonds as provided in the Indenture, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture; and

(d) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in the Indenture.

"*Paying Agent*" means the Trustee, any other bank or trust company or national banking association designated as Paying Agent for the Bonds of any Series, and its successor or successors hereinafter appointed in the manner provided in the Indenture.

"*Pool Power Purchasers*" means the MEC Members who are parties to the Pool Power Purchase Agreement, as listed in the Indenture or who become parties to the Pool Power Purchase Agreement pursuant to any future amendment thereto.

"*Principal Installment*" means, as of any date of calculation, with respect to any Series of Bonds (a) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series.

"*Project Agreement*" means the Iatan Unit 2 and Common Facilities Ownership Agreement, dated as of May 19, 2006, among the Project Participants.

"*Project Fund*" means the Project Fund established in the Indenture, and within such Fund a separate Series Project Account for the Initial Facilities and any separate account or accounts for the Additional Facilities established pursuant to the Indenture and the Supplemental Indenture authorizing each Series of Bonds.

"*Prudent Utility Practice*" means, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedience. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts, having due regard for manufacturers' warranties and the requirements of governmental agencies of competent jurisdiction.

"*Qualified Credit Facility*" means with respect to any Bonds or Series of Bonds, an insurance policy, surety bond, letter of credit, line of credit or other form of credit enhancement in favor of the Owners of such Bonds, issued by a bank, trust company, national banking association, insurance company or other credit enhancer with a credit rating in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise), for the purpose of providing a source of funds for the payment of all or a portion of the principal of and interest on such Bonds when due.

"*Qualified Liquidity Facility*" means with respect to any Bonds or Series of Bonds, a letter of credit, line of credit, standby bond purchase agreement, or other liquidity facility or arrangement for liquidity support in favor of the Owners of such Bonds, issued by a bank, trust company, national banking association or other liquidity provider with a credit rating in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise), for the purpose of providing a source of funds for the payment of all or a portion of the purchase price of such Bonds that are tendered for purchase by the Owners thereof.

"*Qualified Reserve Facility*" means with respect to any Bonds or Series of Bonds, a letter of credit, surety bond or similar instrument issued by a bank, insurance company or other financial institution with a credit rating in one of the two highest rating categories (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise) by any nationally recognized rating service, for the purpose of satisfying all or any portion of the Debt Service Reserve Requirement with respect to a Series of Bonds.

"*Qualified Swap Facility*" means with respect to any Bonds or Series of Bonds, an interest rate exchange, hedge or similar agreement or facility entered into by MEC and a swap counterparty who is a member of the International Swap Dealers Association, pursuant to which MEC is obligated to make interest-like payments to or on behalf of another person (based on a specific rate or formula for interest) and that person is obligated to make similar interest-like payments to or on behalf of MEC (based on a different rate of, or formula for, interest), with neither party obligated to repay any principal, which agreement:

(a) may include, without limitation, an interest rate swap, a forward or futures contract or an option (*e.g.*, a call, put, cap, floor or collar); and

(b) does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof;

provided that either (1) the credit rating of the swap counterparty (or any guarantor thereof) is in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise), or (2) if such Bonds are secured by a Qualified Credit Facility, such Qualified Swap Facility is approved in writing by the issuer or provider of such Qualified Credit Facility.

"*Rebate Fund*" means the Rebate Fund established in the Indenture, and within such Fund a separate Series Rebate Account established with respect to each Series of Bonds the interest on which is intended to be tax-exempt for the purpose of facilitating compliance with Section 148 of the Internal Revenue Code.

"*Record Date*" means, with respect to any interest payment date for any Series of Bonds, the date specified as the Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"*Redemption Price*" means, with respect to any Bond, the principal thereof plus the applicable premium, if any, payable upon redemption thereof.

"*Refunding Bonds*" means any Series of Bonds issued, authenticated and delivered on original issuance pursuant to the Indenture, for the purpose of refunding other Bonds (including bonds commonly referred to as current refunding bonds, advance refunding bonds or cross-over refunding bonds where the proceeds of such Refunding Bonds are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest on and principal or Redemption Price of such Bonds being refunded and/or such Refunding Bonds).

"*Reimbursement Obligation*" means any amounts payable by MEC to reimburse or repay the issuer or provider of a Qualified Credit Facility, a Qualified Liquidity Facility or a Qualified Reserve Facility for amounts paid or advanced thereunder in connection with any Bonds, to refinance, pay, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, Bonds under the Indenture, and the obligation of MEC to pay interest payable on amounts disbursed for such purposes, plus any fees payable to the issuer or provider of such Qualified Credit Facility, Qualified Liquidity Facility or Qualified Reserve Facility.

"*Reserve and Contingency Fund*" means the Reserve and Contingency Fund established in the Indenture.

"*Reserve and Contingency Requirement*" means $2,000,000 or such greater amount required to be on deposit in the Reserve and Contingency Fund as may be provided in an Annual Iatan 2 Budget; provided however, if MEC is required to fund capital reserves pursuant to the Project Agreement, the amount of such funds deposited by MEC shall be credited against the amount of the Reserve and Contingency Requirement.

"*Revenue Fund*" means the Fund by that name established pursuant to the Indenture.

"*Revenues*" means:

(a) all revenues, income, rents and receipts derived or to be derived by MEC from or attributable to or relating to the Iatan 2 Project or to the payment of the costs thereof, including all revenues received or to be received by MEC or the Trustee under the Power Purchase Agreements or under any other arrangement by MEC with respect to the sale or use of the Iatan 2 Project or any portion thereof or the capacity or energy thereof;

(b) the proceeds of certain insurance required to be deposited with the Trustee, including the proceeds of any self-insurance fund, and any insurance covering business interruption loss relating to the Iatan 2 Project; and

(c) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund.

Revenues shall not include: (1) insurance proceeds resulting from casualty damage to the Iatan 2 Project (other than insurance proceeds deposited into a special account in the Debt Service Fund for the redemption of Bonds); (2) the proceeds from the sale of the Bonds; (3) interest and other investment income received or to be received on any moneys or securities held pursuant to an indenture of trust entered into by MEC with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds except to the extent that MEC specifies in a Supplemental Indenture that such interest and other investment income shall constitute Revenues; (4) amounts received by or on behalf of MEC pursuant to any Qualified Swap Facility with respect to the Iatan 2 Project except to the extent that MEC specifies in a Supplemental Indenture that such amounts shall constitute Revenues; and (5) amounts received by or on behalf of MEC pursuant to a Qualified Credit Facility with respect to the Iatan 2 Project except to the extent that MEC specifies in a Supplemental Indenture that such amounts shall constitute Revenues.

"*Securities Depository*" means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, acting as securities depository under a Book-Entry System.

"*Series*" means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance and identified pursuant to the Indenture and the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

"*Series Debt Service Reserve Account*" means, with respect to any Series of Bonds that are not Covered Bonds, the Series Debt Service Reserve Account, if any, created within the Debt Service Reserve Fund pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds.

"*Series Debt Service Reserve Requirement*" means, with respect to any Series of Bonds that are not Covered Bonds, the amount, if any, established by the Supplemental Indenture authorizing such Series of Bonds as the Debt Service Reserve Requirement for such Series of Bonds.

"*Sinking Fund Installment*" means an amount so designated for a Series of Bonds which is established pursuant to a Supplemental Indenture.

"*Subordinated Bond Fund*" means the Fund by that name established pursuant the Indenture.

"*Subordinated Bonds*" means any bond, note or other evidence of indebtedness which is expressly made subordinate and junior in right of payment to the Bonds and which complies with the provisions of the Indenture. Subordinated Bonds shall not be, nor shall be deemed to be, Bonds for purposes of the Indenture, except as may be expressly provided by Supplemental Indenture.

"*Supplemental Indenture*" means any indenture supplemental or amendatory to the Indenture entered into by MEC and the Trustee pursuant to the Indenture.

"*Trust Estate*" means the property described as the Trust Estate in the Granting Clauses of the Indenture.

"*Undivided Interest*" means MEC's entitlement to an undivided percentage share of ownership in Iatan Unit 2, as provided for under the Project Agreement.

"*Variable Rate Bonds*" means Bonds that provide for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the Supplemental Indenture with respect to such Bonds and which for any future period of time is not susceptible of precise determination.

Pledge and Assignment of Trust Estate

In consideration of the terms of the Indenture and the purchase of the Bonds by their Owners and in order to secure the payment of the principal and Redemption Price of, and the interest on, the Bonds and to secure the performance of the covenants and obligations on its part contained in the Indenture and the Bonds, MEC transfers in trust, assigns, pledges and grants a security interest to the Trustee and to its successors and assigns in trust forever, all right, title and interest of MEC in and to the following described property (the "*Trust Estate*"):

(a) the proceeds of sale of the Bonds;

(b) all Net Revenues;

(c) all money and securities in the Funds held by the Trustee under the Indenture (except for the Rebate Fund) including the investments thereof, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and

(d) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture by MEC or by anyone in its behalf or with its written consent, to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

The Trustee shall hold in trust and administer the Trust Estate, upon the terms and conditions set forth in the Indenture for the equal and pro rata benefit and security of each and every Owner of Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection of the Indenture of one Bond over or from the others, except as otherwise expressly provided in the Indenture.

Authorization of Bonds

MEC is authorized to issue Bonds in one or more Series from time to time under the Indenture and pursuant to one or more Supplemental Indentures for the purpose of (a) paying all or a portion of the Costs of Acquisition and Construction relating to the Iatan 2 Project, or (b) refunding any Outstanding Bonds. The number of Series of Bonds and the aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may be provided in the Indenture or as may be limited by law.

Nothing contained in the Indenture will be construed to prevent MEC from acquiring and financing through the issuance of its bonds, notes or other evidences of indebtedness any interests which do not constitute a part of the Iatan 2 Project for purposes of the Indenture; provided that such bonds, notes or other evidences of indebtedness will not be payable out of or secured by the Revenues or any Fund held under the Indenture and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof will be payable from the Net Revenues or from any such fund.

Subordinated Bonds

MEC may from time-to-time issue Subordinated Bonds for any purpose of MEC in connection with the Iatan 2 Project, including, without limitation, the financing of any part of the Costs of Acquisition and Construction of the Iatan 2 Project or the refunding or any Subordinated Bonds or Outstanding Bonds. Such

Subordinated Bonds shall be payable out of and may be secured by a pledge of such amounts in the Subordinated Bond Fund as may from time to time be available therefor; provided, however, that any such payment or pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge and lien created under the Indenture as security for the Bonds; and provided, further, that unless the Indenture or other instrument, including any Supplemental Indenture, authorizing any issue of Subordinated Bonds shall provide that no such certificate shall be required, no such Subordinated Bonds may be so issued upon original issuance except upon receipt by the Trustee of an Officer's Certificate stating that MEC is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture.

Qualified Credit Facilities

The Supplemental Indenture providing for the issuance of a Series of Bonds may provide that MEC obtain or cause to be obtained as additional security for such Series of Bonds (or one or more maturities thereof) a Qualified Credit Facility providing for payment of the principal and interest due or to become due on such Bonds of such Series. Any such additional security with respect to a particular Series of Bonds (or one or more maturities thereof) need not extend to any other Series of Bonds unless required under the Indenture. The Supplemental Indenture pursuant to which any Series of Bonds is issued may provide for such additional security and permit realization upon such security solely for the benefit of the Bonds entitled thereto, and as are not inconsistent with the intent of the Indenture.

MEC may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Qualified Credit Facility as MEC deems appropriate, including provisions to the effect that:

(a) So long as the Qualified Credit Facility is in full force and effect, and payment on the Qualified Credit Facility is not in default, (1) the issuer or provider of the Qualified Credit Facility shall be deemed to be the Owner of the Outstanding Bonds of such Series (or portion thereof secured thereby) when the approval, consent or action of the Bondowners of such Series of Bonds is required or may be exercised under the Indenture, including upon occurrence of an Event of Default, and (2) the Indenture may not be amended in any manner which adversely affects the rights of the issuer of such Qualified Credit Facility without its prior written consent.

(b) In the event that the principal and Redemption Price, if applicable, and interest due on any Series of Bonds Outstanding (or portion thereof secured thereby) shall be paid under the provisions of a Qualified Credit Facility, all covenants, agreements and other obligations of MEC to the Bondowners of such Series of Bonds (or portion thereof secured thereby) shall continue to exist and the issuer or provider of such Qualified Credit Facility shall be subrogated to the rights of such Bondowners in accordance with the terms of such Qualified Credit Facility and the Supplemental Indenture.

