PRELIMINARY OFFICIAL STATEMENT DATED APRIL 25, 2018

NEW ISSUE – FULL BOOK ENTRY | **RATINGS: Moody's: A2**
Fitch: Under Review

In the opinion of Gilmore & Bell, P.C., Bond Counsel to MJMEUC, 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 2018 Bonds [(including any original issue discount properly allocable to an owner thereof)] is 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 is exempt from income taxation by the State of Missouri. The Series 2018 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

MPUA Missouri Public Utility Alliance

$29,500,000*
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018

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

The Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018 (the "*Series 2018 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 2018 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers or dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2018 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2018 Bonds. Semiannual interest on the Series 2018 Bonds is payable each June 1 and December 1, commencing December 1, 2018, as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2018 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 2018 BONDS – Book-Entry Only System" herein).

The Series 2018 Bonds are subject to redemption prior to maturity as described herein.

The Series 2018 Bonds will be issued by the Missouri Joint Municipal Electric Utility Commission ("*MJMEUC*") to (a) finance the Costs of Acquisition and Construction of an additional undivided 8.2% ownership interest in a 610 MW combined-cycle natural gas-fired electric generating facility located at the Dogwood Energy Station in Pleasant Hill, Cass County, Missouri (the "*Dogwood Generating Facility*") and dedicated to Missouri Public Energy Pool #1 ("*MoPEP*"), a power pool managed by MJMEUC for the benefit of certain of its members; (b) to fund a debt service reserve for the Series 2018 Bonds; and (c) to pay costs of issuance of the Series 2018 Bonds.

The Series 2018 Bonds and the interest thereon will be special, limited obligations of MJMEUC, payable by MJMEUC out of the Net Revenues (as defined herein) relating to the ownership and operation of the Power Supply System (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 2018 Bonds.

The Series 2018 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 2018 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 Front Cover

The Series 2018 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., Kansas City, Missouri, Bond Counsel to MJMEUC. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP. It is expected that the Series 2018 Bonds will be available for delivery in book-entry form through DTC in New York, New York on or about May 30, 2018.

Piper Jaffray & Co.

BofA Merrill Lynch | **Goldman Sachs & Co. LLC** | **J.P. Morgan**
Barclays | **Wells Fargo Securities**

May __, 2018

* Preliminary, subject to change.

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND PRICE

$29,500,000*
MISSOURI JOINT MUNICIPAL
ELECTRIC UTILITY COMMISSION
Power Supply System Revenue Bonds
(MoPEP Facilities), Series 2018

Year (December 1)	Amount	Interest Rate	Yield	CUSIP(†) (606094)
2019	$	_.___%	_.___%	
2020		_.___	_.___	
2021		_.___	_.___	
2022		_.___	_.___	
2023		_.___	_.___	
2024		_.___	_.___	
2025		_.___	_.___	
2026		_.___	_.___	
2027		_.___	_.___	
2028		_.___	_.___	
2029		_.___	_.___	
2030		_.___	_.___	
2031		_.___	_.___	
2032		_.___	_.___	
2033		_.___	_.___	
2034		_.___	_.___	
2035		_.___	_.___	
2036		_.___	_.___	
2037		_.___	_.___	
2038		_.___	_.___	

$_________ __.__% Term Bonds maturing December 1, 2043 – Yield __.__%
CUSIP(†) 606094 ___

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* Preliminary, subject to change.

C Yield to call date of December 1, 20__.

Missouri Joint Municipal Electric Utility Commission

1808 I-70 Drive S.W.
Columbia, Missouri 65203
(573) 445-3279

Officers

Management

President, General Manager and Chief Executive Officer	Duncan Kincheloe
Chief Operating Officer and Vice President of Engineering, Operations and Power Supply	John Grotzinger
Senior Vice President and Associate General Manager	Eve Lissik
Chief Financial Officer and Vice President of Administrative Services	Michael J. Loethen

Bond Counsel

Gilmore & Bell, P.C.
Kansas City, Missouri

Financial Advisor

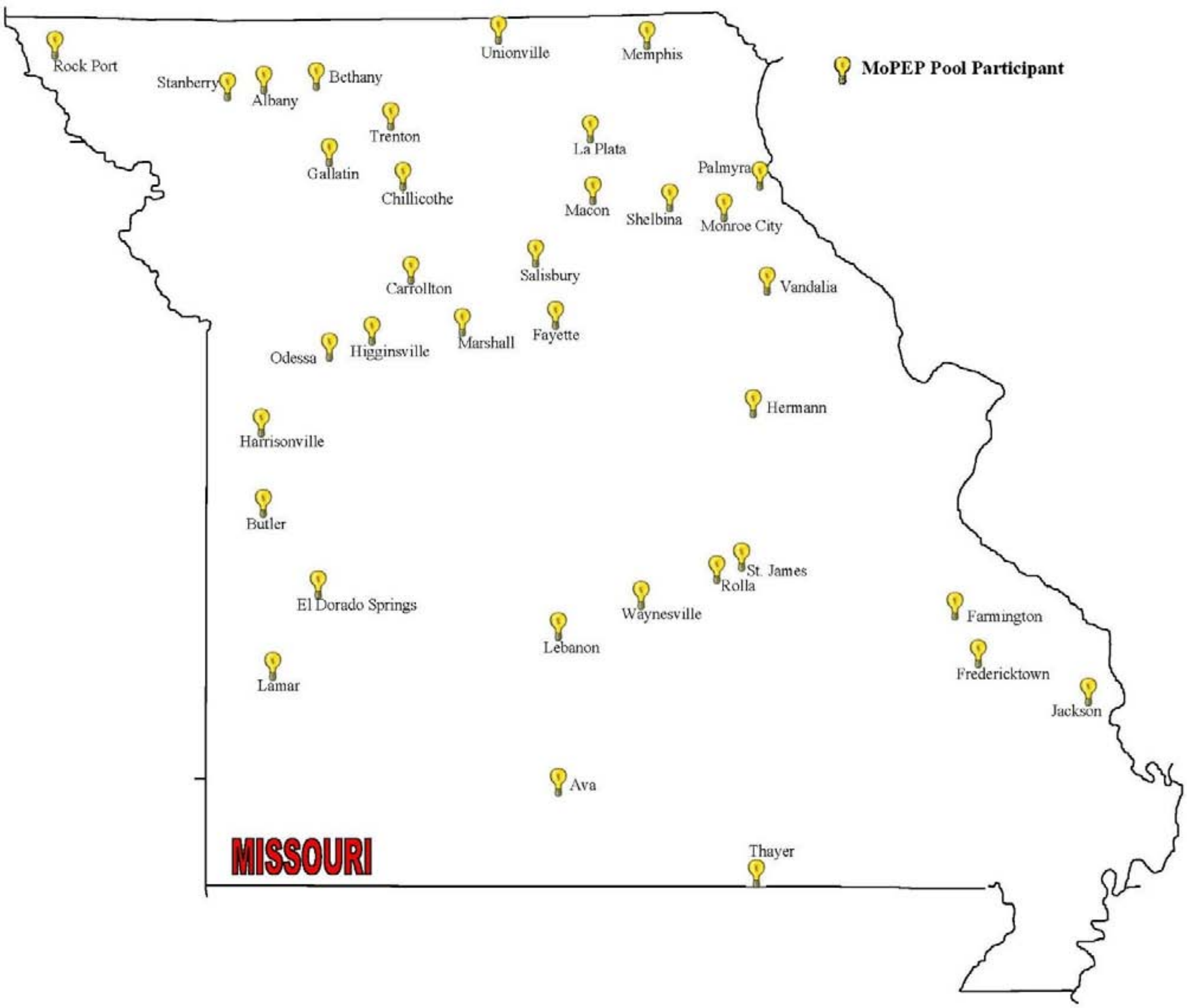
Ramirez & Co., Inc.
New York, New York

Trustee, Bond Registrar, and Paying Agent

The Bank of New York Mellon Trust Company, N.A.
St. Louis, Missouri

MISSOURI JOINT MUNICIPAL
ELECTRIC UTILITY COMMISSION

POOL POWER PURCHASERS



No dealer, broker, salesman or any other person has been authorized by MJMEUC 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 2018 Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by MJMEUC. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2018 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

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 MJMEUC, certain of the Pool 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 MJMEUC or the Pool Power Purchasers since the date hereof.

THE UNDERWRITERS HAVE ADVISED MJMEUC THAT IN CONNECTION WITH THE OFFERING OF THE SERIES 2018 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

When used in this Official Statement and in any continuing disclosure made by MJMEUC, the words or phrases “will likely result”, “are expected to”, “will continue”, “is anticipated”, “estimate”, “project”, “forecast”, “expect”, “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. 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 2018 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of MJMEUC 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 2018 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 2018 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS IN ANY STATE.

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 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.

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Table of Contents

Official Statement

relating to

$29,500,000*
Missouri Joint Municipal Electric Utility Commission Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018

INTRODUCTORY 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 ("*MJMEUC*") of its $29,500,000 Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018 (the "*Series 2018 Bonds*").

The Series 2018 Bonds are being issued by MJMEUC (a) to finance the Costs of Acquisition and Construction of an additional undivided 8.2% ownership interest in a 610 MW combined-cycle natural gas-fired electric generating facility located at the Dogwood Energy Station in Pleasant Hill, Cass County, Missouri (the "*Dogwood Generating Facility*") and dedicated to Missouri Public Energy Pool #1 ("*MoPEP*"), a power pool managed by MJMEUC for the benefit of certain of its members; (b) to fund a debt service reserve for the Series 2018 Bonds; and (c) to pay costs of issuance of the Series 2018 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2018 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 December 1, 2011 (the "*Original Indenture*"), entered into between MJMEUC and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as Trustee (the "*Trustee*"), as amended and supplemented from time to time (collectively, the "*Indenture*"), including as supplemented by a Supplemental Trust Indenture No. 4, dated as of May 1, 2018 (the "*Supplemental Trust Indenture No. 4*") to be entered into between MJMEUC and the Trustee, authorizing the Series 2018 Bonds.

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* Preliminary, subject to change.

The Series 2018 Bonds will be the fourth issuance of bonds pursuant to the Indenture. On the issue date of the Series 2018 Bonds, the following Bonds will be Outstanding under the Indenture:

Series	Original Principal Amount	Principal Amount Outstanding(1)	Final Maturity
Power Supply System Revenue Bonds (MoPEP Facilities), Series 2011 (the "*Series 2011 Bonds*")	$17,060,000	2,175,000(1)	12/1/2020(1)
Power Supply System Revenue Bonds (MoPEP Facilities), Series 2012 (the "*Series 2012 Bonds*")	32,950,000	3,850,000(1)	1/1/2021(1)
Power Supply System Revenue Refunding Bonds (MoPEP Facilities), Series 2017 (the "*Series 2017 Bonds*")	35,600,000	35,600,000	12/1/2036
Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018 (the "*Series 2018 Bonds*") Power	29,500,000*	29,500,000*	12/1/2043
Total Outstanding Bonds =		***$71,125,000*** (1) *	

(1) Excludes the portion of the Series 2011 Bonds and the portion of the Series 2012 Bonds refunded with proceeds of the Series 2017 Bonds.

