



**Midwest Energy, Inc.**

**REQUEST FOR INFORMATION  
FOR  
CAPACITY AND ENERGY**

**April 2011**

## 1.0 Purpose of Request for Information

Midwest Energy, Inc. (“Midwest”) is an electric and natural gas utility serving parts of central and western Kansas. Midwest currently serves approximately 48,000 retail electric customers, with wholesale sales to eight municipal utility systems throughout Kansas. Midwest is headquartered in Hays, Kansas and serves customers throughout central and northwest Kansas.

Midwest is a transmission-owning member of the Southwest Power Pool, and operates a transmission system with voltages up to 230kV. While Midwest owns a small amount of generating resources, it does not have generation running at all times and therefore does not operate as an independent balancing authority (BA). BA services are currently purchased from Westar Energy and Midwest is electrically part of the Westar BA.

Midwest anticipates a need for additional capacity and associated energy to meet load growth and reserve requirement obligations. It is expected that a portion of this capacity and energy will be needed as early as June 1, 2012.

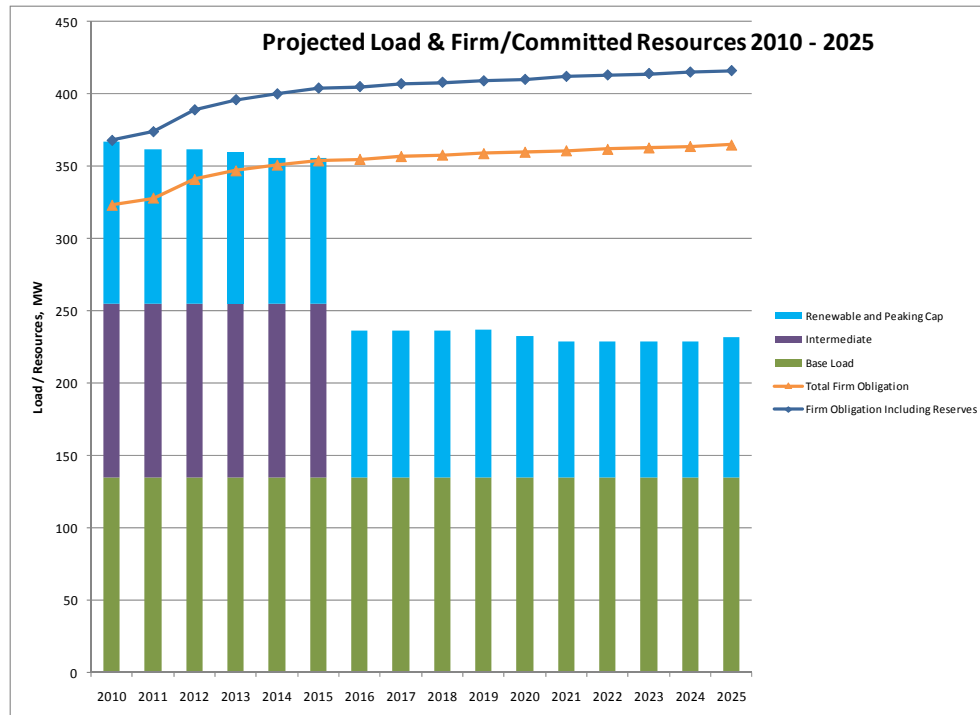
Midwest is soliciting information about potential firm capacity and energy that may be available in the region. Base load, intermediate, and peaking capacity and energy are all being requested. In the near term, Midwest is interested in reviewing information related to intermediate and peaking capacity that may be available in the period June 1, 2012 through May 31, 2016. In the longer term, Midwest is seeking information related to base load, intermediate and peaking capacity that may be available beyond June 1, 2016. Offers will be considered for contracted capacity and energy, under varying term lengths, from new resources, existing resources, system power on a partial requirements basis, or an ownership interest in new or existing unit(s).

Midwest is not currently soliciting proposals for wind energy or other renewable energy products. It is anticipated that such proposals will be sought in a separate request at a future date.