In addition, such Supplemental Indenture may establish such provisions as are necessary (a) to comply with the provisions of such Qualified Credit Facility, (b) to provide relevant information to the issuer or provider of such Qualified Credit Facility, (c) to provide a mechanism for paying principal or Redemption Price of and interest on such Series of Bonds (or portion thereof secured thereby) from such Qualified Credit Facility, (d) to make provision for any Events of Default or for additional or improved security required by the issuer or provider of such Qualified Credit Facility, and (e) to authorize agreements with the provider or issuer of such Qualified Credit Facility providing for (1) the payment of fees and expenses to such issuer or provider for the issuance of such Qualified Credit Facility, (2) the terms and conditions of such Qualified Credit Facility and the Series of Bonds (or portion thereof secured thereby) affected thereby, including the security, if any, to be provided for the issuance of such Qualified Credit Facility, (3) such adjustments to the rate of interest, method of determining the rate of interest, maturity or redemption provisions as are specified by MEC or determined as provided in such Supplemental Indenture or in any agreement referred to therein, and (4) the obligation to reimburse the provider of such Qualified Credit Facility for payment of Bonds pursuant to such Qualified Credit Facility on either a parity or subordinated basis with respect to such Series of Bonds (any such direct reimbursement obligations are referred to in the Indenture as "*Reimbursement Obligations*").

Qualified Liquidity Facilities

The Supplemental Indenture providing for the issuance of a Series of Bonds may provide that MEC obtain or cause to be obtained for such series of Bonds (or one or more maturities thereof) a Qualified Liquidity Facility providing for payment of the purchase price of such Bonds that are tendered for purchase by the Owners thereof.

Such Supplemental Indenture may establish such provisions as are necessary (a) to comply with the provisions of such Qualified Liquidity Facility, (b) to provide relevant information to the issuer or provider of such Qualified Liquidity Facility, (c) to provide a mechanism for paying the purchase price of tendered Bonds of such Series of Bonds from such Qualified Liquidity Facility, (d) to make provision for any Events of Default or for additional or improved security required by the issuer or provider of such Qualified Liquidity Facility, and (e) to authorize agreements with the provider or issuer of such Qualified Liquidity Facility providing for (1) the payment of fees and expenses to such issuer or provider for the issuance of such Qualified Liquidity Facility, (2) the terms and conditions of such Qualified Liquidity Facility and the Series of Bonds (or portion thereof) supported thereby, including the security, if any, to be provided for the issuance of such Qualified Liquidity Facility, (3) such adjustments to the rate of interest, method of determining the rate of interest, maturity or redemption provisions as are specified by MEC or determined as provided in such Supplemental Indenture or in any agreement referred to therein, and (4) the obligation to reimburse the provider of such Qualified Liquidity Facility for purchase of Bonds pursuant to such Qualified Liquidity Facility on either a parity or subordinated basis with respect to such Series of Bonds (any such direct reimbursement obligations are referred to in the Indenture as "*Reimbursement Obligations*").

Qualified Swap Facilities

In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, MEC may obtain or enter into a Qualified Swap Facility providing for certain payments by MEC and a swap counterparty, which payments are calculated by reference to fixed or variable rates and constituting a financial accommodation between MEC and such swap counterparty if (a) MEC determines that any such agreement (1) will assist MEC in more effectively managing its interest costs or cash flow, and (2) will not result in a downward revision or withdrawal of any rating on any Series of Bonds by a nationally recognized rating service, and (b) MEC would be in compliance with the conditions for the issuance of such Series of Bonds to which the Qualified Swap Facility relates assuming such Bonds were being issued at the time MEC enters into the Qualified Swap Facility.

MEC may determine from time to time to enter into one or more Qualified Swap Facilities, provided that MEC and the Trustee execute a Supplemental Indenture which shall include provisions that:

(a) Set forth the manner or method for the calculation of the payments and receipts under such Qualified Swap Facility and the scheduled payment dates therefor;

(b) Provide that (1) payments under such Qualified Swap Facility (other than the amount, if any, payable by MEC, or by the Trustee for the account of MEC, as a result of the termination of any Qualified Swap Facility or other fees) shall be made by MEC (or by the Trustee for the account of MEC) out of a special subaccount in the Series Debt Service Account, on a parity with the principal of and interest on the Bonds, or (2) payments shall be made by MEC out of the Subordinated Bond Fund or the General Reserve Fund; provided, however, that no payments under such Qualified Swap Facility may be payable from or secured by amounts on deposit in the Debt Service Reserve Fund; and provided further, that payments of any termination or other fees, expenses, indemnification or other obligations to a swap counterparty shall be payable only out of the General Reserve Fund;

(c) Provide that receipts received by MEC or the Trustee under such Qualified Swap Facility shall be deposited promptly upon receipt into a special subaccount in the Series Debt Service Account; and any amounts received by MEC from a swap counterparty relating to a Qualified Swap Facility (other than a lump sum payment made upon the commencement of a related swap or as a termination payment in respect of a related swap) shall be deposited in the Series Debt Service Account to the extent that at the time of a receipt by MEC of such amount the amount then on deposit therein shall be less than the amount then required to be on deposit therein and any amounts not required to be so deposited shall be deposited in the General Reserve Fund; and

(d) Provide that any termination payment under such Qualified Swap Facility (1) owed by MEC shall be payable solely from amounts on deposit in the General Reserve Fund or an account or subaccount therein, or (2) received by MEC or the Trustee shall be deposited promptly upon receipt into the General Reserve Fund.

Calculation of Debt Service

For purposes of the various calculations under the Indenture, the amount of Bonds of MEC, the amortization schedule of such Bonds and the Debt Service with respect to such Bonds shall be calculated in accordance with the actual amortization schedule for such Bonds, except as follows:

(a) ***Balloon Bonds.*** The Debt Service on Bonds of any Series that constitute Balloon Bonds may be deemed to be payable as follows:

If MEC delivers an Officer's Certificate to the Trustee that establishes an amortization schedule for any such Bonds, which provides for payments of principal for each Fiscal Year that will provide sufficient moneys to make any actual payments when required to be made by the terms of such Bonds; and MEC agrees in such Officer's Certificate that MEC will deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between MEC and such bank or trust company, which agreement shall be satisfactory in form and substance to the Trustee) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Bonds during such Fiscal Year (other than from amounts on deposit with such bank or trust company), which deposits shall be made prior to any such required actual payments, then such Bonds may be deemed to be payable in accordance with the terms of such amortization schedule and agreement; or

Such Bonds may be deemed to be Bonds payable on a level annual debt service basis calculated using the original principal amount of such Balloon Bonds amortized over a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Bonds and ending on the final maturity date of such Balloon Bonds, or (ii) 25 years from the date of issuance of such Bonds, bearing interest on the unpaid principal balance at the assumed rate equal to the rate set forth in the 25-year Bond Buyer Revenue Bond Index most recently published in The Bond Buyer.

(b) ***Capital Appreciation Bonds.*** The principal amount of Bonds of any Series that constitute Capital Appreciation Bonds shall be deemed to be the "*accreted value*" (defined below) thereof as of the date of calculation. "*Accreted value*" means with respect to any capital appreciation bonds (1) as of any "*valuation date*" (defined below), the amount set forth in the Supplemental Indenture authorizing such Bonds as the value of such Bonds on such valuation date, and (2) as of any date other than a valuation date the sum of (i) the accreted value on the next preceding valuation date, and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding valuation date and the denominator of which is the number of days from such preceding valuation date to the next succeeding valuation date, and (B) the difference between the accreted values for such valuation dates. "*Valuation date*" means with respect to any Capital Appreciation Bonds the date or dates set forth in the Supplemental Indenture relating to such Bonds on which specific accreted values are assigned to the capital appreciation bonds.

(c) ***Qualified Credit Facilities.*** No Reimbursement Obligations shall be deemed payable with respect to Bonds supported by a Qualified Credit Facility until such time as amounts are paid under such Qualified Credit Facility and the obligation to make payments under the Qualified Credit Facility actually arises (and only to the extent of advances actually made under such Qualified Credit Facility). From and after such funding, the amount of such Debt Service shall be calculated in accordance with the actual amount of Reimbursement Obligations required to be repaid on such Qualified Credit Facility and the actual interest rate and amortization schedule applicable thereto. No Debt Service shall be deemed to arise when any funding occurs under any such commitment if such funding is immediately repaid and such commitment is reinstated in accordance with its terms, or when any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as existed prior to such renewal.

(d) ***Qualified Swap Facilities.*** If MEC has entered into a Qualified Swap Facility with respect to a Series of Bonds (or portion thereof), such Bonds shall be deemed to bear interest for the period of time the Qualified Swap Facility is in effect at a net interest rate which takes into account the interest payments made or to be made by MEC with respect to such Bonds and the net payments expected to be paid or received by MEC under such Qualified Swap Facility; if such net amount is less than zero, such net amount may be credited against other interest coming due in calculating Debt Service so long as the credit rating of the swap counterparty (or any guarantor thereof) is in one of the two highest rating categories of a nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise).

(e) ***Variable Rate Bonds.*** In determining the Debt Service on Bonds of any Series that constitute Variable Rate Bonds, the interest rate on such Bonds for any period prior to the date of calculation or for which the interest rate has been determined shall be the actual interest rate payable during such period, and for each year in which such Bonds are Outstanding and for which the actual interest rate has not been determined, the interest rate on such Bonds for the period of determination shall be deemed to be the highest of (1) the average annual rate of interest payable on such Bonds during the 12 months immediately preceding the date of calculation or the current rate, or if such Bonds are to be issued or were issued less than 12 months preceding such date, the higher of the initial rate or the average annual rate of interest payable on such Bonds during such period immediately preceding the date of calculation, or (2) the variable rate certified by MEC's financial advisor, underwriter or other agent, including a remarketing agent, to be the variable rate then in effect for such Series of Bonds, or (3) such other amount as shall be specified or determined in accordance with the Supplemental Indenture pursuant to which such Variable Rate Bonds were issued in order to satisfy the requirements of the provider of any Qualified Credit Facility or Qualified Liquidity Facility for such Series of Bonds or to obtain or maintain specific ratings from any rating agency for such Variable Rate Bonds or any other Series of Bonds.

When calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds which are issued with a Qualified Swap Facility in which MEC has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Qualified Swap Facility; provided that such effective fixed annual rate may be utilized only if the Qualified Swap Facility has been reviewed and approved by each of the rating agencies then rating the Series of Variable Rate Bonds and each provider of a Qualified Credit Facility with respect to payment of the Series of Variable Rate Bonds; and provided further that such effective fixed annual interest rate may be utilized only so long as such a Qualified Swap Facility is contracted to remain in full force and effect.

Establishment of Funds and Accounts

The following Funds and Accounts are established by the Indenture, each of which shall be held by the Trustee or MEC as specified:

(a) Project Fund, to be held by the Trustee, which shall consist of a separate Series Project Account for each Series of Bonds in which the Trustee may establish such subaccounts as shall be necessary to segregate and account for Bond proceeds.

(b) Revenue Fund, to be held by MEC.

(c) Operation and Maintenance Fund, to be held by MEC, which shall consist of an Operating Account and Operating Reserve Account.

(d) Debt Service Fund, to be held by the Trustee, which shall consist of a separate Series Debt Service Account for each Series of Bonds, in which the Trustee may establish separate subaccounts as set forth in the Supplemental Indenture authorizing such Series of Bonds.

(e) Debt Service Reserve Fund, to be held by the Trustee, which shall consist of a Common Debt Service Reserve Account and may contain a separate Debt Service Reserve Account for any Series of Bonds, in which the Trustee may establish separate subaccounts as set forth in the Supplemental Indenture authorizing such Series of Bonds.

(f) Subordinated Bond Fund, to be held by the Trustee, which shall consist of a separate Series Subordinated Bond Account for each series of Subordinated Bonds, in which the Trustee may establish separate subaccounts as set forth in a Supplemental Indenture.

(g) Rebate Fund, to be held by the Trustee, which shall consist of a separate Series Rebate Account for each Series of Bonds the interest on which is intended to be tax-exempt, in which the Trustee may establish separate subaccounts as set forth in the Supplemental Indenture authorizing such Series of Bonds.

(h) Reserve and Contingency Fund to be held by MEC.

(i) General Reserve Fund to be held by MEC.