A portion of the proceeds of the Series 2018 Bonds will be used to acquire an additional 8.2% undivided interest in the Dogwood Generating Facility, as described under "PLAN OF FINANCE" herein. The Series 2012 Bonds were originally issued to finance MJMEUC's acquisition of an initial 8.2% undivided ownership interest in the Dogwood Generating Facility. See "MISSOURI PUBLIC ENERGY POOL #1 – The Dogwood Generating Facility."

The Series 2011 Bonds, Series 2012 Bonds and Series 2017 Bonds are secured on parity with the Series 2018 Bonds. As described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Additional Bonds and Subordinated Bonds" herein, MJMEUC may issue additional bonds under the Indenture on parity with the Series 2011 Bonds, the Series 2012 Bonds, the Series 2017 Bonds and the Series 2018 Bonds as to security and source of payment. The Series 2018 Bonds, together with the Series 2011 Bonds, Series 2012 Bonds, Series 2017 Bonds and all additional bonds issued under the Indenture on a parity therewith are referred to herein as the *"Bonds."*

MJMEUC has previously issued certain bonds pursuant to three other separate trust indentures between it and the Trustee and entered into one lease purchase agreement, all to finance its acquisition of undivided interests in certain other generating facilities. MJMEUC 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 that it may enter into in the future in connection with its acquisition of additional generating facilities (or undivided interests therein). No such bonds or other obligations will be payable from the revenues to be derived by MJMEUC from the Power Supply System (as defined herein) or the funds and accounts established pursuant to the Indenture, and the Bonds will not be payable from

* Preliminary, subject to change.

any revenues to be derived by MJMEUC from any such other or additional generating facilities or the funds and accounts established pursuant to any such other indenture or other financing documents. See "MISSOURI PUBLIC ENERGY POOL #1 – Non-Power Supply System Facilities" and "OTHER MJMEUC OWNED GENERATION" 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.

MJMEUC

MJMEUC, a body public and corporate of the State of Missouri (the "*State*"), was created by contract as of May 1, 1979, 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. MJMEUC's Members currently consist of 70 municipally-owned retail electric systems ranging in size from approximately 233 to approximately 114,942 meters.

In 1989, MJMEUC created a second category of membership, referred to as "advisory membership," to allow rural electric cooperatives located within or outside of the State and municipalities located outside the State (both of which, in accordance with the Act and the joint contract pursuant to which MJMEUC was created, do not qualify for regular membership) to participate in MJMEUC's power supply programs and projects. MJMEUC's Advisory Members currently consist of one rural electric cooperative and four municipally-owned retail electric systems located in the State of Arkansas (collectively, the "*Advisory Members*"). See "MJMEUC – Membership" herein.

Missouri Public Energy Pool #1

MJMEUC supplies the electric power and energy requirements of 35 of its Members (the "*Pool Power Purchasers*") through the operation of the Missouri Public Energy Pool #1 ("*MoPEP*") as more fully described under "MISSOURI PUBLIC ENERGY POOL #1 – General" herein. Through MJMEUC's ownership interests in various generating facilities, MJMEUC 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.

The Pool Power Purchasers

The Pool Power Purchasers currently consist of 35 of MJMEUC's Members, all of whom have taken full requirements service from MoPEP since March 1, 2013. As of December 31, 2017, MoPEP reached a peak load of 530.6 MW on July 21 for the calendar year 2017. See "MISSOURI PUBLIC ENERGY POOL #1 – Pool Power Purchasers" herein.

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 Power Supply System and the Bonds, pursuant to the Amended and Restated Missouri Public Energy Pool #1 Agreement (the "*Pool Power Purchase Agreement*") among MJMEUC and each Pool Power Purchaser. See "MISSOURI PUBLIC ENERGY POOL #1 – General" herein and "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT – MoPEP Rates and Charges" in APPENDIX D hereto.

PLAN OF FINANCE

In 2012, MJMEUC acquired an 8.2% undivided ownership interest in the Dogwood Generating Facility. The costs of the initial acquisition were paid with proceeds of the Series 2012 Bonds. Pursuant to an Asset Purchase Agreement between MJMEUC and Dogwood Energy, LLC, dated as of January 26, 2018 (the "*2018 Asset Purchase Agreement"),* MJMEUC plans to acquire an additional 8.2% undivided ownership interest in the Dogwood Generating Facility, for a total undivided ownership interest of 16.4% after the planned acquisition is complete.

MJMEUC expects its total costs associated with the acquisition of an additional 8.2% undivided ownership interest in the Dogwood Generating Facility to be approximately $30.7 million. The acquisition costs payable under the 2018 Asset Purchase Agreement include MJMEUC's cost to acquire an undivided interest in all of the assets, properties and rights related to the Dogwood Generating Facility owned, leased or held by Dogwood Energy, LLC as of the date of the purchase, including, without limitation (a) Dogwood Energy, LLC's leasehold interest in the Dogwood Generating Facility, (b) all licenses, permits, franchises, approvals and other governmental authorizations (including environmental permits) relating to the Dogwood Generating Facility, and (c) certain contracts relating to the Dogwood Generating Facility.

Proceeds of the Bonds are being used (a) to finance the Costs of Acquisition and Construction of an additional undivided 8.2% ownership interest in the Dogwood Generating Facility; (b) to fund a debt service reserve for the Series 2018 Bonds; and (c) to pay costs of issuance of the Series 2018 Bonds.

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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 2018 Bonds.

Sources of Funds:	
Principal Amount of Series 2018 Bonds	$
Premium on the Series 2018 Bonds	
Other Available Funds[1]	
Total Sources	$
Use of Funds:	
Deposit to Project Fund	$
Deposit to Common Debt Service Reserve Account in Debt Service Reserve Fund	$
Costs of Issuance[2]	
Total Uses	$

(1) Upon the issuance of the Series 2018 Bonds, the amount on deposit in the Debt Service Reserve Fund will be equal to applicable Debt Service Reserve Requirement therefor. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Debt Service Reserve Fund" herein.

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

THE DOGWOOD GENERATING FACILITY

General

On March 8, 2018, the MJMEUC Board of Directors approved the acquisition, operation and financing of an additional 8.2% undivided ownership interest in the Dogwood Generating Facility, which includes a nominal 610 MW combined-cycle natural gas-fired electric generating facility, natural gas lateral and associated real property located approximately 20 miles southeast of Kansas City in Pleasant Hill, Missouri. In 2012, MJMEUC acquired an initial 8.2% undivided ownership interest in the Dogwood Generating Facility, with such acquisition funded through the issuance of the Series 2012 Bonds. MJMEUC's ownership interest in the Dogwood Generating Facility is dedicated as a Resource Obligation for MoPEP under the Pool Power Purchase Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT."

Pursuant to the 2018 Asset Purchase Agreement, MJMEUC's additional undivided 8.2% ownership interest will include all of the assets, properties and rights related to the Dogwood Generating Facility owned, leased or held by Dogwood Energy, LLC, a wholly owned subsidiary of Kelson Limited Partnership, as of the date of the purchase, including, without limitation, (a) Dogwood Energy, LLC's leasehold interest in the Dogwood Generating Facility, (b) all licenses, permits, franchises, approvals and other governmental authorizations (including environmental permits) relating to the Dogwood Generating Facility, and (c) certain contracts relating to the Dogwood Generating Facility from Dogwood Energy, LLC.

The Dogwood Owners

Dogwood Energy, LLC has entered into other, similar but separate, Asset Purchase Agreements with MJMEUC, the City of Independence, Missouri ("*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.

In March 2018, Dogwood Energy, LLC sold a 10.1% interest in the Dogwood Generating Facility to KMEA, which equates to an approximately 62 MW share, leaving Dogwood Energy, LLC, with a remaining interest of 33.9% in the Dogwood Generating Facility. Upon consummation of KMEA's purchase, KMEA became party to, and is now bound by the terms of, the Participation Agreement. Dogwood Energy, LLC has publicly announced its intention to sell all or a part of its remaining interest in the Dogwood Generating Facility.

All material approvals for the acquisition of an additional 8.2% undivided ownership interest by MJMEUC have been obtained. If MJMEUC completes its expected acquisition, the Dogwood Generating Facility will be owned jointly in the following percentages:

	Ownership Interest
MJMEUC	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%

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, MJMEUC will exercise an option contained in the lease with Cass County, Missouri to purchase its additional undivided interest, and thereafter MJMEUC'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 be 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 650 MW nominal output capacity measured at 60 degrees and 60% humidity, and an annual average of approximately 635 MW.

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 Southwest Power Pool ("*SPP*") reliability region provide economic benefits. The Dogwood Generating Facility is within the SPP Regional Transmission Operator ("*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 2016, the Dogwood Generating Facility scheduled and completed major maintenance activities to sustain successful operations and reliability performance. Both combustion turbines conducted hot gas path inspections and the steam turbine conducted its major overhaul. Coming out of those maintenance activities, the units met or exceeded MJMEUC's performance expectations. In both 2016 and 2017, the Dogwood Generating Facility has met operational expectations and in 2018 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 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 geographical footprint. 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 MJMEUC'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.

MJMEUC

General

MJMEUC, a body public and corporate of the State, was created by contract by certain of its current Members as of May 1, 1979. Organized and existing under the provisions of the Act, MJMEUC 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, MJMEUC 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, MJMEUC has grown to a membership of 70 municipally-owned retail electric systems ranging in size from approximately 233 to approximately 114,942 meters. New Members may be added in the future (see "—Membership" below).

In the past, MJMEUC 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, MJMEUC began participating in several generating facilities, the first of which commenced operations in 2007. Since that time, MJMEUC has acquired ownership interest in the dedicated capacity of over 650 MW from approximately ten 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 MJMEUC. Each Member, through its Director, has one vote.

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

> ***Duncan Kincheloe*** has served as President, General Manager and Chief Executive Officer of MJMEUC since 1999 and is responsible for the administration and overall management of MJMEUC. Mr. Kincheloe also is responsible for the development of strategies and programs pursuant to policies established by the Board. Prior to his employment with MJMEUC, Mr. Kincheloe served as Director of Regulatory and Government Relations of the Electric Power Research Institute, based in Palo Alto, California. Previously, Mr. Kincheloe served in positions as a Commissioner of the Missouri Public Service Commission (the "*Missouri PSC*"), as Director of Policy Development in the Office of the Governor of Missouri and as Associate Attorney General of the State. He currently serves as a member of the Personnel Advisory Board of the State by appointment of the Governor. Mr. Kincheloe earned his B.A. and J.D. degrees at the University of Missouri-Kansas City.