Midwest will use the information provided in response to this RFI as a basis for a determination of transmission service requirements and as a tool to identify potential suppliers of the products described further below and the products that may be available. Midwest may elect, in its sole discretion, to enter into further negotiations toward definitive agreements with respondents to the extent the resources identified in this process are of continuing interest.

Midwest is requesting information about potential offers that might include the following important features: 1) Offer flexibility, 2) Transmission flexibility, and 3) Potential site availability. Please note that the term “Suppliers” throughout this document refers to all respondents to this RFI regardless of the type of product for which information is being provided.

- 1) Offer flexibility – Midwest owns and operates a small amount of generating capacity for peaking and intermediate energy purposes. Midwest purchases its remaining capacity and energy requirements under various contracts. Capacity and energy products that provide Midwest with flexibility as to scheduling minimums, intervals, etc. are most desirable. The following figure shows the Midwest resources and load obligations.



- 2) Transmission flexibility – Midwest owns and operates a transmission system that provides interconnections to other utilities in the region, as well as supplying the needs of the retail customer base internally. Midwest is connected directly to three utility systems (Westar, Sunflower, and MidKansas). Midwest, Westar, Sunflower and MidKansas are all members of the Southwest Power Pool (“SPP”). This potentially provides Midwest with transmission access to energy resources throughout the central part of the United States. Transmission constraints in certain locations can limit the amount of transfer capability available to Midwest to move energy resources into its own area. There are a number of flow gates within and external to SPP that are constrained and can present impediments to obtaining firm and/or non-firm transmission service from a particular point of receipt.

Midwest will conduct the analysis of transmission cost and availability for each product considered to be of interest. In order to evaluate transmission requirements, Midwest asks that the Supplier provide the identification of the point of receipt (POR) at which the energy will be received by Midwest and other details necessary to submit a transmission service request to SPP. The objective of the transmission service requests submittal(s) will be to ascertain the ability to obtain firm network transmission service to deliver the resource, and the magnitude of any network upgrades and/or redispatch agreements required to support such service. Although it is difficult to estimate in advance the amount of time required to obtain this information, Midwest will incorporate the deliverability and any required transmission upgrades in the review of all responses.

- 3) Site availability – For the project developer who is interested in developing a new generating resource for interconnection to Midwest’s transmission system, Midwest is willing to investigate such arrangements, potentially including existing sites, for the installation of generating units. Some of these sites already contain natural gas pipeline and/or electric transmission infrastructure for plant development and would likely expedite the development process.

## 2.0 Instructions to Suppliers

Midwest will consider materials provided by Suppliers in response to this RFI to be confidential only if such materials are clearly designated as "Confidential". Suppliers should be aware that their proposal, even if marked "Confidential", may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by Midwest.

**Should the Supplier require confidential treatment of the information provided hereunder, the Supplier shall execute a copy of the standard Confidentiality Agreement found in Appendix A and include such executed agreement with the information provided.**

Midwest is requesting responses to this RFI be provided by May 11, 2011. Responses should be e-mailed to:

William Dowling  
Midwest Energy, Inc.  
[bdowling@mwenergy.com](mailto:bdowling@mwenergy.com)

and

Kiah Harris  
Burns & McDonnell Engineers  
[kharris@burnsmcd.com](mailto:kharris@burnsmcd.com) .

Any questions concerning this RFI must be submitted to these same e-mail addresses.

Midwest is soliciting information on a variety of options to provide power supply to its members including, but not limited to, unit participation, system participation, constructed resources, and contract capacity. Midwest makes no warranty or representation that the projected demand and energy needs will in fact occur and these are provided as information only to the suppliers for their use in developing their responses. This RFI is for supply side only options. As such, Midwest will not be reviewing demand response programs or other demand side options under this RFI.