MEC may, by Supplemental Indenture, establish one or more additional funds, accounts or subaccounts. All moneys deposited with or paid to MEC or the Trustee for the Funds and Accounts held by MEC or the Trustee, respectively, under the Indenture shall be held and applied by MEC or the Trustee, as applicable, only in accordance with the provisions of the Indenture and each applicable Supplemental Indenture. Until used or applied as provided in the Indenture, all moneys in the Funds and Accounts held by the Trustee under the Indenture (except for moneys in the Rebate Fund) shall be held by the Trustee in trust and shall constitute part of the Trust Estate and be subject to the lien, terms and provisions of the Indenture and shall not be commingled with any other funds and accounts of MEC except as provided under the Indenture for investment purposes.

Project Fund

There shall be paid into the Project Fund the amounts required to be so paid by the provisions of the Indenture and any Supplemental Indenture with respect to a Series of Bonds, and there may be paid into the Project Fund, at the direction of MEC, any moneys received for or in connection with the Iatan 2 Project from any other source, unless required to be otherwise applied as provided by the Indenture. Amounts in the Project Fund shall be applied to the payment of the Costs of Acquisition and Construction of the Iatan 2 Project or the costs of refunding any Bonds in the manner provided in the Indenture.

Subject to the provisions of the Project Agreement, the proceeds of insurance, including the proceeds of any self-insurance fund, maintained pursuant to the Indenture against physical loss of or damage to the Iatan 2 Project or casualty loss, or of contractors' performance bonds or other assurances of completion with respect thereto, pertaining to the period of acquisition and construction thereof, shall be paid into the appropriate separate Series Project Account in the Project Fund.

The Trustee shall, during construction of the Iatan 2 Project, pay from the Project Fund to MEC, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than an amount specified in the Indenture, such sums to be used by MEC as a revolving fund for the purpose of paying such items of the Cost of Acquisition and Construction thereof as cannot conveniently be paid as in the Indenture otherwise provided.

Revenues and Revenue Fund

All Revenues shall be promptly deposited by MEC upon receipt thereof to the credit of the Revenue Fund.

Payments Into Certain Funds

As soon as practicable in each month after the deposit of Revenues into the Revenue Fund, but in any case no later than the last business day of such month, MEC shall withdraw from the Revenue Fund and credit to, or shall transfer to the Trustee for deposit in, the following Funds and Accounts in the following order the amounts set forth below:

(a) To the Operation and Maintenance Fund (1) for credit to the Operating Account such amount as shall be necessary for the payment of all Operation and Maintenance Expenses which are unpaid and which are estimated to become due prior to the end of the following calendar month in the Annual Iatan 2 Budget, and (2) if the amount on deposit in the Operating Reserve Account in the Operation and Maintenance Fund is less than the Operating Reserve Requirement, for credit to the Operating Reserve Account, the amount required to restore the balance in the Operating Reserve Account to the Operating Reserve Requirement, over a period of 24 months in equal monthly installments. If and to the extent provided in the Indenture and any Supplemental Indenture, there may be deposited in the Operating Reserve Account moneys received for or in connection with the Iatan 2 Project from any other source, unless required to be otherwise applied as provided in the Indenture.

(b) To the Debt Service Fund, for credit to each Series Debt Service Account established with respect to each Series of Bonds pursuant to a Supplemental Indenture, on a parity with the transfer to each other Series Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Debt Service with respect to such Series of Bonds as of the last day of the then current month; provided that, if there shall be a deficiency of Revenues to make the deposits required by this summarized subsection, such Revenues shall be deposited into each Series Debt Service Account on a pro rata basis based on the amount of each such required deposit.

(c) To the Debt Service Reserve Fund, for credit to the Common Debt Service Reserve Account and to any Series Debt Service Reserve Account established with respect to any Series of Bonds pursuant to a Supplemental Indenture, the amount, if any, required (1) to restore any deficiency in said account as described under the Indenture and (2) to fund the applicable Debt Service Reserve Requirement as described in the Indenture; provided, that, if there shall be a deficiency of Revenues to make the deposits required by this summarized subsection, such Revenues shall be deposited into each Series Debt Service Reserve Account on a pro rata basis based on the amount of each such required deposit.

(d) To the Subordinated Bond Fund, for credit to each Series Subordinated Bond Account established with respect to Subordinated Bonds pursuant to a Supplemental Indenture, such amounts as shall be required by the Supplemental Indenture authorizing such Subordinated Bonds.

(e) To the Reserve and Contingency Fund (1) commencing with the month during which Iatan Unit 2 achieves commercial operations, the amount of specified in the Indenture each month until such time as the amount on deposit in the Reserve and Contingency Fund has reached the Reserve and Contingency Requirement, and (2) thereafter, if the amount on deposit in the Reserve and Contingency Fund is less than the Reserve and Contingency Requirement, the amount required to restore the balance in the Reserve and Contingency Fund to the Reserve and Contingency Requirement, over a period of 24 months in equal monthly installments.

(f) To the General Reserve Fund, the remaining balance, if any, of moneys in the Revenue Fund after making the above credits, transfers and deposits.

Operation and Maintenance Fund

The Operation and Maintenance Expenses shall be paid by MEC out of the amounts on deposit in the Operating Account in the Operation and Maintenance Fund, from time to time as such costs become due and payable.

Moneys in the Operating Reserve Account in the Operation and Maintenance Fund may be used as working capital and to provide for the payment of items of Operation and Maintenance Expenses which accrue over time and are payable less frequently than monthly and other non-recurring expenses.

If on the last business day of any month the amount in the Operating Account in the Operation and Maintenance Fund shall be less than the amount required to be in such Account to pay expected Operation and Maintenance Expenses in such month, MEC shall transfer amounts from the Operating Reserve Account in the Operation and Maintenance Fund to the Operating Account to the extent of the deficiency.

If the amount on deposit in the Operating Reserve Account is less than the Operating Reserve Requirement because of a withdrawal from said Account under this summarized Section or a valuation under the Indenture, MEC shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the amount in such account to the Operating Reserve Requirement within 24 months as provided in the Indenture.

Debt Service Fund – Series Debt Service Accounts

Amounts on deposit in the Debt Service Fund in any Series Debt Service Account established for a Series of Bonds shall be used and withdrawn as provided in this summarized Section and in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(a) The Trustee shall pay out of the appropriate Series Debt Service Account in the Debt Service Fund: (1) on or before each interest payment date for the Series of Bonds to which such Account relates, the amount required for the interest payable on such date; (2) on or before each Principal Installment due date for such Series of Bonds, the amount required for the Principal Installment payable on such due date; (3) on or before any redemption date for such Series of Bonds, the amount required for the payment of Redemption Price of and accrued interest on such Bonds then to be redeemed; and (4) if provided in a Supplemental Indenture, on or before the due date of each swap payment under a Qualified Swap Facility with respect to such Series, the amount required for the payment thereof; provided, however, that if provided in a Supplemental Indenture, with respect to any Series of Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a Qualified Credit Facility prior to any application of amounts in the Series Debt Service Account to such payments, then the Trustee shall not pay any such amounts to the Paying Agent unless such amounts have failed to be provided from such Qualified Credit Facility at the time required, and if any such amounts due are paid from such Qualified Credit Facility the Trustee shall apply the amounts in the Series Debt Service Account to provide payment of the Reimbursement Obligations with respect to such Qualified Credit Facility as provided in the agreement governing reimbursement of such amounts to the issuer or provider of such Qualified Credit Facility.

(b) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in any Series Debt Service Account in the Debt Service Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by MEC in an Officer's Certificate not less than 45 days before the due date of such Sinking Fund Installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). All purchases of any Bonds pursuant to this summarized subsection shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as MEC shall direct the Trustee. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the appropriate Series Debt Service Account in the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by MEC as an Operation and Maintenance Expense from the Operation and Maintenance Fund.

(c) In the event of the refunding of any Bonds, the Trustee shall, if MEC so directs, withdraw from the Series Debt Service Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

Debt Service Reserve Fund

Any Series of Bonds hereafter issued is not required to be secured by the Debt Service Reserve Fund or any Account thereof. However, MEC has established under the Indenture a Common Debt Service Reserve Account which shall be funded to secure the Covered Bonds in an amount equal to the Common Debt Service Reserve Requirement. MEC may, at its option, specify in a Supplemental Indenture whether or not any Series of Bonds will be secured by the Common Debt Service Reserve Account. If MEC determines that a Series of Bonds shall not have a claim for payment on the Common Debt Service Reserve Account, MEC may, at its option, create a Series Debt Service Reserve Account for such Bonds and establish a related Series Debt Service Reserve Requirement in a Supplemental Indenture. Such Bonds shall have a claim for payment on the related Series Debt Service Reserve Account as set forth therein. Such Series Debt Service Reserve Account may be established for the benefit of one or more Series of Bonds as set forth in a Supplemental Indenture. Amounts held in an Account of the Debt Service Reserve Fund shall be applied only to prevent deficiencies in the payments of principal of and interest on the related Series of Bonds which have a claim on such Account.

Upon the issuance of a Series of Covered Bonds, MEC shall calculate the amount of the Common Debt Service Reserve Requirement to reflect the issuance of such Covered Bonds. Any resulting increase in the amount of the Common Debt Service Reserve Requirement shall be funded in whole at the time of issuance of a Series of Covered Bonds by the deposit of cash, Investment Securities or a Qualified Reserve Facility.

Upon the issuance of any Series of Bonds that are not Covered Bonds but are secured by a Series Debt Service Reserve Account, such Series Debt Service Reserve Account will be funded in an amount and in the manner to be set forth in the Supplemental Indenture authorizing such Series of Bonds.

Amounts on deposit in the Debt Service Reserve Fund in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account established for a Series of Bonds shall be used and withdrawn as provided in the Indenture and the Supplemental Indenture authorizing the issuance of such Series. If the amount on deposit in the applicable Debt Service Account for any Series of Bonds secured by an Account of the Debt Service Reserve Fund shall be less than the amount required to be in such Debt Service Account to pay principal of or interest on the related Series of Bonds pursuant to the Indenture, the Trustee shall apply amounts from the applicable Account of the Debt Service Reserve Fund to the extent necessary to cure such deficiency with respect to the related Series of Bonds.

MEC may cause to be deposited into the Common Debt Service Reserve Account or any Series Debt Service Reserve Account in the Debt Service Reserve Fund one or more Qualified Reserve Facilities to satisfy a Debt Service Reserve Requirement. Each Qualified Reserve Facility in an account shall be payable (upon the giving of notice as required thereunder and, unless otherwise authorized by any Supplemental Indenture), on a pro rata basis with any other Qualified Reserve Facilities on deposit in such Account of the Debt Service Reserve Fund on any day on which moneys will be required to be withdrawn from such Account and applied to make up any deficiency in the Debt Service Accounts pursuant to this summarized Section with respect to the Bonds secured by such Account of the Debt Service Reserve Fund; provided, that prior to drawing on any Qualified Reserve Facility, any cash or Investment Securities in the applicable Account of the Debt Service Reserve Fund shall be applied to cure such deficiency.

If the rating of any issuer or provider of a Qualified Reserve Facility is down-graded below the required ratings or the Qualified Reserve Facility is otherwise terminated or not renewed by MEC, then MEC must immediately either (1) direct the Trustee to draw on such Qualified Reserve Facility and deposit the proceeds of said drawing to the applicable Account of the Debt Service Reserve Fund, or (2) otherwise provide funds for deposit in the applicable Account of the Debt Service Reserve Fund in an amount sufficient to satisfy the related Debt Service Reserve Requirement.

If the value of the Common Debt Service Reserve Account or any Series Debt Service Reserve Account of the Debt Service Reserve Fund exceeds the applicable Debt Service Reserve Requirement, MEC may request that the cash or Investment Securities held in such Account in excess of the required amount be transferred by the Trustee to MEC for deposit into the Revenue Fund.

If the amount on deposit in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account of the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Requirement because of a withdrawal from said Account under the Indenture or a valuation under the Indenture, the Trustee shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the funds in such account to the applicable Debt Service Reserve Requirement as follows. If such deficiency exists in the Common Debt Service Reserve Account, the monthly deposit shall be equal to the difference between the Common Debt Service Reserve Requirement and the amount of cash and Investment Securities and the balance available to be drawn on the related Qualified Reserve Facilities on such date divided by 12. In the event that a deficiency exists in a Series Debt Service Reserve Account, the monthly deposit shall be calculated in accordance with the terms of the applicable Supplemental Indenture.

In the event of the refunding of all or a portion of a Series of Bonds secured by a Debt Service Reserve Account in the Debt Service Reserve Fund, the Trustee shall, upon the direction of MEC, withdraw from the related Debt Service Reserve Account of the Debt Service Reserve Fund amounts accumulated therein with respect to the Series of Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to the Indenture, and (b) the amount remaining in the applicable Debt Service Reserve Account of the Debt Service Reserve Fund after such withdrawal shall not be less that the applicable Debt Service Reserve Requirement.