John Grotzinger joined MJMEUC in December 1994 and currently serves as Chief Operating Officer and Vice President of Engineering, Operations and Power Supply of MJMEUC. Mr. Grotzinger is responsible for overall operation of MoPEP and is responsible for all electric power transactions of MJMEUC. Prior to joining MJMEUC, Mr. Grotzinger was employed by Kansas City Power & Light ("*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.

Eve Lissik joined MJMEUC in 2001 and currently serves as Senior Vice President and Associate General Manager. Prior to that time, she served as the Engineering Supervisor and Assistant Manager of the Electric Department of the Missouri PSC. During her tenure at the Missouri PSC, Ms. Lissik was involved in a wide variety of projects involving the regulation of electric, natural gas and water utilities and worked as a technical and policy advisor to the Commissioners. She has extensive experience in evaluation of power plant, transmission and distribution system performance, cost of service analysis and rate design, and mathematical, economic, statistical and policy analysis. Ms. Lissik holds a Ph.D. Degree in Agricultural Engineering from Cornell University with minors in mechanical engineering and applied engineering mathematics. She is a registered Professional Engineer in Missouri.

Michael J. Loethen joined MJMEUC in 2005 and currently serves as Chief Financial Officer & Vice President of Administrative Services. Prior to joining MJMEUC, 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 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.

Membership

The contract pursuant to which MJMEUC was created (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 MJMEUC, subject to satisfaction of the requirements for membership set forth therein. MJMEUC 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 MJMEUC 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 MJMEUC on behalf of its Members.

Advisory Member classification was created by MJMEUC in 1989 to allow membership by rural electric cooperatives located within or outside the State and by municipalities located outside the State (both of which, in accordance with the Act and the Joint Contract, do not qualify for regular membership). MJMEUC currently intends to consider requests for advisory membership by any such rural electric cooperative or municipality. An Advisory Member may aid, consult, or advise MJMEUC, or receive aid, consultation or advice from MJMEUC, 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 MJMEUC and the Advisory Member. MJMEUC's Advisory Members currently consist of one rural electric cooperative and four municipally-owned retail electric systems located in the State of Arkansas.

Energy Pools

There are three full requirements energy pools within MJMEUC: MoPEP, which consists of 35 municipal members, the Mid-Missouri Municipal Power-Energy Pool ("*MMMPEP*"), which consists of 13 municipal members and the Southwest Missouri Public Energy Pool ("*SWMPEP*"), which consists of two (2) 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 MJMEUC and/or the Pool Power Purchasers. See APPENDIX D – "Summary of the Pool Purchase Agreement" herein. Pursuant to the Pool Power Purchase Agreement, MoPEP historically used market-based energy contracts, a generating facility owned by MJMEUC 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 MJMEUC to acquire ownership interests and/or long-term capacity entitlements in several generating facilities. See "MISSOURI PUBLIC ENERGY POOL #1 – Other MJMEUC Owned Generation" herein.

Mid-Missouri Municipal Power-Energy Pool

The twelve municipal members of MMMPEP initially entered into five year power purchase contracts with MJMEUC 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, MJMEUC and MMMPEP extended the full power requirement contracts another 10 years to May 31, 2028. A thirteenth city joined the MMMPEP membership and began receiving full power requirements in January 2018.

Southwest Missouri Public Energy Pool

On September 29, 2017, MJMEUC authorized the Missouri cities of Monett and Mt. Vernon (together, the "*SWMPEP Cities*") to join MJMEUC and execute a power supply contract with the SWMPEP Cities. The SWMPEP Cities and MJMEUC have executed ten-year power purchase contracts for the full power requirements of their respective municipality. Supply pursuant to these contracts will begin in June 2020 and expires May 31, 2030.

Annual Budgets

MJMEUC approves an annual budget (the "*Annual Budget*") prior to the commencement of each fiscal year. The Annual Budget includes all projected expenses of MJMEUC and will incorporate separate annual budgets for each generating project in which MJMEUC 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, MJMEUC and Wells Fargo executed a revolving line of credit ("*Revolving Line of Credit*") in the amount of $20 million. MJMEUC and Wells Fargo amended the Revolving Line of

Credit on July 30, 2014 for an increase to $48 million. The Revolving Line of Credit was renewed in June 2017 under similar terms, and now expires June 30, 2020. The Revolving Line of Credit may be drawn upon (i) for working capital to support any MJMEUC 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 MJMEUC and Wells Fargo. Approximately $40.5 million of the Revolving Line of Credit is currently available to MJMEUC. MJMEUC 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.

MISSOURI PUBLIC ENERGY POOL #1

General

MJMEUC manages a power pool, MoPEP, for the benefit of those of its Members that are Pool Power Purchasers. The location of the Pool Power Purchasers and their proximity to the Dogwood Generating Facility are illustrated on the map on page iii of this Official Statement. MoPEP had a coincident peak load of 530.6 MW through December 31, 2017, which occurred on July 21, 2017.

MJMEUC provides service to the Pool Power Purchasers pursuant to the Pool Power Purchase Agreement. The Pool Power Purchase Agreement provides for MJMEUC 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 Power Supply System

The "*Power Supply System*" is defined in the Indenture to mean all properties and interests in properties of MJMEUC, 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 MJMEUC in connection with its obligation to deliver full requirements power and energy pursuant to the Pool Power Purchase Agreement.

The Power Supply System includes MJMEUC's interests in the Dogwood Generating Facility (including the additional 8.2% undivided ownership interest to be acquired with proceeds of the Series 2018 Bonds) and the Fredericktown Energy Center.

Notwithstanding the foregoing however, the term "*Power Supply System*" shall not include any properties or interest in properties of MJMEUC which are Non-Power Supply System Facilities. Similarly, the Trust Estate does not include revenues generated by MJMEUC from any Non-Power Supply System Facilities. See "MJMEUC – Non-Power Supply System Facilities" and "OTHER MJMEUC PROJECTS" herein.

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.

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MoPEP has grown significantly since the pool commenced operations with nineteen Pool Power Purchasers in 2000. Most recently, MJMEUC commenced service to the Missouri city of Waynesville on March 1, 2013. The following table lists the Pool Power Purchasers, and shows their coincident peak loads as of December 31, 2017. Based on the U.S. Census Bureau population estimates for 2016, the total population within the corporate limits of all of the Pool Power Purchasers combined was approximately 188,655.

Pool Power Purchasers
Peak Loads

City	2017 Peak Load (MW)[1]	Percent of Total
Rolla	55.2	10.4%
Lebanon	55.0	10.4
Farmington	46.8	8.8
Jackson	38.0	7.2
Marshall	36.5	6.9
Harrisonville	25.6	4.8
Chillicothe	24.1	4.5
Macon	18.8	3.5
Trenton	16.9	3.2
Lamar	14.0	2.6
Higginsville	13.8	2.6
Ava	13.1	2.5
St. James	13.0	2.5
Waynesville	12.4	2.3
Fredericktown	12.0	2.3
El Dorado Springs	11.7	2.2
Hermann	11.3	2.1
Odessa	11.2	2.1
Butler	11.1	2.1
Carrollton	10.3	1.9
Palmyra	9.6	1.8
Bethany	9.2	1.7
Monroe City	9.2	1.7
Shelbina	6.9	1.3
Fayette	5.8	1.1
Memphis	5.0	0.9
Vandalia	5.0	0.9
Unionville	4.7	0.9
Albany	4.6	0.9
Salisbury	4.4	0.8
Thayer	4.0	0.8
Gallatin	3.8	0.7
Rock Port	2.9	0.5
Stanberry	2.4	0.5
La Plata	2.3	0.4
Total	530.6	100.0%
Total Pool Power Purchasers Served by MoPEP as of December 31, 2017	35	

(1) Coincident peak occurred July 21, 2017.

As of December 31, 2017, MoPEP achieved a 2017 peak of 530.6 MW on July 21, 2017, representing a decrease from 2016 of less than one percent.

Certain information regarding each of the Pool Power Purchasers (the "*Large Pool Power Purchasers*") whose percentage of the Pool Power Purchasers' combined coincident peak demand through December 31, 2016 was in excess of 5 percent is set forth in APPENDIX B hereto.

For 2016 and as of December 31, 2017, 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 percent and 43.6 percent of the aggregate coincident peak load of the Pool Power Purchasers during calendar year 2016 and 2017, respectively. During the year ended December 31, 2017, the Large Pool Power Purchasers provided retail electric service to approximately 37,000 customers, sold an aggregate of 1,051,180 megawatt-hours ("*MWh*") of energy, experienced a combined demand of approximately 248 MW during the same hour that MoPEP experienced its peak load and received approximately $105,530,000 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 MJMEUC incurs in connection with acquiring, providing, arranging or financing the provision of full requirements service ("*Direct Costs*"). Direct Costs include, without limitation, all payments MJMEUC is required to make, or reserves or coverage MJMEUC 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 MJMEUC.

Pool Rates and Charges

Rates established by the Pool Committee for services to Pool Power Purchasers are based on recovery of all of MJMEUC'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 MJMEUC'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. In the event that the Pool Committee fails to establish rates in accordance with the Pool Power Purchase Agreement, MJMEUC 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, milder weather conditions, and improved performance of recently constructed generation. MJMEUC anticipates reliable performance in its newly constructed generating facilities 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 MJMEUC did not apply such credits as an offset to MoPEP participants' energy bills, MJMEUC's average cost of delivered energy and annual revenues for MoPEP would be approximately 5-6 percent higher and MJMEUC's operating expenses for MoPEP would be higher by an equal amount. MoPEP's costs modestly increased in 2017 by approximately 2% over 2016 costs.

Average Cost of MoPEP Delivered Energy

Year	$/MWh
2013	65.98
2014	67.79
2015	63.37
2016	62.42
2017	63.64

Current Power Supply Operations

To meet the power and energy requirements of the Pool Power Purchasers, MJMEUC 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 MJMEUC owned generation included as part of the Power Supply System, consisting of the Dogwood Generating Facility and the Fredericktown Energy Center; (iii) an allocation of Non-Power Supply System Facilities; (iv) Member Capacity; and (v) spot market purchases.

In 2017, MJMEUC purchased 2,517,758 MWh of energy (including approximately 104,870 MWh of energy generated from Member Capacity). In 2016, MJMEUC purchased 2,609,294 MWh of energy (including approximately 109,260 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. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT."

MJMEUC'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 100 MW cost-based contract previously with Ameren Energy Marketing Company ("*AEM*") that was transferred during a purchase of Ameren assets by Illinois Power Marketing Co. ("*IPM*"), a subsidiary of Dynegy, Inc., and expires in May 2021.

MJMEUC 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) a 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; (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 expires in 2022; and (v) a 3.2 MW contract with the MC Power, Inc. ("*MC Power*") for all output and energy of a solar power generating facility located in the City of Butler which expires in 2039.

The NC2 PPA, dated January 15, 2004, entitles MJMEUC 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 MJMEUC to pay 8.3 percent of NC2 costs, including debt service, whether or not the unit is operating or operable. OPPD has retained approximately 50 percent 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 percent of the initial entitlement share, under certain circumstances in the event of a participant default.