If the Supplier is not a company with which Midwest has done business in the past or a utility member of the SPP, please provide information on the organization of the respondent, and its parent organization (if applicable), including the general information on owned/operated generating resources or similar projects developed in the past five years, and the most current annual financial reports and SEC Form 10-k (if applicable). Such information should be provided in electronic format, either directly or through one or more website links.

Midwest anticipates the following new capacity and energy requirements in the near term:

- June 1, 2012: 15MW Intermediate and Peaking Capacity/Energy
- June 1, 2013: 20MW Intermediate and Peaking Capacity/Energy (in addition to the previous 15MW)

Midwest further anticipates the following new capacity and energy requirements in the longer term:

- June 1, 2016: 100MW Base Load, Intermediate and Peaking Capacity/Energy (in addition to the previous 35MW)

### 2.1 Information Required for Contract Capacity Sales

With respect to potential contract sales of capacity and energy, the following information must be provided:

- MW capacity available
- Age of the resource(s), historical availability and annual capacity factors
- Primary fuel of the resource(s)
- Effective date(s) of such capacity availability
- Status of pending SPP Interconnection Request(s) – units under development
- Minimum and preferred term of the agreement
- Scheduling requirements, including minimum capacity factor, minimum schedule amount, minimum schedule duration, scheduling deadlines, etc.
- Expected emission compliance or strategy to comply for the resource
- General contract structure, such as unit participation, system participation, etc.

## 2.2 Information Required for Resource Development Proposals

Information provided by the Supplier in anticipation of the development of new generating resources should include the same information required for potential contract sales. Historical availability and capacity factor data should be provided for similar units that entered commercial operation within the past five (5) years. Projected availability and capacity factor data for the proposed development should also be provided. Site locations of proposed projects and other drawings that would be helpful in describing projects should be included.

## 2.3 Information Required for Transmission Service Analysis

For purposes of submitting the SPP transmission service requests, please provide the following information for all proposed resources:

- Resource(s) expected to provide the capacity and energy and its physical location
- Point of Receipt and balancing area in which the resource(s) is or will be located, including SPP load flow model bus number where applicable
- Source ID (TSIN) for the resource – required for transmission service request for existing resources
- Status of pending SPP Interconnection Request – units under development

## **3.0 Utilization of Information Provided**

Upon receipt of the responses Midwest will review the information provided, determine if additional information is required, and decide which responses warrant further investigation.

Those responses of continuing interest will form the basis for the submittal of transmission service requests to SPP in order to ascertain the transmission requirements associated to effect delivery of the resource to Midwest. During the pendency of the SPP transmission service aggregate study process Midwest will conduct further analysis related to resource analysis.

Midwest will provide preliminary results of its review, along with any additional requests for information, to the respondents by June 15, 2011. Further discussions will ensue some time thereafter for those responses that warrant continued review. The timing of additional steps in the procurement of resources will be dependent on the completion of the SPP transmission service aggregate study process.

**Appendix A**

**Confidentiality Agreement**

## MUTUAL NONDISCLOSURE AGREEMENT

THIS MUTUAL NONDISCLOSURE AGREEMENT (“Agreement”), dated as of \_\_\_\_\_, 20\_\_ (the “Effective Date”), is by and between \_\_\_\_\_ (“Company”) and **Midwest Energy, Inc.** (“Midwest”) (each a “Party” and collectively the “Parties”), under the following circumstances:

WHEREAS, the Parties intend to enter into confidential discussions regarding a potential business relationship between the Parties regarding the production and sale of energy (the “Proposed Relationship”); and

WHEREAS, the Parties are entering into this Agreement in order to assure the confidentiality of all information of a confidential or proprietary nature disclosed between the Parties and to prevent the disclosure or use of the same except as permitted herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants made herein, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Confidential Information.

