

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

Replacing Schedule Initial Sheet 1

M System

(Territory to which schedule is applicable)

which was filed

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 1 Sheets

AD VALOREM TAX SURCHARGE

1. APPLICABILITY.

This rider is applicable to all M System Retail Rate Schedules except where not permitted under a separately negotiated contract with a Customer.

2. NET MONTHLY CHARGE.

The Ad Valorem Tax Surcharge shall be applied to each block of the energy charge on a Customer's regular monthly bill. A positive amount shall indicate a charge to the Customer and a negative amount shall be a refund. It shall be calculated as:

The sum of: The total Ad Valorem taxes levied for the year

Minus: The Ad Valorem taxes included in the Company's current rates as filed by the Company in Docket 03-MDWE-001-RTS.

Plus: Any amount under-collected by prior Ad Valorem Tax Surcharges, or

Minus: Any amount over-collected by prior Ad Valorem Tax Surcharges

Divided by: The total kWh retail sales in the most recent calendar year.

3. DEFINITIONS AND CONDITIONS.

a. The Ad Valorem Tax Surcharge is intended to recover charges in the real estate and personal property taxes pursuant in K.S.A. 66-117(f).

b. The Ad Valorem Tax Surcharge shall become a part of the total bill for electric service and need not be itemized separately on the Customer's bill.

c. All provisions of this rider are subject to changes made by order of the Commission.

Issued _____
 Month Day Year
 Effective Upon Commission Approval
 Month Day Year
 By Earnest Lehman President
 Earnest Lehman Signature of Officer Title

GR
 07-MDWE-599-TAR
 Approved
 Kansas Corporation Commission
 January 11, 2007
 /s/ Susan K. Duffy