In September 2013, MJMEUC 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, MJMEUC 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 addition to the Butler solar contract referenced above, MJMEUC executed a Master Renewable Power Purchase Agreement, dated August 4, 2014, between MJMEUC and MC Power for solar output of up to 16 MW to be located in certain MoPEP cities, with a term of 25 years, beginning from the commercial operation date of each facility. An additional Master Renewable Power Purchase Agreement between MJMEUC and MC Power was executed in May 2016 for solar output of up to 16MW on similar terms to the 2014 Master Agreement. MJMEUC and MC Power have identified and selected ten MoPEP cities for solar farm sites pursuant to these Master Power Purchase Agreements. The first project broke ground in September 2014 at the City of Macon. These projects have an output of approximately 3.2 MW each. Nine of the eleven solar farms have gone into commercial operation with two additional sites under construction.

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Below are the MoPEP cities' solar projects that have commenced operation, are under construction, or are scheduled for groundbreaking.

City (Solar Project)	Output	Status	Date Commenced or Expected
Butler	3.2 MW	Generating	March 2014
Macon	3.2 MW	Generating	May 2015
Trenton	3.2 MW	Generating	November 2015
Rolla	3.2 MW	Generating	April 2016
Waynesville	3.2 MW	Generating	July 2016
Marshall	3.2 MW	Generating	December 2016
Chillicothe	3.2 MW	Generating	July 2017
Lebanon	3.2 MW	Generating	October 2017
Higginsville	3.2 MW	Generating	December 2017
Farmington	3.2 MW	Under Construction	May 2018
Eldorado Springs	3.2 MW	Under Construction	June 2018

MJMEUC has certain option rights to purchase each facility on or after the end of the seventh year following commencement of commercial operation of each facility.

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. Since MJMEUC's initial undivided 8.2% (approximately 50 MW) ownership interest acquisition in March 2012, the Dogwood Generating Facility has performed to MJMEUC's expectations as a reliable and economical intermediate power supply resource fully dedicated as a Resource Obligation for MoPEP under the Pool Power Purchase Agreement. MJMEUC believes that its additional undivided 8.2% ownership acquisition, if consummated, will provide long-term price and performance stability to MoPEP's overall cost of power supply. Upon completion of its additional 8.2% ownership acquisition, MJMEUC will have dedicated approximately 100 MW of Dogwood Generating Facility output of capacity and energy as a Resource Obligation for MoPEP which equates to approximately 14% of MoPEP's peak capacity requirement.

MJMEUC entered into the Asset Purchase Agreement for the Dogwood Generating Facility to replace power supply resources which have or are currently obtained under power purchase contracts which have expired or will be expiring before 2021. All MJMEUC Dogwood Generating Facility costs associated with its combined 16.4% undivided ownership after the acquisition, including operating and maintenance and debt service costs, will be paid with revenues received by MJMEUC from MoPEP.

Until 2021, when a power purchase contract currently being used to supply MoPEP expires, MoPEP does not fully need 100 MW of capacity and energy from the Dogwood Generating Facility. MoPEP members have directed MJMEUC to use 50 MWs of capacity and energy from the Dogwood Generating Facility to serve MMMPEP during that time period. In September 2017, MJMEUC, MMMPEP and MoPEP approved through a joint resolution a memorandum of understanding among the parties (the "*MMMPEP MOU*"). The MMMPEP MOU entitles 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 is reduced to 25 MW until May 31, 2024, when the contract expires (the "*MMMPEP Dogwood Resource*"). Revenues received by MJMEUC 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 MJMEUC from MMMPEP, the MMMPEP MOU provides that MoPEP will remain obligated to pay any such shortfall to MJMEUC required to make payments of principal of or interest on the Series 2018 Bonds.

Power Supply System Facilities – The Fredericktown Energy Center

General

MJMEUC 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 MJMEUC'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."

MJMEUC financed the construction costs for the Fredericktown Energy Center through the issuance of the Series 2011 Bonds.

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 MJMEUC'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 Fredericktown 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 Fredericktown units performed well below their permitted limits. To date, all permits necessary for operation of the Fredericktown Energy Center remain in place.

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 Regional Transmission Operator ("*RTO*") geographical footprint and participates in the real-time market. The turbines have been equipped for remote operations from MJMEUC's Columbia, Missouri office. SPP contacts MJMEUC'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 Fredericktown Energy Center experienced increased operations in 2017 as SPP continued to request the unit to operate for peaking applications. 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 two months of 2018, both Fredericktown Energy Center's turbines were dispatched several times, with a couple of continuous overnight operations. During the first three weeks of January 2018, the facility's performance exceeded the hours of operations in 2017 with a 50% increase in generation output.

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

Fuel Supply

Natural gas supply is delivered to the project site through pipelines owned and operated by the local distribution company, Missouri Natural Gas Company ("*Missouri Natural*"), a subsidiary of Laclede Gas Company, who receives supply from the Mississippi River Transmission Company's ("*MRT*") interstate transmission pipeline. The Fredericktown Energy Center serves as a peaking capacity source for the foreseeable future and MJMEUC expects to purchase natural gas quantities from Missouri Natural under Missouri Natural's interruptible tariff rates.

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 2017, with both turbines' emissions rates testing well below emission permitted levels.

Non-Power Supply System Facilities

General

Beginning in 2006, MJMEUC 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 MJMEUC's interests in the following projects has been dedicated as a Resource Obligation for MoPEP under the Pool Power Purchase Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE POOL POWER PURCHASE AGREEMENT." However, MJMEUC's interests in the following projects constitute Non-Power Supply System Facilities under the Indenture.

Plum Point Project.

In March 2006, MJMEUC acquired an undivided interest in the Plum Point Energy Station, a 665 MW (net) coal-fired generating plant recently constructed in northeast Arkansas ("*Plum Point*"), which interest entitles MJMEUC 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.

MJMEUC 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 maintenance activities exceeded expectations in 2017. During the 2017 calendar year, Plum Point began with normal and consistent operation until local heavy rainfall in mid-January created standing water in the coal pile. Heavy rainfall continued in February, causing wet coal which reduced operations at Plum Point until a scheduled spring outage on March 4. During the scheduled spring outrage, the Plum Point steam turbine unit was fully opened and inspected as part of its first major overhaul. During the inspection, additional maintenance needs were discovered which extended the length of the scheduled outage to 78 days and increased capital repairs beyond the original budget.

During the scheduled 2017 spring outage Plum Point staff also addressed a number of generation issues throughout the facility. With the successful completion of the steam turbine major overhaul, Plum Point met performance expectations since returning to service in May and continued strong operational performance through the fall, when Plum Point took a 5-day outage to address boiler tube leaks. Since the 2017 fall outage, the facility has remained online for 165 consecutive days as of April 6, 2018. Favorable market conditions have also contributed to high output operations. Plum Point has maintained a capacity factor over 90% through mid-March 2018 and an equivalent availability factor ("*EAF*") of 93% since June 2017.

Plum Point was taken offline on April 6, 2018 for a three-week scheduled spring outage to replace one-layer of selective catalytic reduction ("*SCR*") catalyst. All other tasks scheduled during the outage will be completed before the catalyst replacement creating opportunities to shorten the outage. New coal contracts with Cloud Peak Mines were favorably negotiated and in place for 2018. While BNSF rail deliveries have performed as expected, Plum Point has entered into an allowance agreement with BNSF. Under the agreement, BNSF has identified a set monthly delivery allowance and any delivery beyond the allowance will result in a $4.00/ton credit to Plum Point. High capacity factors during the first 3 months of the year netted Plum Point over $1.0M dollars in savings.

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") will succeed as Plum Point Energy Station's Project Management Company.

MJMEUC 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 trust indenture relating to the Plum Point Project.

Iatan Unit 2 Project

In August 2006, MJMEUC acquired an undivided interest in the Iatan Unit 2 Station, a 870 megawatt (net) coal-fired electric generating plant constructed just outside of Weston, Missouri, which interest entitles MJMEUC to approximately 102 MW (net) of the capacity and output of Iatan Unit 2 (such interest is referred to herein as the "*Iatan Unit 2 Project*").

The Iatan Power Station is located just outside 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 and Unit 2, a super-critical coal-fired electric generating unit of conventional design placed in service in January 2011("*Iatan Unit 2*"). While Iatan Unit 2 was designed as an 850 MW (net) generating unit, when placed into service its performance exceeded design specifications and it now achieves an output of 870 MW (net).

Approximately 71 MW of the capacity of the Iatan Unit 2 Project is sold to the Missouri cites of Columbia and Independence (together, the "*Iatan Unit Power Purchasers*") pursuant to separate unit-specific, life-of-unit, take-or-pay power purchase agreements between MJMEUC and each of the Iatan Unit Power Purchasers, and the balance of the capacity of the Iatan 2 Project (approximately 31 MW) is assigned to MoPEP to provide a portion of the electric power and energy requirements of those MJMEUC Members participating in MoPEP. MJMEUC financed the cost of acquisition and construction of the Iatan Unit 2 Project by the issuance of $285,520,000 in aggregate principal amount of bonds pursuant to a trust indenture relating to the Iatan Unit 2 Project.

The Iatan Unit 2 operations exceeded performance expectations for 2017. Iatan Unit 2 had an annual EAF of 96.4% for the year 2017. Iatan Unit 2 experienced two forced outages in 2017, in February and December respectively. The outages were caused by tube leaks and boiler tube overheating stemming from exfoliation issues which have repeatedly affected the boiler in recent years. The facility's capacity factor has underperformed as compared to previous years primarily due to the influx of wind generation into the SPP Region and transmission constraints in the Iatan Plant area.

Iatan Unit 2 is conducting its first steam turbine major overhaul during a scheduled spring outage, which began on March 3, 2018. The steam turbine major overhaul is expected to be completed in approximately 70-days and will return to service in mid-May. All platen and finishing superheater tubes are being replaced during the outage as well in order to address exfoliation problems. The steam turbine work is scheduled to finish before the boiler work.

Coal inventories have remained consistent and manageable as BNSF rail deliveries have met schedules. During the 2018 spring outage, there will be a 14-day outage on the coal unloading system for repairs and upgrades. After these repairs and upgrades have finished, rail deliveries will resume since Iatan Unit 1 is online.

Prairie State Project.

In 2007, MJMEUC acquired an undivided 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. MJMEUC's interest in Prairie State entitles MJMEUC 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 MJMEUC'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*").

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.

Prairie State Unit 1 experienced one boiler tube leak in January that was repaired quickly, and the unit returned to service. On March 4, 2017 the unit underwent its first steam turbine major overhaul during a scheduled spring outrage. During the 70-day outage, there were several plant repairs and upgrades completed in addition to the turbine work. The generator was upgraded, the boiler underwent maintenance, including a boiler tube material upgrade on the platen tubes. During the outage, maintenance beams and access panels were installed in the boiler to allow for quick repair access to reduce the length of future outages. The spring outage also included air pre-heater cold end basket replacements, SCR catalyst replacement and plant equipment inspections.