a. Defined. As used herein, the term “Confidential Information” means any and all information (whether furnished in written, oral, electronic or any other format) regarding the Proposed Relationship, Disclosing Party (defined below) or Disclosing Party’s Affiliates (defined below) which is of a non-public, proprietary, or confidential nature, furnished by or on behalf of either Party (in such capacity, the “Disclosing Party”), to the other Party (in such capacity, the “Receiving Party”) on or after the Effective Date including, without limitation, information related to Disclosing Party’s or its Affiliates’ business plans, marketing plans, customers, financial data, energy capacity and production, pricing, costs, processes, methods, techniques, formulas, trade secrets, data, know-how, formulae, drawings and schematics, current and planned research and development, computer software and database technologies, concepts and any other similar proprietary or confidential information, and all notes, analyses, models or other data prepared by or for Receiving Party which is derived from or contains any Confidential Information (“Notes”).

b. Exceptions. The term “Confidential Information” does not include: (i) information which at the time of disclosure by Disclosing Party is or subsequently becomes publicly available other than as a result of disclosure by Receiving Party or its Affiliates or Representatives (as such terms are defined below) in violation of this Agreement; (ii) information which is obtained by Receiving Party on a nonconfidential basis from a third party (other than from Disclosing Party or its Affiliates or Representatives), provided that such third party is not prohibited from disclosing such information pursuant to an obligation to Disclosing Party; (iii) information which is developed by Receiving Party or its Affiliates independently and without access to the Confidential Information of Disclosing Party; or (iv) information which was already known or otherwise in the possession of Receiving Party or its Affiliates prior to disclosure by Disclosing Party. As used herein, the term “Affiliate” means, with respect to a Party, any person, corporation, partnership, limited liability company or other entity or association that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Party. The term “Representatives” means a Party’s or its Affiliate’s directors, officers, managers, employees, agents, consultants, attorneys, lenders or financial advisors, who are assisting such Party in evaluating or performing the Proposed Relationship.

2. Disclosure and Use of Confidential Information. Receiving Party (a) will keep all Confidential Information strictly confidential and will not, without the prior written consent of Disclosing Party, disclose any Confidential Information in any manner whatsoever, directly or indirectly, (b) will exercise in relation to the Confidential Information no lesser security measures and degree of care than those which Receiving Party applies to its own Confidential Information (and which Receiving Party warrants as providing adequate protection against any unauthorized disclosure, copying or use), and (c) will not use any Confidential Information in any manner or for any purpose whatsoever, other than for its evaluation of or in connection with the Proposed Relationship. Notwithstanding the foregoing, Receiving Party may disclose Confidential Information to those of its Representatives (a) who have a clear need to know the Confidential Information for purposes of evaluation of and in connection with the Proposed Relationship and (b) who are informed of the confidential nature of the Confidential Information and agree to maintain the confidentiality of the Confidential Information as required by this Agreement. Receiving Party agrees to be responsible for any disclosure in violation of this Agreement committed by any of its Representatives.

3. Required Disclosure. In the event that Receiving Party or its Representatives are required, in the opinion of its legal counsel, to disclose any of the Confidential Information by applicable law, regulation or legal process, Receiving Party will promptly notify Disclosing Party so that Disclosing Party may seek a protective order or other appropriate remedy or, in its sole discretion, waive compliance with the terms of this Agreement. Receiving Party will cooperate fully with Disclosing Party to obtain such a protective order, at the sole cost and expense of Disclosing Party, and, in any event, will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information that is ultimately required to be disclosed.

4. Return of Confidential Information. At any time upon the request of Disclosing Party, Receiving Party will, at its sole discretion, either (a) promptly destroy all copies of the Confidential Information and Notes in Receiving Party's or its Representatives' control or possession and confirm such destruction to Disclosing Party by delivery of a certificate signed by a duly authorized officer of Receiving Party, or (b) promptly deliver to Disclosing Party all copies of the Confidential Information (other than Notes) in its or its Representatives' control or possession and destroy all Notes, confirming any such destruction by delivery of a certificate signed by a duly authorized officer of Receiving Party.