Subordinated Bond Fund

The Trustee shall apply amounts in each separate Series Subordinated Bond Account in the Subordinated Bond Fund at the times, in the amounts and to the purposes specified with respect thereto in the respective resolutions, indentures or other instruments, including any Supplemental Indenture, relating to such Account and the Subordinated Bonds payable therefrom or secured thereby.

If at any time the amount in any Series Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to the Indenture, or the amount in any Debt Service Reserve Account in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement relating thereto, and there shall not be on deposit in the General Reserve Fund or the Reserve and Contingency Fund available moneys sufficient to cure any such deficiency, then the Trustee shall withdraw from the Subordinated Bond Fund and deposit into such Series Debt Service Account or such Debt Service Reserve Account, as the case may be, the amount necessary to make up such deficiency (or, if the amount in said Fund shall be less than the amount necessary to make up the deficiencies with respect to all Series Debt Service Accounts and Debt Service Reserve Accounts, then the amount in said Fund shall be first applied ratably (in proportion to the deficiency in each such account) to make up the deficiencies in such Series Debt Service Accounts, and any balance remaining shall be applied ratably (in proportion to the deficiency in each such Account) to make up part of the deficiencies in such Debt Service Reserve Accounts. For purposes of this summarized subsection, the Trustee shall withdraw from each account in the Subordinated Bond Fund, ratably in proportion to the respective amounts on deposit therein, the amounts required to make up said deficiencies.

Reserve and Contingency Fund

Amounts in the Reserve and Contingency Fund shall be applied to payment of extraordinary operation and maintenance expenses and contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the Iatan 2 Project, to payment of renewals, repairs, additions, betterments and improvements in connection with the Iatan 2 Project necessary to keep the same in good operating condition, or required by any governmental agency having jurisdiction over the Iatan 2 Project or any part thereof or required by the Project Agreement, all to the extent not provided for in the then current Annual Iatan 2 Budget or by reserves credited to the Operation and Maintenance Fund or from the proceeds of Bonds, notes or other evidences of indebtedness issued by MEC to finance or refinance the Costs of Acquisition and Construction.

No payments shall be made from the Reserve and Contingency Fund if and to the extent that the proceeds of insurance, including the proceeds of any self-insurance fund, or other moneys recoverable as the result of damage, if any, are available to pay the costs otherwise payable from such Fund.

If and to the extent provided in a Supplemental Indenture authorizing Bonds of a Series, amounts from the proceeds of such Bonds may be credited to the Reserve and Contingency Fund and to any account therein as specified in the Supplemental Indenture for any purpose of such Fund or account.

If at any time the amount in any Series Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to the Indenture, or the amount in any Debt Service Reserve Account in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement therefor, and there shall not be on deposit in the General Reserve Fund available moneys sufficient to cure any such deficiency, then MEC shall transfer moneys from the Reserve and Contingency Fund in the following order of priority: (1) to the Series Debt Service Accounts, pro rata based on the amount of such deficiencies, the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiencies, and (2) to the Debt Service Reserve Accounts, pro rata based on the amount of such deficiencies, the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiencies.

Any balance of moneys and securities in the Reserve and Contingency Fund not required to meet any deficiencies in any Series Debt Service Account or any Debt Service Reserve Account or not needed for any of the purposes for which such Fund was established, may be transferred by MEC to the Operation and Maintenance Fund, if and to the extent deemed necessary by MEC, to make up any deficiencies in such Fund, and thereafter any remaining excess may be transferred to the credit of the General Reserve Fund.

If the amount on deposit in the Reserve and Contingency Fund is less than the Reserve and Contingency Requirement because of a withdrawal from said Fund under this summarized Section or a valuation under the Indenture, MEC shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the amount in such account to the Reserve and Contingency Requirement within 24 months as provided in the Indenture.

General Reserve Fund

MEC shall transfer from the General Reserve Fund moneys in the following amounts and in the following order of priority: (1) to the Trustee for deposit in the Series Debt Service Accounts, pro rata based on the amount of each such deficiency, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Accounts required by the Indenture, (2) to the Trustee for deposit in the Debt Service Reserve Accounts, pro rata based on the amount of each such deficiency, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in required payments to such Accounts or resulting from any transfer to the Series Debt Service Accounts, (3) to the Subordinated Bond Fund, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Fund required by the Indenture, and (4) to the Reserve and Contingency Fund the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Fund required by the Indenture.

Amounts in the General Reserve Fund not required to meet a deficiency as required above shall, upon a determination of MEC, be applied to or set aside for any one or more of the following:

(a) payment into the Revenue Fund or any other fund or account established by the Indenture or any indenture with respect to bonds, notes or other evidences of indebtedness issued by MEC to finance or refinance the Costs of Acquisition and Construction;

(b) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any Bonds;

(c) payments required to be made to any Series Subordinated Bond Account in the Subordinated Bond Fund established pursuant to an indenture of trust with respect to bonds, notes or other evidence of indebtedness payable on a basis subordinate to the Bonds; and

(d) any other lawful purpose of MEC related to the Iatan 2 Project.

Rebate Fund

There shall be deposited in each respective Series Rebate Account in the Rebate Fund such amounts as are required to be deposited therein pursuant to the tax compliance provisions applicable to any Series of Bonds under a Supplemental Indenture with respect to a Series of Bonds. All amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay rebatable arbitrage to the United States of America, and neither MEC nor the owner of any Bonds shall have any rights in or claim to such money.

The Trustee shall remit from moneys in each respective Series Rebate Account in the Rebate Fund all rebate installments and a final rebate payment to the United States required by the tax compliance provisions applicable to any Series of Bonds under a Supplemental Indenture with respect to a Series of Bonds.

Investment of Certain Funds

Moneys held in the Project Fund, each Series Debt Service Account in the Debt Service Fund, the Common Debt Service Reserve Account and each Series Debt Service Reserve Account in the Debt Service Reserve Fund, the Subordinated Bond Fund and the Rebate Fund shall be invested and reinvested by the Trustee at the direction of MEC to the fullest extent practicable in Investment Securities which mature or are available not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such trades, including cash sweep account fees.

Moneys held in the Revenue Fund shall be invested and reinvested by MEC in Investment Securities which mature not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Fund. Moneys in the Operation and Maintenance Fund shall be invested by MEC in Investment Securities which mature within 12 months from the date of such investment and moneys in the Reserve and Contingency Fund and the General Reserve Fund shall be invested by MEC in Investment Securities which mature not later than such times as reasonably expected to be necessary to provide moneys when needed to provide payments from such Funds or Accounts.

Interest and other investment income (net of that which (a) represents a return of accrued interest paid in connection with the purchase of any investment, and (b) is required to offset the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts (other than the Project Fund), to the extent resulting in a balance which is in excess of any requirement for such Fund or Account, shall be paid into the Revenue Fund, provided, however, that interest and other investment income shall be paid into the Project Fund to the extent provided in the Supplemental Indentures entered into from time to time. Interest and other investment income earned on any moneys or investments in a separate account in the Project Fund shall be held in such account for the purposes thereof. Nothing in the Indenture shall prevent any Investment Securities acquired as investments of funds held under the Indenture from being issued or held in book-entry form.

Construction and Operation of Iatan 2 Project; Project Agreement

MEC shall at all times comply with all terms, covenants and provisions, express and implied, of the Project Agreement and all other contracts or agreements affecting or involving the Iatan 2 Project or business of MEC with respect thereto. MEC shall duly perform its covenants and obligations under the Project Agreement and will enforce the provisions thereof against the other parties thereto. MEC shall not consent or agree to any rescission of or amendment to any of the Project Agreement which, in the judgment of MEC or the Trustee, will materially and adversely affect its rights thereunder.

MEC shall use its best efforts to cause the acquisition and construction of the Iatan 2 Project to be accomplished in a sound and economic manner and as expeditiously as is practicable, in accordance with the provisions of the Project Agreement and the plans and specifications therefor. MEC shall promptly and vigorously enforce and defend its rights under the Project Agreement and will not consent or agree to any amendment of the Project Agreement that materially and adversely affects its rights thereunder.

MEC shall, subject to the provisions of the Project Agreement and consistent with the terms and provisions thereof and with Prudent Utility Practice, (a) cause the Iatan 2 Project to be operated, maintained and managed in an efficient and economical manner consistent with the Power Purchase Agreements, (b) cause the Iatan 2 Project to be maintained, preserved and kept in good repair, working order and condition, and (c) cause all necessary and proper repairs, replacements and renewals to be made so that the operating efficiency of the Iatan 2 Project will be properly and advantageously conducted.

Power Purchase Agreements; Enforcement and Amendment

MEC shall not consent to the transfer or assignment of a Power Purchase Agreement unless MEC has received from each rating agency who maintains an underlying rating on the Bonds, a written confirmation that the rating on the Bonds will not be adversely affected as a result of such transfer.

MEC shall collect and forthwith deposit in the Revenue Fund all amounts payable to it by the Power Purchasers with respect to the Iatan 2 Project pursuant to the Power Purchase Agreements or pursuant to any other contract for the use or the sale of the capacity or output of the Iatan 2 Project or any part thereof. MEC shall enforce the provisions of the Power Purchase Agreements and duly perform its covenants and agreements thereunder. MEC will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with the Power Purchase Agreements which will reduce the payments required thereunder with respect to the Iatan 2 Project or which will in any manner materially impair or materially adversely affect the rights of MEC thereunder or the rights or security of the Bondowners under the Indenture. So long as the Bonds are Outstanding, MEC shall not establish a billing period with respect to the Iatan 2 Project under the Power Purchase Agreements that is longer than a month.

If for any reason any of the Power Purchase Agreements are no longer in force and effect, MEC (i) shall designate the capacity or output of the Iatan 2 Project associated with such Unit Power Purchase Agreements as a Resource Obligation pursuant to the Pool Power Purchase Agreement (in addition to the 30 MW capacity of the Iatan 2 Project initially designated as a Resource Obligation), or (ii) shall allocate such capacity or output not so designated as a Resource Obligation to the Pool Power Purchasers pursuant to the Pool Power Purchase Agreement. Alternatively, to the extent permitted by law, MEC may enter into one or more power purchase agreements or make other arrangements for the disposition of such capacity or output of the Iatan 2 Project to other power purchasers. MEC shall, to the extent permitted by law, provide for the payment of Revenues pursuant to any such power purchase agreements so entered into or other arrangements so made which will be fully sufficient in order to provide Revenues to pay the principal or Redemption Price of and interest to become due in respect of all Bonds in strict conformity with the terms of the Bonds and the Indenture.

MEC agrees that if an Event of Default exists and is continuing under the Indenture, the Trustee in its name or in the name of MEC may enforce all rights of MEC and all obligations of the Power Purchasers and MEC under and pursuant to such Power Purchase Agreements for and on behalf of the Bondowners.

The failure of a Unit Power Purchaser to make to MEC any of the payments for which provision is made in its Unit Power Purchase Agreement when due constitutes an immediate default on the part of such Unit Power Purchaser as provided in the Unit Power Purchase Agreements. The failure of a Pool Power Purchaser to make to MEC any of the payments for which provision is made in its Pool Power Purchase Agreement within thirty days after MEC delivers a notice that such payment is past due constitutes an immediate default on the part of such Pool Power Purchaser as provided in the Pool Power Purchase Agreements. Upon the occurrence of such an event of default under any of the Power Purchase Agreements, MEC shall immediately take all actions authorized by the Power Purchase Agreements against such Power Purchaser pursuant to the terms of the Power Purchase Agreements.

Rates, Fees and Charges

MEC shall promptly collect all amounts payable under the Power Purchase Agreements as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any Power Purchaser who does not pay such charges when due as provided in the Indenture.

MEC shall at all times fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services of the Iatan 2 Project, as shall be required to provide Revenues at least sufficient in each Fiscal Year, together with other available funds, for the payment of the sum of:

(a) the amount required to be paid during such Fiscal Year into the Operating Account and Operating Reserve Account of the Operation and Maintenance Fund during such Fiscal Year;

(b) the amounts equal to the Aggregate Debt Service for such Fiscal Year required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Annual Budget anticipates shall be transferred from other Funds;

(c) the amount, if any, to be paid during such Fiscal Year into the Common Debt Service Reserve Account or respective Series Debt Service Reserve Accounts in the Debt Service Reserve Fund (whether to replace amounts withdrawn from the Debt Service Reserve Fund, to reimburse amounts drawn on any Qualified Reserve Facility or otherwise);

(d) the amount, if any, required to be paid during such Fiscal Year into the Subordinated Bond Fund;

(e) the amount required to be paid during such Fiscal Year into the Reserve and Contingency Fund;

(f) the amounts, if any, required to be deposited in the General Reserve Fund during such Fiscal Year; and

(g) all other amounts, if any, required to be paid into any other Fund or Account during such Fiscal Year under the Indenture, and all other charges or amounts payable out of Revenues during such Fiscal Year.