Following the 2017 spring outage, Prairie State Unit 1 performance achieved an equivalent availability factor ("*EAF*") of 91% for the last 7 months of the year. The Prairie State Unit 1 has a scheduled 28-day 2018 spring outage starting in early April. Prairie State Unit 1 will undergo boiler inspections and necessary repairs to prepare the boiler for longer maintenance cycles. After the 2018 spring outage, Prairie State Unit 1 will explore extending the time between scheduled outages from 12-months to 18-months.

During the year, Prairie State Unit 2 experienced several small tube leaks that were quickly repaired. Many of the tube leaks occurred in the lower slope of the boiler, an area that was addressed in the 2017 fall outage. In late August 2017, a lightning arrestor on the generator setup transformer ("*GSU*") failed causing the unit to shut down for one week. Upon completion of the repairs, the unit operated until the scheduled annual 28-day outage in late September. During the scheduled outage, enhancements to the lower slope of the boiler were made to prevent tube leaks in that area of the boiler. Since that time, Prairie State Unit 2 has operated continuously and has not experienced additional tube leaks. Prairie State Unit 2 returned to service from its fall outage in late October 2017 and has experienced a continuous online operation of 162-days as of April 6, 2018.

Prairie State Unit 2 will undergo its first steam turbine major overhaul during the next scheduled outage in fall 2018. The unit is scheduled to be down for 56-days for the outage. In addition to the steam turbine major overhaul, the Prairie State Unit 2 will undergo boiler inspections and necessary repairs to prepare the boiler for longer maintenance cycles. The Prairie State Unit 2 will explore extending the time between scheduled outages from 12-months to 18-months along with Prairie State Unit 1.

Mine operations at Prairie State met performance expectations. The Lively Grove mine is considered one of the top mines in the state and country for operations and safety. Mine staff aim to improve coal quality in order to improve overall plant operations. Prairie State maintains an excellent safety record and safety remains a top priority for Prairie State.

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 MJMEUC and each of the Prairie State Unit Power Purchasers, and 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 MJMEUC Members participating in MoPEP. MJMEUC 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 trust indenture relating to the Prairie State Project.

The Laddonia Project

The Laddonia Project is a nominal 12 MW generating facility near the City of Laddonia, Missouri owned by MJMEUC. 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 MJMEUC in the operation of the combustion turbine. The Laddonia Project has been financed through the Missouri Association of Municipal Utilities financing program pursuant to a 15-year capital lease which terminates in March 2021. Lease payments are secured solely by the Laddonia Project's fixed assets. All of the capacity of the electric generating facility has been allocated to MoPEP to meet MoPEP's requirements.

During 2017, the Laddonia Project's turbine met performance expectations. The turbine was 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 MJMEUC have initiated limited activity to explore the addition of a second turbine at the Laddonia site. MJMEUC is currently in the process of pre-qualifying an engineering firm to assist with the design and construction of the second turbine. If the project moves forward, MJMEUC will install a Solar Titan 130 turbine identical to the current turbine in service.

The Series 2018 Bonds will not be payable from any revenues to be derived by MJMEUC from any of the Plum Point Project, the Iatan Unit 2 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 Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS" herein.

Member Generating Capacity

Currently, MoPEP has accepted 70 units with a total capacity of approximately 284 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 9.0 MW co-generation facility on a relatively frequent basis.

2017 MoPEP Member Capacity

Facility	Fuel Type	Capacity (MW)	2017 Capacity Factor
Chillicothe Units 1 & 2	Natural Gas/Oil	80.0	<1.0%
Macon Gas Turbine	Natural Gas	9.0	96.7% (1)
City of Higginsville	Natural Gas	38.6	<1.0%
City of Jackson 10 Units	Natural Gas/Oil	21.0	<1.0%
Other Peaking Units	Natural Gas/Oil	135.3	<1.0%
Total Member Capacity		283.9	

(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 9.0 MW, and the unit regularly produces 10 MW.

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

MJMEUC makes sales of power and energy from time to time in the spot market. In addition, MJMEUC 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 over the next five years are expected to grow slightly.

MJMEUC'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.

MJMEUC engaged Leidos Engineering, LLC ("*Leidos*") to prepare a broad assessment and projection study covering the next twenty years, 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 MJMEUC Member who expressed a desire to participate in the study. The study was presented to MJMEUC in 2016, and is used, together with other information available to MJMEUC, in forecasting MoPEP's projected costs and energy requirements for 2018 and future years.

HISTORICAL AND PROJECTED MoPEP ENERGY REQUIREMENTS

Year	Historical Energy Requirements (MWh)	Year	Projected Energy Requirements (MWh)
2013	2,613,601	2018	2,622,000
2014	2,659,193	2019	2,656,000
2015	2,588,340	2020	2,683,000
2016	2,609,294	2021	2,710,000
2017	2,517,758	2022	2,737,000

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Historical and Projected MoPEP Loads and Resources

MJMEUC previously has met the Pool Power Purchasers' power and energy requirements through a combination of purchased power, MJMEUC owned generation and the use of Member Capacity. As the table below indicates, MJMEUC 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.

MJMEUC'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)]	MJMEUC Owned Capacity[(4)]	Total Capacity	Surplus/ (Deficit)
Historical:							
2013	518	631	348	240	196	784	153
2014	531	646	268	240	194	702	56
2015	526	640	268	244	218	730	90
2016	532	650	288	244	218	750	100
2017	531	646	284	244	222	750	105
Projected:							
2018	557	710	284	246	272	802	92
2019	562	717	284	246	284	814	97
2020	568	723	284	246	284	814	91
2021	574	685	284	149	284	717	32
2022	580	691	284	149	284	717	26

(1) Excludes new Members until the respective years in which they become Pool Power Purchasers.

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

(3) Includes firm power sales agreements, 57 MW of capacity from NC2, 50 MW of capacity from the Plum Point Project and 3 MW of capacity from the Lamar Project, an additional 2.4 MW in December 2012 from the Lamar Project expansion, an additional 2 MW in early 2018 from the Lamar Project expansion, a power purchase agreement for 4 MW from the Prairie State Project in 2014 through June 2017, and an agreement for 3.8 MW from the Black Oak landfill in October 2014. See "Power Purchase Contracts" above.

(4) The Iatan Unit 2 Project began service in January 2011. MJMEUC transferred 20 MW of its ownership interest in Plum Point to MoPEP in June 2011, 41 MW from Unit 1 of the Prairie State Project in June 2012, 41 MW from Unit 2 of the Prairie State Project in November 2012 and 4 MW of the Prairie State Project in June 2017. MJMEUC completed its joint-ownership acquisition of Dogwood Generating Facility in the first quarter of 2012 and expects to acquire another 50 MW ownership interest with proceeds of the Series 2018 Bonds. The Fredericktown Energy Center commenced service in June 2015. MJMEUC expects to construct an additional unit at its Laddonia facility of 12 MW and commencing service in 2019.

(5) Beginning in 2017, includes 5% of the 20 MW of nameplate wind generation capacity and 10% of the 16 MW of nameplate solar generation capacity for a combined total of 3 MW of net capacity.

Transmission

MJMEUC does not own any transmission facilities, but currently provides or assists in arranging transmission services for all Pool Power Purchasers. Within the Associated Electric Cooperative Inc. system located in southwestern Missouri, MJMEUC contracts for all transmission services for Pool Power

Purchasers. MJMEUC provides or assists in arranging for MISO, SPP, OPPD/SPP, and Entergy/MISO transmission services. MJMEUC 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 MJMEUC.

MJMEUC has also entered into a strategic co-development agreement with Gridliance GP, LLC, whereby MJMEUC will work with Gridliance affiliates, Blackstone Energy Partners, the Oklahoma Municipal Power Authority, and other public power utilities to develop transmission investment opportunities enabling MJMEUC to mitigate transmission cost increases. These arrangements are not expected to result in immediate investment opportunities and do not obligate MJMEUC to make transmission investments at any time. The investments are expected to be smaller than those associated with major electric generation projects but could be significant in relation to transmission cost pressures.

Financial Condition

MJMEUC maintains separate accounting records for a fund dedicated to MoPEP (the "*MoPEP Pool Fund*") which is consolidated with other MJMEUC funds in MJMEUC's financial statements. The following Condensed Statements of Operations and Changes in Fund Equity for the last five fiscal years have been prepared by MJMEUC based upon audited financial statements for fiscal years 2013 through 2016 and unaudited financial statements for fiscal year December 31, 2017. MJMEUC's audited financial statements for the fiscal year ended December 31, 2016, including the notes thereto and the "Management's Discussion and Analysis" with respect thereto, are included as APPENDIX A-1 hereto, and MJMEUC'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. MJMEUC expects to receive its audited financial statements for fiscal year December 31, 2017 in May 2018, and to make such audited financial statements available on the Electronic Municipal Market Access ("EMMA") website on or about such date.

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

	2012	2013	2014	2015	2016	*(Unaudited)* *2017*
Revenues						
Sale of Electricity Wholesale[1]	$172,193,561	$196,142,856	$202,426,526	$183,904,260	$183,082,750	$181,249,511
Other Operating Revenue	225	6,273	3,407	967	773	580
Total Revenues	172,193,786	196,149,129	202,429,933	183,905,227	183,083,523	181,250,091
Expenses						
Purchased Power	153,770,134	171,488,747	175,521,048	163,768,654	162,002,057	162,019,800
Power Generation	6,932,425	7,792,073	8,963,413	6,898,730	7,270,596	7,068,519
Future Recoverable Costs	3,329,400	10,157,455	7,593,282	1,817,586	498,678	(3,897,893)
Other Operating Expenses	1,334,632	1,574,621	1,805,206	1,968,953	1,771,619	1,952,495
Depreciation	1,566,140	1,925,333	1,941,353	2,093,620	2,504,088	2,728,2774
Total Operating Expenses	166,932,731	192,938,229	195,824,302	176,547,543	174,047,038	169,871,198
Operating Income	5,261,055	3,210,900	6,605,631	7,357,684	9,036,485	11,378,893
Interfund Transfers In/(Out)	(730,072)	3,353,270	(831,146)	(811,804)	(981,175)	(961,834)
Net Operating Income	4,530,983	6,564,170	5,774,485	6,545,880	8,055,310	10,417,059
Non-Operating Income/Expenses						
Interest/Non-Operating Income	166,746	125,385	123,395	302,702	302,014	278,259
Return of Net Position to Members	-	-	-	(452,827)	(1,211,745)	(958,845)
Interest/Non-Operating Expense	(1,573,395)	(2,019,083)	(1,817,169)	(1,981,187)	(2,238,512)	(2,019,138)
Total Non-Operating	(1,406,649)	(1,893,698)	(1,693,774)	(2,131,312)	(3,148,243)	(2,699,724)
Increase in Fund Equity	3,124,334	4,670,472	4,080,711	4,414,568	4,907,067	7,717,335
Fund Equity Beginning of Year	17,390,856	20,515,190	25,185,662	29,266,373	33,680,941	38,588,008
Fund Equity End of Year	$20,515,190	$25,185,662	$29,266,373	$33,680,941	$38,588,008	$46,305,343

(1) MoPEP sells electric in the energy market though Regional Transmission Operators ("*RTOs*") and MoPEP purchases energy from the RTOs where MoPEP economically needs to receive the power. Beginning with fiscal year 2013, MJMEUC changed its accounting policy to recognize these transactions on a net basis in order to avoid duplication when recognizing revenues and expenses. The financial information for all prior years presented above has been reclassified to be consistent with this change in accounting policy.