5. Remedies. Receiving Party acknowledges that remedies at law may be inadequate to protect Disclosing Party against any actual or threatened breach of this Agreement by Receiving Party or by its Representatives and, without limiting any other rights and remedies otherwise available to Disclosing Party, Receiving Party agrees that Disclosing Party is entitled to seek injunctive relief or other appropriate equitable remedy, without posting of bond or proof of actual damages for any actual or threatened breach of this Agreement.

6. No Other Agreement or License. It is expressly understood that this Agreement is not and shall not be construed as any obligation or agreement to enter into a business relationship or definitive agreements with respect to the Proposed Relationship. The approval and execution of any such definitive agreements shall be subject to each Party's sole discretion and satisfaction, which may be withheld for any reason. Neither this Agreement nor the transfer of Confidential Information hereunder shall be construed as granting any license or rights to any information or data, including, without limitation, any patent, trademark or copyright, now or hereafter owned or controlled by Disclosing Party and all such Confidential Information shall remain the property of Disclosing Party.

7. No Representations or Further Obligation. Disclosing Party does not make any representations or warranties express or implied, with respect to the accuracy or completeness of the Confidential Information. It is further understood and agreed that neither Disclosing Party nor its Affiliates' or their respective Representatives shall have any liability or responsibility to Receiving Party

or to any other person or entity resulting from the use of any Confidential Information. Nothing obligates Disclosing Party to disclose any information to Receiving Party.

8. Termination. This Agreement (and the obligations of each of the Parties hereunder) will terminate upon the first to occur of (a) the execution of a definitive agreement between the Parties with respect to the Proposed Relationship, or (b) a period of two (2) years from the Effective Date. To the extent permissible under applicable law, the non-use and non-disclosure obligations for Confidential Information that constitutes a "Trade Secret" under applicable law, shall last for as long as such information continues to meet the definition of Trade Secret. This Agreement is intended to be in addition to and not in lieu of any common law or statutory protections given Trade Secrets and confidential information, and the Parties intend that this Agreement be interpreted in a manner consistent with such protections.

9. Attorney's Fees. If Receiving Party or its Representatives shall fail to comply with the terms of this Agreement or shall challenge, attempt to set aside or in any other manner seek to void this Agreement, or any provision hereof, Receiving Party shall be liable for, and shall pay, the reasonable attorneys' fees incurred by Disclosing Party in enforcing this Agreement.

10. Miscellaneous. If any provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall remain valid and enforceable to the fullest extent permitted by law. Each Party agrees that no failure or delay by the other Party in exercising any right, power or privilege hereunder will operate as a waiver thereof. No waiver shall be effective against any Party unless such waiver is in writing and signed by such Party. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas, without regard to conflict of law principles. Any legal action or proceeding with respect to this Agreement or in any way related to this Agreement shall be brought in the State of Kansas District Court for Ellis County, Kansas. This Agreement contains the entire agreement between the Parties concerning the confidentiality of the Confidential Information, and no modification of this Agreement will be binding unless approved in writing by each Party. All notices, demands and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to be made or given when personally delivered or three (3) business days after being mailed by registered or certified United States mail, postage prepaid, return receipt requested, or one (1) business day after being sent by a courier guaranteeing overnight delivery, to the Parties at the respective addresses set forth below or at such other address as a Party may designate from time to time pursuant to a notice delivered to the other Party in the manner required herein. This Agreement may be assigned by Midwest to any Affiliate of Midwest but shall not otherwise be assigned to a third party unless such assignment is to the purchaser of substantially all of a Party's assets. This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original Agreement, and all of which, when taken together, shall be deemed to constitute one and the same Agreement. This Agreement may be executed and delivered by facsimile or scanned email transmission.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the date and year first written above.

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**MIDWEST ENERGY, INC.**

By: \_\_\_\_\_

By: *William M. Dowling*

Name: \_\_\_\_\_

Name: *William N. Dowling*

Title: \_\_\_\_\_

Title: *V.P. Energy Mgmt & Supply*

Address: \_\_\_\_\_

Address: 1330 Canterbury

\_\_\_\_\_

Hays, KS 67601