MEC shall include in the Annual MoPEP Iatan 2 Budget an allocable share of the Annual Iatan 2 Budget such that the budgeted amount of payments from the Pool Power Purchasers under the Pool Power Purchase Agreement for such output, capacity, use and service of the Pool Power Purchasers under the Pool Power Purchase Agreement allocable to the Iatan 2 Project, together with the amounts required to be paid by Unit Power Purchasers to MEC under the Unit Power Purchase Agreements (assuming full and timely payment by the Pool Power Purchasers and the Unit Power Purchasers) will provide total Revenues as required by subsection (c). MEC shall also include in the Annual MoPEP Iatan 2 Budget for each Fiscal Year, and collect in rates and charges under the Pool Power Purchase Agreement, an amount which is at least 10% of the aggregate amount payable in such Fiscal Year for all bonds, notes or other evidence of indebtedness, including capital leases, or the allocable portion thereof, issued by MEC and secured, in whole or in part, by payments due to MEC pursuant to the Pool Power Purchase Agreement.

MEC will not furnish or supply or cause to be furnished or supplied any capacity, output, use, or service of the Iatan 2 Project, free of charge to any person, firm or corporation, public or private, and MEC may to the extent permitted by law enforce the payment of any and all accounts owing to MEC by reason of the operation of the Iatan 2 Project by discontinuing such capacity, output, use or service, or by filing suit therefor within 120 days after any such accounts are due, or by both such discontinuance and by filing suit.

Annual Budget

Not less than 30 days prior to the beginning of each Fiscal Year, MEC shall prepare and file with the Trustee for the ensuing Fiscal Year an Annual Budget approved by the Board of Directors of MEC, which Annual Budget shall incorporate an Annual Iatan 2 Budget with respect to the Iatan 2 Project. Such Annual Iatan 2 Budget shall set forth in reasonable detail the estimated Revenues, Operation and Maintenance Expenses and other expenditures with respect to the Iatan 2 Project and the estimated deposits to and amounts estimated to be expended from each Fund and Account established under the Indenture, as shall be necessary or appropriate so as to comply with the Indenture, the Project Agreement, the Power Purchase Agreements and the Joint Contract and may set forth such additional information as MEC may determine. The Annual Iatan 2 Budget shall incorporate an Annual MoPEP Iatan 2 Budget established for the purpose of setting rates for services to Pool Purchasers as set forth in the Pool Power Purchase Agreement. The Annual MoPEP Iatan 2 Budget shall also be incorporated in the Annual Budget adopted by MEC, as amended or supplemented and in effect for a particular Fiscal Year.

Following the end of each quarter of each Fiscal Year, MEC shall review the Annual Iatan 2 Budget and the Annual MoPEP Iatan 2 Budget for such Fiscal Year, and in the event such review indicates that the Annual Iatan 2 Budget or the Annual MoPEP Iatan 2 Budget does not or will not substantially correspond with actual receipts or expenditures, or if there are or are expected to be at any time during any such Fiscal Year extraordinary receipts, credits or expenditures that will substantially affect the amounts shown in the Annual Iatan 2 Budget or the Annual MoPEP Iatan 2 Budget, MEC shall take the actions provided for in the Power Purchase Agreements. In the event the Annual Iatan 2 Budget is amended or supplemented, MEC will file with the Trustee a revised Annual Iatan 2 Budget. MEC also may at any time adopt and file with the Trustee a revised Annual Iatan 2 Budget for the remainder of the then current Fiscal Year.

Accounts and Reports

MEC shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Iatan 2 Project and each Fund and Account established under the Indenture and relating to costs and charges under the Power Purchase Agreements and which, together with the Power Purchase Agreements and all other books and papers of MEC, including insurance policies, relating to the Iatan 2 Project, shall at all times be subject to the inspection of the Trustee, and the Owners of an aggregate of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

MEC shall annually, within 120 days after the close of each Fiscal Year, cause to be filed with the Trustee, and otherwise as provided by law, a copy of MEC's Annual Report for such Fiscal Year, accompanied by an accountant's certificate, which shall include information relating to the Iatan 2 Project, including a summary with respect to each Fund and Account established under the Indenture of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal Year. Such accountant's certificate shall state whether or not, to the knowledge of the signer, MEC is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture, and if so, the nature of such default.

MEC shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by MEC of any covenant, agreement or condition contained in the Indenture, an Officer's Certificate specifying such Event of Default or default and (b) within 120 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending after the issuance of the first Series of Bonds under the Indenture, an Officer's Certificate stating that, to the best of the signer's knowledge and belief, MEC has kept, observed, performed and fulfilled its covenants and obligations contained in the Indenture and there does not exist at the date of such certificate any default by MEC under the Indenture or any Event of Default or other event which, with the lapse of time or giving of notice specified in the Indenture would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture shall be available for the inspection of Bondowners at the office of the Trustee and shall be mailed to each Bondowner who shall file a written request therefor with the Trustee. The Trustee may charge each Bondowner requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Creation of Liens

Except to the extent otherwise provided in the Indenture or the Project Agreement, the Revenues, the Funds and other moneys, securities and funds pledged and assigned under the Indenture are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the Indenture, and all corporate or other action on the part of MEC to that end has been and will be duly and validly taken.

MEC will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Revenues or the Trust Estate, except as specifically authorized in the Indenture. MEC shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Revenues or other moneys, securities or funds held or set aside by MEC or by the Trustee under the Indenture and shall not create or cause to be created any lien or charge on the Revenues, or such moneys, securities or funds; provided, however, that nothing contained in the

Indenture shall prevent MEC from issuing, if and to the extent permitted by law, bonds, notes, debentures or other evidences of indebtedness payable on a basis subordinate to the Bonds.

MEC will not create, and will use its good faith efforts to prevent the creation of, any mortgage or lien upon the Iatan 2 Project or any property essential to the proper operation of the Iatan 2 Project or to the maintenance of the Revenues. MEC will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Revenues except only as provided in or permitted by the Indenture.

Maintenance of Insurance

MEC shall, at all times, insure (or cause to be insured) the Iatan 2 Project from such causes customarily insured against for similar interests held by utilities constructing and operating electric generation facilities of the nature of the generation facilities of the Iatan 2 Project, and in such relative amounts as are usually obtained, to the extent available on commercially reasonable terms. MEC shall use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those with rights and interests similar to the Iatan 2 Project, to the extent available on commercially reasonable terms. Insurance maintained pursuant to the Project Agreement shall be deemed in compliance with this paragraph if such insurance otherwise complies with the requirements of the Indenture.

Reconstruction; Application of Insurance Proceeds

If any useful portion of the Iatan 2 Project shall be damaged or destroyed, MEC shall as expeditiously as possible, continuously and diligently enforce its rights under the Project Agreement to cause to be prosecuted the repair, reconstruction or replacement thereof, unless MEC in an Officer's Certificate filed with the Trustee shall state, in the judgment of MEC, that such reconstruction or replacement is not in the interest of MEC and the Bondowners or unless it is determined under the provisions of the Project Agreement that such reconstruction or replacement is not to be undertaken.

The proceeds of any insurance payable to MEC and not required to be paid as provided in the Project Agreement, paid on account of such damage or destruction (other than any business interruption loss insurance) shall be held by the Trustee in a special account in the Project Fund and made available for, and to the extent necessary be applied to, the costs of reconstruction. Pending such application, such proceeds shall be invested by MEC or the Trustee at the written direction of MEC in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction. Interest earned on such account or investments shall be deposited into the Revenue Fund. The proceeds of any insurance not applied within 36 months after receipt thereof by MEC or the Trustee to the costs of reconstruction, or which MEC shall at any time notify the Trustee are not to be so applied, shall be deposited into the Revenue Fund. Notwithstanding the foregoing, in the event that payments are made from the Reserve and Contingency Fund for any such costs of reconstruction prior to the availability of insurance proceeds, including the proceeds of any self-insurance fund therefor, such proceeds when received shall be deposited in the Reserve and Contingency Fund to the extent of such payments therefrom.

The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund unless otherwise required by the Project Agreement.

Tax Covenants

MEC shall not use or permit the use of any proceeds of any tax-exempt Bonds or any other funds of MEC, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on any tax-exempt Bond from gross income for federal income tax purposes. MEC agrees that so long as any of the Bonds remain Outstanding, it will comply with the tax compliance provisions applicable to MEC under any Supplemental Indenture with respect to a Series of Bonds.

MEC and the Trustee agree to comply with the tax compliance provisions under any Supplemental Indenture or tax compliance agreement with respect to a Series of Bonds issued as tax-exempt Bonds and with any statute, regulation or ruling that may apply to it as Trustee under the Indenture and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on such Bonds.

Events of Default

The term "*Event of Default*", wherever used in the Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on any Bond when such interest becomes due and payable; or

(b) default in the payment of the principal or Redemption Price of any Bond when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of MEC in the Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this summarized Section), and continuance of such default or breach for a period of 60 days after there has been given to MEC by the Trustee or to MEC and the Trustee by the Owners of at least 25% in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if MEC shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of MEC, or adjudging MEC a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of MEC under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for MEC or any substantial part of its property, or ordering the winding up or liquidation of its affairs; or

(e) any other event described as an Event of Default in a Supplemental Indenture.

Acceleration of Maturity; Rescission and Annulment

If an Event of Default under the Indenture occurs and is continuing, the Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding shall, by written notice to MEC, declare the principal of all Bonds Outstanding and the interest accrued thereon to the date of acceleration to be due and payable, subject to the rights or limitations specified in a Supplemental Indenture with respect to a Series of Bonds, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in this summarized Article, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice to MEC and the Trustee, rescind and annul such declaration and its consequences as provided in the Indenture.

Exercise of Remedies by the Trustee

Upon the occurrence and continuance of any Event of Default under the Indenture, unless the same is waived as provided in the Indenture, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Indenture or by law:

(a) ***Right to Bring Suit, Etc.*** The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, Redemption Price, if any, and interest on the Bonds Outstanding, including interest on overdue principal and on overdue installments of interest, and any other sums due under the Indenture, to realize on or to foreclose any of its interests or liens under the Indenture to enforce and compel the performance of the duties and obligations of MEC as set forth in the Indenture and to enforce or preserve any other rights or interests of the Trustee under the Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) ***Exercise of Remedies at Direction of Bondowners.*** If requested in writing to do so by the Owners of not less than 25% in principal amount of Bonds Outstanding and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this summarized Article as the Trustee shall deem most expedient in the interests of the Bondowners.

(c) ***Appointment of Receiver.*** Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) ***Suits to Protect the Trust Estate.*** The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture and to protect its interests and the interests of the Bondowners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Indenture or be prejudicial to the interests of the Bondowners or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Bondowners in any judicial proceeding to which MEC is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the Bondowners.

Limitation on Suits by Bondowners

No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to the Indenture, or for the appointment of a receiver or trustee or for any other remedy under the Indenture, unless:

(a) such Owner has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Owners of not less than 25% in principal amount of the Bonds Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under the Indenture;

(c) such Owner or Owners have offered to the Trustee indemnity as provided in the Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the lien of the Indenture or the rights of any other Owners of Bonds, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under the Indenture, except in the manner provided in the Indenture and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in the Indenture, however, the Owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and Redemption Price, if any) and interest on such Bond on the respective stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and nothing contained in the Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Control of Proceedings by Bondowners

The Owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an Event of Default,

(a) to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of the Indenture, or otherwise; and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture, provided that:

such direction shall not be in conflict with any rule of law or the Indenture;

the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction.

Application of Moneys Collected

Any moneys collected by the Trustee pursuant to this summarized Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys), together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under the Indenture.

Second: To the payment of Operation and Maintenance Expenses then due.

Third: To the payment of the interest and principal then due on the Bonds as follows:

(1) If the principal of all the Bonds shall not have become and shall not have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption or for which moneys for the payment thereof held pursuant to the provisions of the Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto without any discrimination or privilege.