REGULATION OF MJMEUC AND THE POOL POWER PURCHASERS

As a body public and corporate of the State, MJMEUC 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 the Federal Energy Regulatory Commission ("*FERC*") under the Federal Power Act (the "*FPA*"), and it is not anticipated that the charges to be made by MJMEUC for power and energy sold to the Pool Power Purchasers will be subject to regulation by FERC under the FPA.

As a governmental instrumentality of the State, MJMEUC 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, except that its construction of transmission facilities located within two miles of, and parallel to, an existing transmission line serving the same general area would require a Missouri PSC finding that its use of existing transmission line is not feasible. No such transmission need or request has been experienced or is currently foreseen.

Prior to a State constitutional amendment approved in 2002, MJMEUC'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 MJMEUC's recent 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 continue to prevail under Missouri electric utility law and regulation. During the height of the nationwide debate over retail competition, proposals in Missouri never reached the floor of either legislative chamber and those proposals that were introduced exempted municipal utility service areas. 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. Cooperatives serving in newly annexed areas may continue to serve existing customer facilities but may not serve new facilities if the municipal population exceeds 1,500. All territorial service area boundaries are subject to adjustment by agreement of two or more affected utilities and approval of the Missouri PSC.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

Special, Limited Obligations

The Bonds (including the Series 2018 Bonds) and the interest thereon will be special, limited obligations of MJMEUC 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 2018 Bonds), as provided in the Indenture.

The Bonds (including the Series 2018 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 2018 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; Pool Power Purchase Agreement

Net Revenues are defined in the Indenture as total Revenues, determined on an accrual basis, plus (x) the amounts, if any, paid or to be paid from the Rate Stabilization Fund into any other Fund during such period (excluding from (x) amounts included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Indenture) and minus (y) the sum of (a) Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues and (b) the amounts, if any, paid or to be paid from the Revenue Fund into the Rate Stabilization Fund during such period.

Revenues generally include: (a) all revenues, income, rents and receipts derived or to be derived by MJMEUC from or attributable to or relating to the Power Supply System or to the payment of the costs thereof, including all revenues received or to be received by MJMEUC or the Trustee under the Pool Power Purchase Agreement or under any other arrangement by MJMEUC for the sale or use of the Power Supply System or any portion thereof or the capacity or energy thereof (including revenues received from the interim sale of Dogwood energy to the MMMPEP members); provided, however, that Revenues do not include the Non-Power Supply System Pool Revenues; (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 Power Supply System; 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. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Pledge and Assignment of Trust Estate" in APPENDIX C hereto.

Revenues do not include Non-Power Supply System Pool Revenues, which are defined as the portion of the revenues received by MJMEUC from the Pool Power Purchase Agreement that are allocable to the budgeted costs of the Non-Power Supply System Facilities. Revenues also do not include (1) insurance proceeds resulting from casualty damage to the Power Supply System (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 MJMEUC with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds except to the extent that MJMEUC specifies in a Supplemental Indenture that such interest and other investment income shall constitute Revenues; (4) amounts received by or on behalf of MJMEUC pursuant to any Qualified Swap Facility with respect to the Power Supply System except to the extent that MJMEUC specifies in a Supplemental Indenture that such amounts shall constitute Revenues; and (5) amounts received by or on behalf of MJMEUC pursuant to a Qualified Credit Facility with respect to the Power Supply System except to the extent that MJMEUC specifies in a Supplemental Indenture that such amounts shall constitute Revenues.

Operation and Maintenance Expenses generally include all of MJMEUC's costs and expenses related to the operation and maintenance of the Power Supply System or the satisfaction of MJMEUC's obligations under the Pool Power Purchase Agreement, but excluding all costs and expenses related to Non-Power Supply System Facilities, 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 Expenses shall not include items that are capitalized pursuant to the then existing accounting practices of MJMEUC and shall not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of Bonds (including Subordinated Indebtedness), or costs, or charges made therefor; costs or charges for capital improvements to or retirements from the Power Supply System which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the Power Supply System. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions" in APPENDIX C hereto.

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 MJMEUC'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 MJMEUC 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 MJMEUC for MoPEP to provide services are operating or operable at any time.

Pledge and Assignment under the Indenture

Under the Indenture, MJMEUC has pledged and assigned to the Trustee, for the benefit of the owners of the Series 2018 Bonds, on a parity with the Series 2011 Bonds, the Series 2012 Bonds, the Series 2017 Bonds and all other Series of Bonds that may be issued under the Indenture, all right, title and interest of MJMEUC in and to the Trust Estate, which includes (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, 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 AND ESCROW TRUST AGREEMENT – Pledge and Assignment of Trust Estate" in APPENDIX C hereto.

Debt Service Reserve Fund

Common Debt Service Reserve Account. The Indenture creates a Common Debt Service Reserve Account within the Debt Service Reserve Fund held by the Trustee as additional security for the Series 2011 Bonds, the Series 2012 Bonds, the Series 2017 Bonds and the Series 2018 Bonds and any additional Series of Bonds MJMEUC 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 2011 Bonds, the Series 2012 Bonds, the Series 2017 Bonds and the Series 2018 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 2011 Bonds, the Series 2012 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and any additional Series of Bonds MJMEUC 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 that 2%) of said Series, or (iii) 125% of average annual Debt Service on said Series.

Amounts held in the Common Debt Service Reserve Account will be applied only to prevent deficiencies in the payments of principal of and interest on Bonds designated as Covered Bonds.

Series Debt Service Reserve Account. The Indenture creates a Debt Service Reserve Fund and within such Fund allows for the creation of a Series Debt Service Reserve Account to be held by the Trustee as additional security for any additional Series of Bonds MJMEUC 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 2018 Bonds. The Series 2018 Bonds are Covered Bonds secured by the Common Debt Service Reserve Account.

Qualified Reserve Facilities. Pursuant to the Indenture, MJMEUC 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 AND ESCROW TRUST AGREEMENT – Debt Service Reserve Fund" 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, MJMEUC is 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 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 MoPEP Annual Budget, or are not expected to be due but have accrued.

(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, *provided* that, if there shall be a deficiency of Revenues to make the deposits required by this 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 in 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 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 are required by the Supplemental Indenture authorizing such Subordinated Bonds.

(e) To the Rate Stabilization Fund, the amount budgeted in the current MoPEP Annual Budget or the amount otherwise determined by MJMEUC to be so used.

(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 AND ESCROW TRUST AGREEMENT – Payments into Certain Funds" in APPENDIX C hereto.

Rate Covenant

Under the Indenture, MJMEUC has covenanted and agreed to fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services of the Power Supply System, as is required to provide Revenues at least sufficient in each Fiscal Year, together with available investment income, for the payment of the amounts required to be paid into 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.

MJMEUC further covenants and agrees in the Indenture that it shall at all times fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services of the Power Supply System, which, together with other available Revenues, are reasonably expected to yield Adjusted Net Revenues for the 12 month period commencing with the effective date of such rates, fees and charges which shall be equal to at least 1.10 times (i) the Aggregate Debt Service when due for such period and, in any event, as is required, together with other available funds, to pay or discharge all other indebtedness, charges and liens whatsoever payable out of Revenues under the Indenture plus (ii) the Non-Power Supply System Pool Aggregate Debt Service for such period plus (iii) the aggregate amount payable during such 12-month period on all Other Indebtedness; *provided*, *however*, that any Principal Installment which is a Excluded Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that MJMEUC intends to pay such Principal Installment from sources other than Revenues. Promptly upon any material change in the circumstances which were contemplated at the time such rates, fees and charges were most recently reviewed, but not less frequently than once every six (6) months, MJMEUC will review the rates, fees and charges so established and promptly establish or revise such rates, fees and charges as necessary to comply with the foregoing requirements, provided that such rates, fees and charges shall in any event produce moneys sufficient to enable MJMEUC to comply with all its covenants under the Indenture.

The Indenture defines "*Adjusted Net Revenues*" as for any period, as of the date of calculation the sum of Net Revenues for such period plus Non-Power Supply System Pool Aggregate Debt Service.

The Indenture defines "*Non-Power Supply System Pool Aggregate Debt Service*" as for any period, the aggregate debt service that MJMEUC has allocated to MoPEP for all bonds or outstanding under Non-Power Supply System Indentures. The Indenture further defines "*Other Indebtedness*" as all bonds, notes or other evidence of indebtedness including Subordinated Bonds and capital leases (or the allocable portion thereof) issued or incurred by MJMEUC and on which MJMEUC intends to make payments with payments due to MJMEUC pursuant to the Pool Power Purchase Agreement but not including Bonds or indebtedness issued pursuant to a Non- Power Supply System Indenture.

Under the Indenture, MJMEUC also has covenanted and agreed to include in the Annual MoPEP Budget for each Fiscal Year, the annual cost of the Power Supply System 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 Power Supply System will provide total Revenues as required by the Indenture.

MJMEUC will not furnish or supply or cause to be furnished or supplied any capacity, output, use, or service of the Power Supply System free of charge to any person, firm or corporation, public or private, and MJMEUC may to the extent permitted by law enforce the payment of any and all accounts owing to MJMEUC by reason of the operation of the Power Supply System 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.

MJMEUC will promptly collect all amounts payable under the Pool Power Purchase Agreement 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 AND ESCROW TRUST AGREEMENT – Rates, Fees and Charges" in APPENDIX C hereto.

Additional Bonds and Subordinated Bonds

MJMEUC is authorized under the Indenture to issue additional Bonds for purposes of financing the Power Supply System in one or more Series from time to time under and upon compliance with certain terms and conditions 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 a Project, or (b) refunding any outstanding Bonds. The number of additional 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 will be equally and ratably secured by the Indenture on a parity with the Series 2018 Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND ESCROW TRUST AGREEMENT – Authorization of Bonds" in APPENDIX C hereto.

