

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

Replacing Schedule FRR Sheet 1

Company Wide

(Territory to which schedule is applicable)

which was filed July 21, 2000

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

Sheet 1 of 1 Sheets

FLEXIBLE RATE RIDER

Type of Service

Flexible Rates Rider - FRR

Availability

At locations on the Company's distribution system where the Customer has access to competitive alternatives to Company's services and where full tariff or contract rates will result in the loss of existing or potential load.

Applicable

To any non-residential Customer taking sales or distribution transportation service from the Company under approved rates or contracts.

Rate

Maximum Rate: 100 percent of the applicable tariff or contract amount

Minimum Rate: 100 percent of the variable cost associated with this load. Variable cost shall be defined as any cost that varies with the volume of sales during a one year period including all gas supply and pipeline capacity if applicable to this load.

Other Terms and Conditions

1. Customer will be required to provide sufficient evidence to the Company's satisfaction that said rate reduction is required to retain or attract the load under consideration.
2. Company shall be prepared to justify the amount of discounts granted under this rider at its next rate case.
3. The amount of the discount must be the least it can be to meet the competitive alternative, but in no instances shall the discount cause the net rate to be less than the Minimum Rate.
4. Affiliates of the Company are not eligible for this rider. In addition, this rider does not apply to any service agreement which is related to or dependent upon another agreement or transaction with an entity with a corporate, financial, or fiduciary relationship to the Company.

Commission File Number _____

Issued _____	Month _____	Day _____	Year _____
Effective January 22, 2003	Month _____	Day _____	Year _____
By <i>Gene Argo</i>	Signature of Officer		President
Gene Argo	Signature of Officer		Title

02-MDUG-922-RTS
 Noted & Filed *DM*
 Kansas Corporation Commission
 January 22, 2003
 /S/ Thomas A. Day