If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the persons entitled thereto without any discrimination or privilege; and

If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this summarized Article, then, provided that no distribution has been made pursuant to the provisions of paragraph (2) of this summarized subsection, the moneys shall be applied in accordance with the provisions of paragraph (1) of this summarized subsection.

Fourth: To the payment of the remainder, if any, to MEC or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, or as otherwise provided in a Supplemental Indenture.

Corporate Trustee Required; Eligibility

There shall at all times be a Trustee under the Indenture which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof or national banking association, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority. The Trustee must have a combined capital and surplus or consolidated net worth of at least $100,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under the Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to MEC, by a guarantor with such combined capital and surplus or consolidated net worth. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this summarized Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this summarized Section, it shall resign immediately in the manner and with the effect specified in this summarized Article.

Resignation and Removal of Trustee

The Trustee may resign at any time by giving written notice thereof to MEC and each Owner of Bonds Outstanding as shown by the bond register required by the Indenture to be kept by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to MEC and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. MEC or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

The Trustee may be removed at any time (so long as no Event of Default has occurred and is continuing under the Indenture) by an instrument in writing signed by MEC and delivered to the Trustee. The foregoing notwithstanding, the Trustee may not be removed by MEC unless written notice of the delivery of such instrument is given to the Owners of all Bonds Outstanding under the Indenture, which notice indicates the Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective not less than 60 days from the date of such notice, unless the Owners of not less than 25% in aggregate principal amount of such Bonds Outstanding shall object in writing to such removal and replacement.

If at any time (1) the Trustee shall cease to be eligible under the Indenture and shall fail to resign after written request therefor by MEC or by any such Bondowner, or (2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, MEC may remove the Trustee, or any Bondowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Appointment of Successor Trustee

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, MEC, or the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default under the Indenture has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to MEC and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by MEC or the Bondowners. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner provided in the Indenture, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner provided in the Indenture, the Trustee or any Bondowner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the provisions of this summarized Section shall be a bank with trust powers or trust company or national banking association in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this summarized Article.

Supplemental Indentures without Consent of Bondowners

Without the consent of the Owners of any Bonds, MEC and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

(a) to more precisely identify the facilities financed or refinanced with proceeds of the Bonds, or to correct or amplify the description of any property at any time subject to the lien of the Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property;

(b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any Series of Bonds, as set forth in the Indenture, additional conditions, limitations and restrictions thereafter to be observed;

(c) to authorize the issuance of any Series of Bonds and make such other provisions as provided in the Indenture and to specify any other terms and provisions with respect to such Bonds that are not inconsistent with the provisions of the Indenture then in effect;

(d) to modify or eliminate any of the terms of the Indenture; provided, however, that: (1) such Supplemental Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any Series issued prior to the execution of such Supplemental Indenture, and (2) the Trustee may, in its discretion, decline to enter into any such Supplemental Indenture which, in its judgment, may not afford adequate protection to the Trustee when the same becomes operative;

(e) to evidence the appointment of a separate Trustee or the succession of a new Trustee under the Indenture;

(f) to add to the covenants of MEC or to the rights, powers and remedies of the Trustee for the benefit of the Owners of all of the Bonds or to surrender any right or power conferred upon MEC in the Indenture;

(g) to cure any ambiguity, to correct or supplement any provision in the Indenture which may be inconsistent with any other provision in the Indenture, or to make any other change with respect to matters or questions arising under the Indenture, which shall not be inconsistent with the provisions of the Indenture, provided such action shall not materially adversely affect the interests of the Owners of the Bonds;

(h) to authorize Subordinated Bonds and, in connection therewith, specify and determine any matters and things relative to such Subordinated Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the original issuance and delivery of such Subordinated Bonds;

(i) to authorize a Qualified Credit Facility, Qualified Liquidity Facility, Qualified Reserve Facility, or Qualified Swap Facility with respect to any Series of Bonds, permitted under the Indenture;

(j) to add additional Events of Default under the Indenture, including any default in the performance, or breach of any covenant or agreement, of MEC under any Qualified Credit Facility or Qualified Liquidity Facility; or

(k) to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States.

Supplemental Indentures with Consent of Bondowners

With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Indenture, MEC and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Owners of the Bonds under the Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby, carry out any of the following:

(a) change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental Indenture, or the consent of whose Owners is required for any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences;

(c) modify the obligation of MEC to make payment on or provide funds for the payment of any Bond;

(d) modify or alter the provisions of the definition of the term "***Outstanding***";

(e) modify any of the provisions of this summarized Section, except to increase any percentage provided thereby or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Owner of each Bond affected thereby; or

(f) permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the Trust Estate or terminate the lien of the Indenture on any property at any time subject thereto or deprive the Owner of any Bond of the security afforded by the lien of the Indenture.

Payment, Discharge and Defeasance of Bonds

All or part of the Bonds of any Series or maturity will be deemed to be paid and discharged and no longer Outstanding under the Indenture and will cease to be entitled to any lien, benefit or security of the Indenture if MEC shall pay or provide for the payment of such Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal or Redemption Price of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;

(b) by delivering such Bonds to the Trustee for cancellation; or

(c) by depositing in trust with the Trustee moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including the payment of the principal or Redemption Price of and interest payable on such Bonds to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of the Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The foregoing notwithstanding, the liability of MEC in respect of such Bonds shall continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Trustee as aforesaid.

Moneys and Defeasance Obligations so deposited with the Trustee pursuant to this summarized Section shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Trustee to the payment to the persons entitled thereto, of the principal (and Redemption Price, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Trustee.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT

The following is a summary of certain provisions of the Pool Power Purchase Agreement entered into among MEC and each of the Pool Power Purchasers. This summary is not to be considered a full statement of the terms of the Pool Power Purchase Agreement and accordingly is qualified by reference thereto and subject to the full text thereof. Capitalized terms not defined in this Appendix or in the Official Statement to which it is attached have the meanings set forth in the Pool Power Purchase Agreement.

Full Requirements Service

The Pool Power Purchase Agreement obligates MEC, through MoPEP, to provide to each Pool Power Purchaser, and obligates each Pool Power Purchaser to purchase from MEC, all of the capacity and energy needed by the Pool Power Purchaser to supply its retail customers. The Pool Power Purchasers may use the capacity and energy they purchase under the Pool Power Purchase Agreement solely for purposes of meeting their retail load obligations.

Pool Governance

MoPEP is operated by MEC staff, but its actions are governed by the Pool Committee. Each Pool Power Purchaser has a voting representative on the Pool Committee. Action may be authorized by a majority vote of those Pool Power Purchaser representatives present at a meeting of the Pool Committee (and a majority of representatives must be present to constitute a quorum).

The Pool Committee must authorize certain types of significant agreements to be entered into by MEC for MoPEP. Agreements that are subject to Pool Committee approval include contracts for purchase of capacity, energy, and/or transmission service for a period of more than three months.

While the Pool Committee may modify certain of the exhibits to the Pool Power Purchase Agreement from time to time, the Pool Committee does not have the power to amend the Pool Power Purchase Agreement itself. Such amendments require action by the MEC Board of Directors, with the concurrence of the governing boards of at least 85 percent of all Pool Power Purchasers.

Member-Owned Resources

In providing full-requirements capacity and energy to the Pool Power Purchasers, MEC utilizes capacity and energy resources it acquires or develops on its own (which will include the Iatan 2 Project) as well as certain resources owned by the Pool Power Purchasers that they contribute to MoPEP. Pool Power Purchasers who contribute resources to MoPEP and meet all associated requirements receive credits against their MoPEP charges. Such credits are determined by the Pool Committee, based on market price and other market factors including assessment of the cost of resources of similar use, the avoided quantities and cost of power supplies due to the usability and use of member resources, and the revenue due to increased sales due to the usability and use of such resources.

Pool Power Purchasers who contribute their resources to MoPEP must have their facilities accredited by the Pool Committee, and must maintain and operate their facilities in accordance with requirements established pursuant to the Pool Power Purchase Agreement. Generation facilities for which credits are provided must be committed to MoPEP 1 for a period of at least five years. The Pool Power Purchase Agreement limits a Pool Power Purchaser's ability to de-commit and re-commit resources that have been dedicated to MoPEP. Maintenance outages of resources dedicated to MoPEP are to be coordinated with other Pool Power Purchasers and MEC in accordance with procedures established by the Pool Committee.

Operations and Planning

MEC is responsible for coordinating, scheduling and dispatching all of the MoPEP resources. MEC is required to utilize the MoPEP resources in accordance with the principles of economic dispatch and good utility practice.

In order to permit MEC to ensure that MoPEP resources will be sufficient to meet the Pool Power Purchasers' full requirements, the Pool Power Purchase Agreement requires each Pool Power Purchaser to provide to MEC by November 1 of each year a forecast of its loads and any resources it will contribute to MoPEP. The forecast is to cover a period of at least the next five years. Each Pool Power Purchaser is required to update this forecast on an interim basis to take account of significant changes in expected loads or resource availability.

MoPEP Rates and Charges

The rates to be charged to the Pool Power Purchasers are established by the Pool Committee. In the event that the Pool Committee fails to establish rates, MEC may establish rates as deemed necessary to prevent an event of default under any bond indenture, lease or loan agreement.

The Pool Power Purchase Agreement requires that the MoPEP rates be sufficient to recover from each Pool Power Purchaser its proportionate share of all costs associated with MEC's performance under the agreement, including established capital and/or operating reserves. Charges based on such rates will be assessed and billed monthly. Rates are required to be established at least annually, and shall be adjusted to recognize variances between budgeted and actual costs no less frequently than at six-month intervals.

The obligation of each Pool Power Purchaser to pay all MoPEP rates and charges is not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and is not conditioned upon performance by MEC of its obligations under the Pool Power Purchase Agreement or any other agreement. The Pool Power Purchase Agreement specifically provides that each Pool Power Purchaser must pay in full all invoiced MoPEP charges for power and energy and delivery services even if it disputes some or all of the charges, and regardless of whether any one or more resources or other facilities utilized or acquired by MEC for MoPEP to provide services are operating or operable at any time. It is also expressly understood that the governing body of each Pool Power Purchaser has authorized its city staff to pay monthly power bills prior to the 10th day following delivery of the bill to the Pool Power Purchaser without separate monthly approvals by such governing body.

Nature of Obligation of Pool Power Purchasers

The obligations of each Pool Power Purchaser to make payments under the Pool Power Purchase Agreement are limited to the obligation to make payments from revenues of its electric utility system and available electric utility system reserves. All payments made by each Pool Power Purchaser are deemed to constitute operation and maintenance expenses of its electric utility system.

Each Pool Power Purchaser is required at all times to establish, maintain and collect such rates, fees and charges for the electric service of its electric utility system so that such rates shall provide revenues at least sufficient to meet the Pool Power Purchaser's payment obligations to MEC under the Pool Power Purchase Agreement, as well as the Pool Power Purchaser's payment obligations under any other agreements with respect to its electric utility and all other operating expenses of Pool Power Purchaser's electric system.

Each Pool Power Purchaser covenants that it will not use or permit to be used any of the power and energy acquired under the Pool Power Purchase 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. Each Pool Power Purchaser also covenants that it will not 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.

Restrictions on Disposition

As noted previously, each Pool Power Purchaser must use all capacity and energy it receives under the Pool Power Purchase Agreement solely for its retail use and sales; thus, no Pool Power Purchaser may make resales at wholesale of any such capacity and energy. The Pool Power Purchase Agreement may not be assigned by any Pool Power Purchaser by voluntary or involuntary transfer or otherwise without the prior written consent of MEC.

The Pool Power Purchase Agreement places restrictions on the ability of each Pool Power Purchaser to sell, lease or otherwise dispose of all or substantially all of its electric system. In such case, the Pool Power Purchaser must provide 90 days' prior written notice to MEC (which notice shall be provided after obtaining required voter approval for such disposition) and, in any event, the disposition of the Pool Power Purchaser's system is subject to several conditions, including assignment of its obligations to (and assumption of such obligations by) the purchaser or lessee of the electric system, the senior debt of which must be rated in one of the four highest whole rating categories by at least one nationally recognized bond rating agency. Further, no such transfer may be made if it would jeopardize the tax-exempt status of the interest on any bonds issued by MEC.

Defaults and Remedies

The Pool Power Purchase Agreement defines as events of default (1) failure of a Pool Power Purchaser to make any required payment, where such failure continues for a period of 30 days after delivery of notice thereof by MEC; (2) failure of a Pool Power Purchaser to comply with any other material obligation, where such failure continues for a cure period of 90 days (or longer, if reasonable under the circumstances) after delivery of notice thereof by MEC; (3) failure of MEC to comply with any material obligation, which materially adversely affects MEC's ability to furnish services it is obligated to provide to a Pool Power Purchaser, and such failure continues for a cure period of 90 days (or longer, if reasonable under the circumstances) after delivery of notice thereof by the Pool Power Purchaser; and (4) insolvency of MEC or a Pool Power Purchaser.