The Indenture requires for the issuance of any additional Bonds (other than a Series of Refunding Bonds) that MJMEUC deliver to the Trustee an Officer's Certificate stating that the Net Revenues for each of the full Fiscal Years in the period specified in the next sentence, as such Net Revenues are estimated by MJMEUC, are to be at least equal to 1.10 times the Adjusted Aggregate Debt Service for each such Fiscal Year as estimated by MJMEUC. The period to be covered by such Certificate shall be the period beginning with the Fiscal Year in which the Series of Bonds is authenticated and delivered and ending with the later of (a) the fifth full Fiscal Year after such date of authentication and delivery or (b) the second full Fiscal Year following the Fiscal Year in which any facilities then under construction that are being financed with the proceeds of Bonds theretofore issued are estimated by MJMEUC to be placed in service.

The Indenture defines "*Adjusted Aggregate Debt Service*" as for any period means, as of any date of calculation, the Aggregate Debt Service for such period adjusted to (i) exclude Excluded Principal Installments, and (ii) include Assumed Principal Amortization.

The Indenture defines an "*Excluded Principal Installment*" as any Principal Installment for any Series of Bonds which MJMEUC intends to pay with moneys which are not Revenues, provided that such intent shall have been expressed in the Supplemental Indenture authorizing such Series of Bonds and provided further that such Principal Installment shall be an Excluded Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as MJMEUC, as expressed in a Officer's Certificate filed with the Trustee, no longer intends to pay such Principal Installment with moneys which are not Revenues.

The Indenture defines "*Assumed Principal Amortization*" as an assumed amortization of principal amount of Bonds which shall have been designated Excluded Principal Installments, determined as either (i) for a period extending from the due date of such installment through the later of the 40th anniversary of the issuance of such Series of Bonds or the 10th anniversary of the due date of such installment, payable in each Fiscal Year or other regular 12 month periods on a level debt service basis assuming an expected rate of interest as set forth in an Officer's Certificate; or (ii) for any such other period and basis as shall be declared reasonable in an Officer's Certificate, taking into account, among other factors, the useful life of assets financed or refinanced, availability of capitalized interest, expected rates of inflation, and the payment of other obligations by MJMEUC.

In estimating Net Revenues for each of the Fiscal Years covered by the Officer's Certificate described above, MJMEUC may base its estimate upon such factors as it shall consider reasonable, including, without limitation: (i) revenues estimated to be derived from sales of power and energy pursuant to the Pool Power Purchase Agreement and contracts between MJMEUC and MJMEUC Members or other electric market participants in accordance with existing contract rates or in accordance with such contractually permitted revisions to existing contract rates, (ii) revenues estimated to result from assumed sales of power and energy for which no power sales contract or other contract is in effect on the date such Officer's Certificate is delivered; and (iii) revenues estimated to be available from any other source. In estimating the Adjusted Aggregate Debt Service for each of the Fiscal Years covered by the Officer's Certificate described above, MJMEUC shall include the Adjusted Aggregate Debt Service on all Bonds estimated to be Outstanding during each such Fiscal Year and estimated to be made during each such Fiscal Year.

A "*Project*" as defined in the Indenture includes any facility or other capital assets, prepayment or other costs related to the Power Supply System which are to be financed in whole or in part from the proceeds of Bonds as described in any Supplemental Indenture authorizing such Bonds. The Power Supply System does not include any properties or interest in properties of MJMEUC which are Non-Power Supply System Facilities. Currently, the Prairie State Project, the Plum Point Project, the Iatan 2 Project and the Laddonia Project are the only Non-Power Supply System Facilities, and the Trust Estate does not secure any bonds issued for the construction and operation of those facilities. See "– Net Revenues; Pool Power Purchase Agreement" and "OTHER MJMEUC PROJECTS" herein.

The Indenture also authorizes the issuance of Subordinated Bonds for purposes of financing the Power Supply System. Such Subordinated Bonds will 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 will be, and will be expressed to be, subordinate and junior in all respects to the pledge and lien created under the Indenture as security for the Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND ESCROW TRUST AGREEMENT – Subordinated Bonds" in APPENDIX C hereto.

THE SERIES 2018 BONDS

The following is a summary of certain terms and provisions of the Series 2018 Bonds. Reference is hereby made to the Series 2018 Bonds and the provisions with respect thereto in the Indenture for the detailed terms and provisions thereof.

General Terms

The Series 2018 Bonds will be issued in the aggregate principal amount of $29,500,000, 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 front cover page hereof, payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2018, and will mature on December 1 in each year as set forth on the inside front cover page hereof. The Series 2018 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 2018 Bonds will be made in book-entry only form (as described under "Book-Entry Only System" below), in the denomination of $5,000 or any integral multiple thereof. Beneficial Owners (hereinafter defined) of the Series 2018 Bonds will not receive certificates representing their interests in the Series 2018 Bonds purchased.

So long as the Series 2018 Bonds are in book-entry form, the principal or redemption price of and interest on the Series 2018 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 or redemption price of and interest on such Series 2018 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 2018 Bonds through DTC, as described below under "Book-Entry Only System." In the event the Series 2018 Bonds are not in a book-entry only system, payment of principal or redemption price of and interest on the Series 2018 Bonds will be made and such notices and communications will be given as described in the Indenture.

The principal or redemption price of all Series 2018 Bonds will be payable by check or draft at maturity or upon earlier redemption to the persons in whose names such Series 2018 Bonds are registered on the bond register maintained by the Trustee at the maturity or redemption date thereof, upon the presentation and surrender of such Series 2018 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 2018 Bonds held by a Securities Depository, or at the written request addressed to the Trustee by any owner of Series 2018 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.

Redemption Prior to Maturity*

Optional Redemption

The Series 2018 Bonds maturing on or after December 1, 20__ will be subject to redemption and payment prior to maturity, at the written direction from MJMEUC, on and after December 1, 20__, in whole or in part on any date at the Redemption Price of 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Redemption

The Series 2018 Bonds maturing December 1, 2043 (the "*Term Bonds*"), will be subject to mandatory redemption and payment prior to maturity through mandatory sinking fund installments on December 1 in each of the years set forth below, at the Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, without premium:

Term Bond Maturing on December 1, 2043

Year	Principal Amount
20___	$________
20___*	________

* Maturity

In determining the amount of Term Bonds of a particular maturity to be redeemed with any Sinking Fund Installment, there will be deducted the principal amount of any Term Bonds of such maturity which have been purchased, to the extent permitted by the Indenture, with amounts in the Series 2018 Debt Service Account in the Debt Service Fund in accordance with the Original Indenture (exclusive of amounts deposited from proceeds of Bonds). In addition, if any Term Bonds of a particular maturity are (a) purchased or redeemed with amounts other than moneys on deposit in the Series 2018 Debt Service Account, or (b) deemed to have been paid within the meaning of the Indenture and, with respect to the Term Bonds of such maturity which have been deemed paid, irrevocable instructions have been given to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited, the Term Bonds of such maturity may be credited against any future Sinking Fund Installment established for the Term Bonds of such maturity as determined by MJMEUC at any time.

Selection by Trustee of Bonds to be Redeemed

The particular maturities of the Series 2018 Bonds to be redeemed at the option of MJMEUC will be determined by MJMEUC in its sole discretion. If less than all of the Series 2018 Bonds of a maturity are called for prior redemption, the particular Series 2018 Bonds to be redeemed shall be selected by the Trustee at random in such manner as the Trustee shall deem fair and equitable.

* Preliminary, subject to change.

Notice of Redemption

Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee by telecopy, first class mail or prepaid overnight delivery service, at least 30 days prior to the redemption date to each registered owner of the Bonds to be redeemed at the address shown on the bond register.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Trustee shall not redeem such Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

The failure of any owner of Series 2018 Bonds to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2018 Bonds. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

So long as DTC is effecting book-entry transfers of the Series 2018 Bonds, the Trustee shall provide the notices specified above only to DTC. It is expected that DTC will, in turn, notify the Direct Participants, that the Direct Participants will, in turn, notify the Indirect Participants and that the Direct Participants and the Indirect Participants will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC, a Direct Participant or an Indirect Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2018 Bond (having been mailed notice from the Trustee, a Direct Participant, an Indirect Participant or otherwise), to notify the Beneficial Owner of the Series 2018 Bond so affected, shall not affect the validity of the redemption of such Series 2018 Bond.

Book-Entry Only System

The information in this Section concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and MJMEUC takes no responsibility for the completeness or accuracy thereof. MJMEUC 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 2018 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2018 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2018 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 2018 Bonds. The Series 2018 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 2018 Bond certificate will be issued for each issue of the Series 2018 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 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 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 2018 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 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 2018 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 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 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 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 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 2018 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 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MJMEUC 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 2018 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 2018 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 MJMEUC 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 MJMEUC, 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 MJMEUC 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 2018 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2018 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2018 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2018 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2018 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2018 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to MJMEUC or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

MJMEUC may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2018 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 MJMEUC believes to be reliable. However, MJMEUC 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 for the Bonds to be outstanding after the issuance of the Series 2018 Bonds, net of capitalized interest, all shown on an accrual basis.

		Series 2018 Bonds			
Year Ending December 31,	Existing Debt Service	Principal	Interest	Debt Service	Outstanding Aggregate Debt Service
2018	3,419,059				
2019	3,494,483				
2020	3,576,281				
2021	3,373,308				
2022	3,372,204				
2023	3,379,704				
2024	3,374,329				
2025	3,377,725				
2026	3,372,558				
2027	3,376,079				
2028	3,374,267				
2029	3,372,100				
2030	3,373,475				
2031	3,373,746				
2032	3,270,542				
2033	2,102,692				
2034	2,102,931				
2035	2,102,430				
2036	2,098,943				
2037	–				
2038	–				
2039	–				
2040	–				
2041	–				
2042	–				
2043	–				
Total	$62,340,357	$	$	$	

Numbers may not add to totals due to rounding.

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 MJMEUC 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, (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, and (vii) changes in revenues due to unseasonable changes in the weather. 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. MJMEUC 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 MJMEUC provides to its Members in comparison with the costs of electric power and energy available in the region.

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

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. 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.

MJMEUC does not own any transmission facilities, however, certain of its Members own facilities which are currently classified as transmission facilities. Such transmission owning Members 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, MJMEUC is subject to the tariff provisions and business practices governing the operation of wholesale electricity markets in this RTO. As a result, MJMEUC'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 MJMEUC 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 MJMEUC 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 Federal Power Act (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); (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.

Climate Change and Possible Future Climate Change Legislation

The House of Representatives in the 111th Congress passed H.R. 2454, the "American Clean Energy and Security Act of 2009" to regulate, among other conditions, the emission of Green House Gases ("*GHG*"). While several similar bills were introduced in the Senate, no bill passed out of committee or came to the Senate Floor for debate. No similar legislation has been filed and heard by committees of jurisdiction in either the House or Senate in the 115th Congress.

MJMEUC 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. MJMEUC cannot predict at this time whether any additional legislation or rules will be enacted at the state or federal level that will affect MJMEUC's operations, the operation of the Dogwood Generating Facility, the Fredericktown Energy Center or the operations of its Members, and if such laws are enacted, what the impact of such actions to MJMEUC or its Members might be in the future.

Additional Environmental Regulations

In May 2010, the Environmental Protection Agency (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.