Upon the occurrence of an event of default by a Pool Power Purchaser, MEC has the right to cancel the Pool Power Purchase Agreement with respect to that Pool Power Purchaser upon at least 21 days' notice, or with as little as five days' notice in the case of a payment default. Upon the occurrence of an event of default by MEC with respect to a particular Pool Power Purchaser, the Pool Power Purchaser may cancel its participation in the Pool Power Purchase Agreement by giving at least 21 days' notice. In the event of such termination, 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 the Pool Power Purchase Agreement.

Term and Termination

The Pool Power Purchase Agreement does not have an established termination date. Instead, it will remain in effect until canceled as to all Pool Power Purchasers by MEC and/or the Pool Power Purchasers. The agreement restricts the circumstances under which it may be terminated as to a particular Pool Power Purchaser by either MEC or the Pool Power Purchaser.

MEC may cancel the Pool Power Purchase Agreement as to a particular Pool Power Purchaser only for cause. As noted above, MEC may terminate with respect to a defaulting Pool Power Purchaser upon at least 21 or five days' notice, as applicable. MEC also has the right to terminate upon at least 60 days' notice if a Pool Power Purchaser fails to maintain its membership in MEC.

Each Pool Power Purchaser has the option to terminate for cause in the event of default by MEC, upon at least 21 days' notice as described above. In addition, a Pool Power Purchaser may cancel its participation in the Pool Power Purchase Agreement, by providing at least two years' notice, in the case of either (1) an amendment to the Pool Power Purchase Agreement that the Pool Power Purchaser did not vote to approve, or (2) a change in billing credits that has a material adverse effect on the Pool Power Purchaser. In the latter case, it is required (but will not necessarily be sufficient) for the Pool Power Purchaser claiming such material adverse effect to demonstrate that the change in billing credits causes an increase in the Pool Power Purchaser's net total costs under the Pool Power Purchase Agreement of at least eight percent (8%) annually. In either of such cases, the Pool Power Purchaser's two-year notice must be provided within 60 days of the occurrence of the triggering event. In addition, each Pool Power Purchaser has the option to cancel its participation in MoPEP for any (or no) reason upon at least five years' notice.

Pool Power Purchasers' Continuing Cost Responsibility After Cancellation

Notwithstanding cancellation of the Pool Power Purchase Agreement, each Pool Power Purchaser remains responsible for its allocated share of all Resource Obligations entered into by MEC for MoPEP prior to the notice of cancellation. The Resource Obligations and each Pool Power Purchaser's respective share thereof are listed in an exhibit to the agreement, and a departing Pool Power Purchaser's continuing payment obligations are based on the exhibit as it was in effect at the time of the notice of cancellation. After cancellation, the departing Pool Power Purchaser is required to continue to pay MEC monthly charges designed to recover the Pool Power Purchaser's allocated share of MEC's costs associated with each of the Resource Obligations incurred or acquired by MEC prior to the Pool Power Purchaser's cancellation, including reasonable and customary charges relating to the administration of such resources. MEC will utilize or sell the Pool Power Purchaser's allocated share of output associated with the Resource Obligations in exchange for providing the Pool Power Purchaser a credit or offset equal to the fair market value of such output up to the amount of the obligation.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE UNIT POWER PURCHASE AGREEMENTS

Term

The term of each Unit Power Purchase Agreement commenced upon execution of the agreement by the parties, and will end for each Unit Power Purchaser when it has paid in full all obligations to MEC thereunder. Unless waived by MEC in its sole discretion under certain defined circumstances, the Unit Power Purchaser will be invoiced and must pay a final amount, which shall include its allocable share of any amounts owed with respect to the Bonds, following (i) termination of MEC's participation in Iatan Unit 2, (ii) cancellation of Iatan Unit 2, or (iii) retirement of Iatan Unit 2.

Entitlement to Capacity and Energy

Each Unit Power Purchaser is entitled to receive under its Unit Power Purchase Agreement its Purchase Percentage, as specified in its Unit Power Purchase Agreement, of the available capacity and energy from the Iatan 2 Project (subject to rounding to whole MW).

MEC will have the exclusive right to submit schedules to the plant operator for MEC's entire interest in Iatan Unit 2. From time to time, a Unit Power Purchaser may notify MEC that it wishes to schedule less than its full entitlement, in which case MEC has the right to utilize the unscheduled energy entitlement, or may make the unscheduled energy entitlement available for use by the other Unit Power Purchaser. To the extent that the unscheduled energy entitlement is not otherwise disposed of, and MEC cannot reduce its schedule to the plant operator, the Unit Power Purchaser remains responsible to take and pay for its full energy entitlement (or at least its pro rata share of the minimum MEC is required to schedule under the Iatan Unit 2 Ownership Agreement). Each Unit Power Purchaser may also arrange on its own to dispose of Iatan Unit 2 capacity or energy to which it is entitled, provided that such disposal would not jeopardize the tax-exempt status of the Bonds.

Transmission Service

MEC will deliver the energy from the Iatan 2 Project to the Unit Power Purchasers at the interconnection of Iatan Unit 2 with the high-voltage transmission system. Each Unit Power Purchaser has the obligation to obtain and pay for transmission service needed to deliver the energy from this point of interconnection to its distribution system. The Unit Power Purchasers are also required to coordinate scheduling of their Iatan Unit 2 output entitlements with the applicable transmission provider(s).

Cost Responsibility

Each Unit Power Purchaser is responsible for its proportionate share of (a) the fixed and variable costs MEC incurs in connection with the Iatan 2 Project, and (b) MEC's administrative and other reasonable costs associated with its role as power supplier. Each Unit Power Purchaser's obligation to pay for its appropriate share of such costs commenced when it first executed its Unit Power Purchase Agreement and will continue until all amounts due under such Unit Power Purchase Agreement are paid in full. Each month after Iatan Unit 2 is placed in service, MEC will invoice and the Unit Power Purchasers will pay capacity charges (designed to cover MEC's Iatan 2 Project debt service payments and reserve requirements, as well as its other Iatan 2 Project fixed costs), energy charges (designed to cover MEC's Iatan 2 Project fuel and other variable costs, except for emissions allowances), and administrative charges. In addition, the Unit

Power Purchasers will either pay emissions allowance charges that reflect MEC's Iatan 2 Project emissions allowance costs, or contribute emissions allowances in kind.

These monthly charges will be billed to the Unit Power Purchasers based on MEC's projected Iatan 2 Project costs (and, where applicable, usage) for the following month, using the most currently available Iatan 2 Project budgets and payment schedules for repayment of borrowed funds associated with the Iatan 2 Project. MEC shall prepare and issue true-up statements no less frequently than every six months. Invoices must be paid in their entirety, including any disputed amounts.

Nature of Obligation of Unit Power Purchasers

Each Unit Power Purchaser is obligated to make the payments required under its Unit Power Purchase Agreement solely from the revenues of its electric utility system and available electric utility system reserves. Each Unit Power Purchaser has covenanted that its payments under the Unit Power Purchase Agreement constitute operating and maintenance expenses of its electric utility system.

Each Unit Power Purchaser has covenanted to 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 it to make all payments required to be made by it under its Unit Power Purchase Agreement and any other agreements with respect to its electric utility. The Unit Power Purchasers are required to make payments under the Unit Power Purchase Agreements whether or not Iatan Unit 2 is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise. In addition, the Unit Power Purchasers' payment obligations under the Unit Power Purchase Agreements are not conditioned upon the performance by MEC or any other party of contractual or other obligations.

Members Committee

The Unit Power Purchase Agreements provide for the establishment of a Members Committee composed of representatives of the Unit Power Purchasers and MoPEP. The Members Committee will have input into (a) the selection of MEC's representative on the Management Committee established pursuant to the Iatan Unit 2 Ownership Agreement, (b) the actions taken by such representative, (c) Iatan 2 Project financing plans and decisions, and (d) other decisions of the MEC Board of Directors relating to the Iatan 2 Project. The Members Committee will also be a conduit for the exchange of information between MEC and the Unit Power Purchasers relating to such matters as construction, operations, maintenance schedules and expected costs of the Iatan 2 Project.

Restrictions on Disposition; Transfer of Interests

A Unit Power Purchaser may not sell, lease or otherwise dispose of all or substantially all of its electric system, nor may it assign all or any part of its entitlements or interests under its Unit Power Purchase Agreement, except upon the approval of MEC, such approval not to be unreasonably withheld or delayed. If a Unit Power Purchaser proposes to transfer its interest in its Unit Power Purchase Agreement, unless otherwise precluded by provisions included in the Indenture, MEC has the right to terminate such Unit Power Purchase Agreement effective as of the proposed transfer date and thereby re-acquire the rights to the portion of Iatan Unit 2 capacity and energy to which the Unit Power Purchaser was entitled. If MEC chooses not to exercise this right, the proposed transfer may go forward only if MEC consents. The Unit Power Purchase Agreements provide that MEC's consent may reasonably be conditioned on such matters as the transferee's creditworthiness. In any transfer, the transferee must assume all of the obligations of the transferring Unit Power Purchaser under its Unit Power Purchase Agreement. No transfer of a Unit Power

Purchase Agreement is permitted if it would jeopardize the tax-exempt status of MEC's Iatan 2 Project financing, or if it would violate the terms of the Iatan Unit 2 Ownership Agreement.

Defaults and Remedies

The bankruptcy of a Unit Power Purchaser, or the failure of a Unit Power Purchaser to perform any of its material obligations, including the obligation to make required payments under its Unit Power Purchase Agreement, will constitute a default. In the event of a default by a Unit Power Purchaser under its Unit Power Purchase Agreement, MEC may exercise all remedies available to it at law or in equity. If a payment default under the Unit Power Purchase Agreement has not been cured within five days of notice, MEC may suspend the delivery of Iatan Unit 2 energy to such Unit Power Purchaser while the default continues. If at any time a Unit Power Purchaser fails to cure a payment default within sixty (60) days, its entitlement to both capacity and energy from Iatan Unit 2 will immediately and permanently be terminated. Except as a result of a transfer of the defaulting Unit Power Purchaser's rights to delivery of capacity and energy described below, the termination of delivery of capacity and energy to a defaulting Unit Power Purchaser by MEC will not reduce the obligation of such Unit Power Purchaser to make payments under its Unit Power Purchase Agreement.

In the event the delivery of capacity and energy to a Unit Power Purchaser in payment default is terminated, MEC will offer to increase the Purchase Percentage of each Unit Power Purchaser who is not in default to allow it to acquire a pro-rata portion of the defaulting Unit Power Purchaser's share. MEC will attempt to sell to other parties any remaining share that is not acquired through this process (or through subsequent offers by MEC to the non-defaulting Unit Power Purchasers), in such a manner as will not cause the interest on any tax-exempt bonds to lose their exclusion from gross income for federal income tax purposes. If such efforts do not dispose of the entire entitlement share of the defaulting Unit Power Purchaser, MEC may require each of the non-defaulting Unit Power Purchasers to increase its share, subject to a cap of 200 percent of its original Purchase Percentage. In the case of all such transfers, the Unit Power Purchasers accepting additional rights to delivery of capacity and energy shall assume the defaulting Unit Power Purchaser's obligations with respect to the rights which are transferred to them, except that the defaulting Unit Power Purchaser is still liable for any deficiency in payment which may have occurred prior to such transfer. In the event less than all of a defaulting Unit Power Purchaser's rights to delivery of capacity and energy are transferred by these means, MEC shall use its reasonable best efforts to sell the remaining portion of a defaulting Unit Power Purchaser's share or the energy associated therewith on such terms and conditions as are acceptable to MEC to any person, firm, association or corporation, public or private; provided, however, that MEC shall make no such sales in such amounts, for such periods of time and under such terms and conditions as will cause the interest on any tax-exempt bonds to lose their exclusion from gross income for federal income tax purposes. The obligation of the defaulting Unit Power Purchaser to MEC shall be reduced to the extent that MEC receives payments with respect to the rights of such Unit Power Purchaser which are transferred. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Power Purchase Agreements; Enforcement and Amendment" in APPENDIX C to the Official Statement to which this Appendix is attached for a description of MEC's covenant in the Indenture to allocate to MoPEP any portion of the capacity of the Iatan 2 Project that is not otherwise sold to one or more other persons.

The Unit Power Purchasers may not terminate the Unit Power Purchase Agreements in the event of any default by MEC.

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APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE IATAN UNIT 2 OWNERSHIP AGREEMENT

This Appendix contains summaries of certain provisions of the Iatan Unit 2 Ownership Agreement. These summaries are not to be considered full statements of the terms of Iatan Unit 2 Ownership Agreement and accordingly are qualified by reference thereto and subject to the full text thereof. Capitalized terms not defined in this Appendix or in the Official Statement to which it is attached have the meanings set forth in Iatan Unit 2 Ownership Agreement.

General

The Iatan Unit 2 Ownership Agreement provides for the acquisition by KCPL, MEC, GMO, Empire and KEPCO of undivided interests in Iatan Unit 2 and the Common Facilities. KCPL will manage the construction and operation of Iatan Unit 2; although KCPL is required to act in accordance with good utility practice, it will not be liable to the other Iatan Unit 2 Owners for any actions that are not the result of KCPL's gross negligence or willful misconduct. The Iatan Unit 2 Ownership Agreement establishes a Management Committee that is comprised of a representative of each Iatan Unit 2 Owner to determine and administer all policies relating to the management, operations and maintenance of Iatan Unit 2 and the Common Facilities. All actions taken by the Management Committee, with the exception of disposition of assets to a KCPL affiliate, are determined by a majority vote based on ownership shares. As the majority owner, KCPL will be able to dictate the actions of the Management Committee.

Budgets and Billing

The Iatan Unit 2 Ownership Agreement requires KCPL to prepare construction and operating budgets and to provide the Management Committee with monthly reports. KCPL is expected to invoice the Iatan Unit 2 Owners for their respective shares of construction and operating costs on a monthly basis. Any Iatan Unit 2 Owner that fails to pay on a timely basis will be in default under the Iatan Unit 2 Ownership Agreement.

Remedies Upon Default

If an Iatan Unit 2 Owner is in default during the construction period, the non-defaulting Iatan Unit 2 Owners can elect to increase their ownership shares in Iatan Unit 2 and the Common Facilities. If less than all of the defaulting Iatan Unit 2 Owner's interest in Iatan Unit 2 and the Common Facilities is requested, all of the non-defaulting Iatan Unit 2 Owners will be required to increase their ownership shares proportionately. Upon completion of construction, the defaulting Iatan Unit 2 Owner's interest in Iatan Unit 2 shall be recalculated as the ratio that is (i) the amount such Owner contributed to Iatan Unit 2 divided by (ii) 125 percent of the actual cost to complete Iatan Unit 2, and the defaulting Iatan Unit 2 Owner's interest in the Common Facilities will be adjusted commensurately. All other Iatan Unit 2 Owners' ownership interests in Iatan Unit 2 and the Common Facilities would be adjusted accordingly.

In the event that an Iatan Unit 2 Owner defaults after Iatan Unit 2 is placed in service, such Owner will no longer have rights to schedule and receive any energy from Iatan Unit 2. KCPL will remarket the defaulting Iatan Unit 2 Owner's energy and apply the proceeds to the amount in default. If the default is not cured within three months, the defaulting Owner shall offer to sell to KCPL its ownership interest at book value plus an allowance for funds used during construction. To the extent that KCPL does not elect to acquire all of the defaulting Owner's interest, the other Iatan Unit 2 Owners would have the right to acquire the interest on comparable terms. To the extent that KCPL and the other Iatan Unit 2 Owners do not acquire all of the interest on a voluntary basis, the non-defaulting Iatan Unit 2 Owners would be required to acquire the remaining interest on a pro-rata basis.

Financial Responsibility

All of the Iatan Unit 2 Owners must maintain a proven ability to pay their proportionate shares of all costs of construction. The Iatan Unit 2 Ownership Agreement includes several criteria for use in demonstrating an Owner's creditworthiness, including (a) maintenance of either (i) investment grade ratings or (ii) certain specified credit ratios or (b) the provision of a letter of credit or other guarantee satisfying the requirements of the Iatan Unit 2 Ownership Agreement. All of the Iatan Unit 2 Owners currently are in compliance with the credit criteria.

Transfers of Ownership Interest

The Iatan Unit 2 Ownership Agreement contains limitations on transfers of an Iatan Unit 2 Owner's interest. To the extent that an Owner desires to transfer all or a portion of its interest and the transfer is not permitted without the consent of the other Iatan Unit 2 Owners, the other Iatan Unit 2 Owners may exercise a right of first refusal to purchase the ownership share (or portion thereof) proposed to be transferred. KCPL is prohibited from transferring its obligations as operator of Iatan Unit 2 except in connection with a transfer of its entire interest in the unit, subject to the Iatan Unit 2 Owners' consent.

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APPENDIX G

PROPOSED FORM OF
CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING dated as of October 1, 2023 (this "*Continuing Disclosure Undertaking*"), is executed and delivered by MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION d/b/a MISSOURI ELECTRIC COMMISSION (the "*Issuer*").

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of $94,175,000 Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2023 (the "*Bonds*"), pursuant to that certain Trust Indenture dated as of August 1, 2006 (the "*Original Indenture*"), and a Supplemental Trust Indenture No. 5, dated as of October 1, 2023 ("*Supplemental Indenture No. 5*").

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "*Rule*"). The Issuer and the Unit Power Purchasers are each an "*obligated person*" within the meaning of the Rule (and are the only "obligated persons" within the meaning of the Rule for whom annual financial information and operating data is presented in the Final Official Statement).

In consideration of the mutual covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Original Indenture, as supplemented by Supplemental Indenture No. 5, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided to the Issuer pursuant to, and as described in, Section 2 of this Continuing Disclosure Undertaking.

"*Audited Financial Statements*" means the Audited MEC Financial Statements and the Audited Unit Power Purchaser Financial Statements, collectively.

"*Audited MEC Financial Statements*" means the audited financial statements of MEC for its most recent fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or such other accounting standards or principles as may be applicable to MEC).

"*Audited Unit Power Purchaser Financial Statements*" means the audited financial statements of each Unit Power Purchaser for its most recent fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or such other accounting standards or principles as may be applicable to the Unit Power Purchasers).

"*Beneficial Owner*" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Bonds*" means of $94,175,000 Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2023, issued pursuant to that certain Trust Indenture dated as of August 1, 2006, and a Supplemental Trust Indenture No. 5, dated as of October 1, 2023.

"*EMMA*" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"*Final Official Statement*" means the Official Statement of MEC, dated September 27, 2023, relating to the Bonds, as the same may be amended or supplemented.

"*Financial Obligation*" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Listed Events*" means any of the events listed in Section 3 of this Continuing Disclosure Undertaking.

"*MoPEP*" means the Missouri Public Energy Pool #1, a power pool created by contract between MEC and certain MEC members that are parties to such contract.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"*Participating Underwriter*" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Pool Power Purchasers*" means each of MEC's members that receives full requirements service from MoPEP.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Unaudited Unit Power Purchaser Financial Statements*," "*Unaudited MEC Financial Statements*" and "*Unaudited Financial Statements*" mean the same as Audited Unit Power Purchaser Financial Statements, Audited MEC Financial Statements and Audited Financial Statements, respectively, except that they shall not have been audited.

"*Unit Power Purchaser*" means the cities of Columbia and Independence, Missouri.

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than five (5) months after the end of each of its fiscal years (presently, by each May 31), commencing with the report for MEC's fiscal year ending December 31, 2023, file with the MSRB, through EMMA, the following financial information and operating data (the "*Annual Report*"):

(1) The Audited Financial Statements. If Audited Financial Statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain Unaudited Financial Statements, and the Audited Financial Statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the Final Official Statement, as described in Exhibit A, in substantially the same format contained in the Final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an "*obligated person*" (as defined by the Rule), which have been provided to the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; *provided that*, the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 3.

(b) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same has been provided to the MSRB.

(c) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Listed Events. Not later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("*Listed Events*"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Issuer;
(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in Section 2(a), the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this Section 3.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 2 or 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Listed Event under Section 3, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owners of at least 25% aggregate principal amount of Outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Indenture or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

MISSOURI JOINT MUNICIPAL ELECTRIC
UTILITY COMMISSION d/b/a MISSOURI
ELECTRIC COMMISSION

By: ____
Title: President and Chief Executive Officer

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The following sections and tables contained in the Final Official Statement:

(a) With respect to MEC:

1. updated versions of the financial and operating data contained under the following headings in the Final Official Statement:

A. "MISSOURI PUBLIC ENERGY POOL #1 – Pool Power Purchasers": the table of the Pool Power Purchasers' peak loads contained therein;

B. "MISSOURI PUBLIC ENERGY POOL #1 – Pool Rates and Charges": the average annual cost MoPEP delivered energy for the year to which the Annual Report relates;

C. "MISSOURI PUBLIC ENERGY POOL #1 – Member Generating Capacity": the table of Member Capacity contained therein;

D. "MISSOURI PUBLIC ENERGY POOL #1 – Financial Condition": the Condensed Statements of Operations and Changes in Fund Equity for the year to which the Annual Report relates;

E. "MISSOURI PUBLIC ENERGY POOL #1 – Historical and Projected MoPEP Loads and Resources": the MoPEP loads and resources for the year to which the Annual Report relates; and

F. "MISSOURI PUBLIC ENERGY POOL #1 – Historical and Projected Energy Requirements": the MoPEP energy requirements for the year to which the Annual Report relates.

2. the following with respect to Iatan Unit 2:

A. information with respect to the annual operations of the Iatan Unit 2, including megawatt-hours ("*MWh*") of electricity generated, plant capacity factor and plant operating availability factor;

B. except to the extent that such information is included in the Audited MEC Financial Statements or Unaudited MEC Financial Statements, as applicable, included in such Annual Report, information with respect to the annual results of operations of the Iatan 2 Project (as defined in the Final Official Statement), including MWh of electricity sold to MoPEP and each Unit Power Purchaser, revenues received from MoPEP and each Unit Power Purchaser, the net revenues derived from the Iatan 2 Project and the average annual busbar cost (in \$/MWh) of Iatan 2 Project energy; and

C. the cost of capital improvements to the Iatan Unit 2 constructed or acquired during that year and the sources of funding therefor.

(b) With respect to each Unit Power Purchaser, updated versions of the tables contained in Appendix B to the Final Official Statement with respect to such Unit Power Purchaser.

* * *

APPENDIX H

PROPOSED FORM OF OPINION OF BOND COUNSEL

Missouri Joint Municipal Electric Utility Commission
d/b/a Missouri Electric Commission
Columbia, Missouri

The Bank of New York Mellon Trust Company, N.A., as Trustee
Chicago, Illinois

RBC Capital Markets, LLC, representative of the Underwriters
New York, New York

Re: $94,175,000 Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission, Power Project Revenue Refunding Bonds (Iatan 2 Project), Series 2023

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission (*"MEC"*) of the above-captioned series of bonds (the *"Series 2023 Bonds"*), pursuant to Section 27 of Article VI of the Missouri Constitution, as amended, and the Joint Municipal Utility Commission Act, Sections 393.700 to 393.770, Revised Statutes of Missouri, as amended (the *"Act"*), and a Trust Indenture dated as of August 1, 2006, as amended and supplemented from time to time including Supplemental Trust Indenture No. 5 dated as of October 1, 2023 (collectively, the *"Indenture"*), between MEC and The Bank of New York Mellon Trust Company, N.A., as trustee (the *"Trustee"*). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of MEC contained in the Indenture and the other financing documents and the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Series 2023 Bonds have been duly authorized, executed and delivered by MEC and are valid and legally binding special obligations of MEC, payable solely out of the Net Revenues and other funds held by the Trustee and pledged under the Indenture. The Series 2023 Bonds do not constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and do not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof. The issuance of the Series 2023 Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

2. The Indenture has been duly authorized, executed and delivered by MEC and is a valid and legally binding agreement of MEC, enforceable against MEC. The Series 2023 Bonds are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee under the Indenture for the benefit and security of the Owners of the Series 2023 Bonds, on a parity with any other Series of Bonds to be issued under the Indenture.

3. The interest on the Series 2023 Bonds (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that MEC complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. MEC has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2023 Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2023 Bonds. The Series 2023 Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2023 Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding the tax consequences arising with respect to the Series 2023 Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Series 2023 Bonds and the enforceability of the Series 2023 Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION D/B/A MISSOURI ELECTRIC COMMISSION • POWER PROJECT REVENUE REFUNDING BONDS, (IATAN 2 PROJECT) SERIES 2023

MPUA
Missouri Public Utility Alliance

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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