Cross-State Air Pollution Rule. In July of 2011, the EPA promulgated the Cross-State Air Pollution Rule ("*CSAPR*") to reduce powerplant emissions of sulfur dioxide (SO_2) and nitrogen oxides (NOx) in twenty-seven states, including Illinois. CSAPR is a regional program that seeks to reduce the contributions of these emission sources to impaired air quality in downwind neighboring states. CSAPR replaced an earlier EPA program called the Clean Air Interstate Rule ("*CAIR*") which was promulgated in 2005 but overturned and remanded to EPA by the United States Court of Appeals, District of Columbia Circuit (the "*D.C. Circuit*") in 2008. When the EPA modified CAIR pursuant to the D.C Circuit's remand, it also opted to rename it CSAPR. The provisions of the refined program were to be implemented beginning on January 1, 2012. A second phase entailing further emissions reductions was to take place two years later on January 1, 2014. Both phases affected generating units in the State, with respect to both SO_2 and NOx emissions.

Like CAIR, CSAPR is based on a market-based cap-and-trade program. In such a schema, each affected state is given an emissions allowance covering a specified time period. It then divides the allocation among sources within the state, who would then generally comply by limiting emissions so as not to exceed their "budget" for that time period. However, individual sources that have difficulty meeting their budget in an economical fashion may purchase allowance credits from other sources that are more easily controlled. For example, a specific unit may have an original budget that would require it to reduce its emissions by 65%, but may find it economically expedient to install controls capable of 80% reduction (due to low incremental costs, for example). This could result in a surplus of unused credits, which could then be marketed to affected units that might not enjoy the same economies of scale. Under both CSAPR and CAIR, there are three distinct allocation budgets, each with its own market. Two of these are based on annual emissions of SO_2 and NOx, respectively, and are tied to the roles of these chemicals as precursors to fine particulate matter, which is a year-round concern in downwind states. The third covers only NOx emissions and only for the portion of the year when this pollutant contributes to ozone formation (the so-called ozone season of March through November).

As it had with CAIR before it, the D.C. Circuit vacated CSAPR on August 21, 2012. This was nearly eight months into what should have been Phase 1 of the CSAPR program, but the D.C. Circuit had stayed the effective date pending the outcome of the appeal. While the court had overturned CAIR because it felt that the cap-and-trade system could not guarantee that individual sources would reduce emissions commensurate with their downwind impacts, it held that CSAPR required some states to control emissions to a degree greater than their downwind impacts. The EPA appealed this decision to the U.S. Supreme Court, which overturned the D.C. Circuit's ruling on April 29, 2014. While upholding the rule in general, the Supreme Court did point out certain remaining legal issues and returned the case to the lower court for resolution. On October 23, 2014, the D.C. Circuit ordered that the EPA's motion to lift the stay of the CSAPR be granted. The calendar effect of this order was to reset the Phase 1 compliance date to January 1, 2014 and Phase 2 to January 1, 2017. On remand, the D.C. Circuit Court considered several over-control challenges to the 2014 emissions budgets and ordered the invalidation of the original budgets. However, none of the budgets were for states in which MJMEUC has affected units. The court remanded the rule on July 28, 2015 to the EPA without setting aside the judgment.

On October 26, 2016, the EPA updated CSAPR to address the court's concerns and to implement the new 2008 National Ambient Air Quality Standard levels for ozone. Since this standard is more stringent than the 1998 ozone air quality standard on which CSAPR was originally based, the proposed changes further limited seasonal NOx emissions in upwind states in the eastern half of the U.S. The Dogwood Generating Facility received a slightly higher Ozone Season allocation under the updated rule, owing to increased utilization since the original allocation period, and operated in full compliance for 2017, the first year under the new rule.

Mercury and Air Toxics Standards Rule. The EPA's latest rule to control emissions of mercury and other hazardous emissions from coal and oil fired electric utility steam generating units was proposed in 2011 and promulgated on February 16, 2012. During its development, the rule was known by a variety of titles, including the Electric Generating Unit Maximum Available Control Technology Rule, Mercury and Air Toxics Standard ("*MATS*") and the Mercury Hazardous Air Pollutant Rule ("*Mercury HAPS*"). The rule is a replacement for the Clean Air Mercury Rule ("*CAMR*") that was vacated in February 2008. MATS was challenged by a number of petitioners representing the power industry, individual generators, coal producers, and twenty states. In June 2015, the Supreme Court overturned the final MATS rule, due to the EPA's failure to consider the proposed costs of the rule prior to development in violation of the Clean Air Act. The Supreme Court returned the case to the D.C. Circuit, which allowed the EPA to retain the rule in place while the EPA sought to correct the noted procedural issues.

In April 2016, the EPA announced it had completed the cost-benefit analysis and still believed MATS regulation to be "necessary and appropriate". This led to another round of challenges industry and state petitioners before the D.C. Circuit Court. Oral arguments were to have been held in May 2017, but were postponed when the EPA informed the court that it was undertaking a review of the MATS rule. During this review and postponement, the rule remains in effect and is being enforced.

MJMEUC's currently owned and long-term coal-fired assets are not expected to need any retrofits to comply with the final rule. However, it is possible that some Members may retire or switch types of fuel in one or more of their units due to the cost of compliance with the final rule, depending on market conditions when the final rule is enforceable in 2017.

Turbine MACT Rule. On March 5, 2004, the EPA promulgated standards under the CAA to control emissions of certain listed Hazardous Air Pollutants ("HAPs") from combustion turbines located at major emitting facilities (the "Turbine MACT Rule"). The Turbine MACT Rule required the addition of oxidative catalysts for combustion turbines constructed after January 14, 2003, but exempted turbines built before that date. In addition, the compliance requirements for natural gas-fired units were stayed indefinitely on August 18, 2004 (oil-fired units are still subject to the standard).

The Dogwood Energy Facility is categorized as an existing facility under this rule and therefore not subject to its notification, emissions limitations, monitoring, reporting, or record keeping requirements. A transfer of ownership interest would not subject the facility to requirements placed on newer generating sources. Moreover, the Dogwood Generating Facility would not be classified as a major facility subject to the rule, as its low HAPs emission potential qualifies it as an area source, for which no standards currently exist.

The EPA must from time to time review maximum achievable control technology standards and has indicated it may revisit the combustion turbine rule, including the existing unit exemption, as early as 2019. MJMEUC cannot predict the impact of any future rule making affecting this category of sources in general, or for area sources in particular.

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. MJMEUC's Member Capacity includes 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. MJMEUC currently anticipates that some portion of its Member Capacity will be retired in the coming years due to the cost of operating under the new rule.

LITIGATION

At the time of delivery of the Series 2018 Bonds, MJMEUC will certify that other than matters disclosed in this Official Statement, there is no litigation or other proceeding pending or, to the knowledge of MJMEUC, 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 2018 Bonds or the collection of Revenues, or in any way questioning or affecting: (i) the proceedings under which the Series 2018 Bonds are to be issued, (ii) the validity of any provision of the Series 2018 Bonds or the Indenture, (iii) the pledge by MJMEUC under the Indenture, (iv) the validity or enforceability of the Pool Power Purchase Agreement, or (v) the legal existence of MJMEUC or the title to office of the officials of MJMEUC.

CONTINUING DISCLOSURE UNDERTAKING

Pursuant to a Continuing Disclosure Undertaking to be entered into by MJMEUC simultaneously with the delivery of the Series 2018 Bonds (the "*Continuing Disclosure Undertaking*"), MJMEUC will covenant for the benefit of the Bondowners and the "Beneficial Owners" (as defined in the Continuing Disclosure Undertaking) of the Series 2018 Bonds to provide, on an annual basis, by not later than five months after the end of each of MJMEUC's fiscal years (presently, by each May 31), commencing with the report for the fiscal year ending December 31, 2018, certain financial information and operating data relating to (a) MJMEUC and (b) each Pool Power Purchaser whose percentage of the Pool Power Purchasers' combined coincident peak load during such fiscal year was in excess of 5 percent (the "*Annual Disclosure Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the Series 2018 Bonds. The Annual Disclosure Report and any notices of such events will be filed by or on behalf of MJMEUC with the Municipal Securities Rulemaking Board ("*MSRB*"), through its Electronic Municipal Market Access system, 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 E. 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, MJMEUC has separately maintained disclosure of its audited financial statements via its website (www.mpua.org). The information presented on MJMEUC'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.

MJMEUC believes it has complied during the past five years with its prior undertakings under the Rule, except as follows (which information below is provided irrespective of materiality):

1. MJMEUC is required to include in its Annual Disclosure Reports the audited financial statements, if available, or unaudited financial statements of certain unit power purchasers (the "*Large Unit Power Purchasers*") and certain Pool Power Purchasers (the "*Large Pool Power Purchasers*"). Prior to September 2014, MJMEUC did not file audited financial statements for each of the Large Unit Power Purchasers or Large Pool Power Purchasers in connection with its Annual Disclosure Report or any of its other annual reports. Excerpts of the audited financial statements for each of the Large Unit Power Purchasers and Large Pool Power Purchasers were included in the operating data filed in MJMEUC's Annual Disclosure Reports for each of the past five years. While audited financial statements for certain of the Large Unit Power Purchasers and Large Pool Power Purchasers were available on EMMA, such information was linked to the CUSIP numbers for bonds of those respective Large Unit Power Purchasers and Large Pool Power Purchasers and neither linked to the applicable CUSIP numbers for MJMEUC's bonds nor included by specific reference to documents available on the MSRB's EMMA website.

MJMEUC filed such audited financial statements (or, if unavailable, unaudited financial statements) with the MSRB through EMMA in September 2014. With respect to the Fiscal Year 2016 filing for the City of Marshall, a Large Pool Power Purchaser, the audited financial statements were timely filed, however it was later discovered that certain pages of the audit were inadvertently not included in the file posted on EMMA at the time of the original filing. The complete audited financial statements of the City of Marshall for Fiscal Year 2016 are currently available on EMMA.

2. During the past five years, MJMEUC did not make timely filings of event notices on EMMA relating to bond insurer downgrades and certain other ratings changes on its bonds. MJMEUC has filed such notices with the MSRB through its EMMA website prior to the sale of its Power Project Revenue Refunding Bonds (Prairie State Project), Series 2016A.

If MJMEUC fails to comply with any provision of the Continuing Disclosure Undertaking, any Bondowner or "Beneficial Owner" of the Series 2018 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause MJMEUC 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 2018 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 MJMEUC 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 2018 Bonds are being purchased by Piper Jaffray & Co., Barclays Capital, Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Bank, National Association (collectively, the "*Underwriters*") pursuant to a purchase contract by and between MJMEUC and Piper Jaffray & Co., New York, New York, as representative of the Underwriters. The purchase price for the Series 2018 Bonds shall be $__________(the par amount of the Series 2018 Bonds, less an underwriting discount of $__________ and plus net original issue premium of $__________). The Purchase Contract provides that the Underwriters will purchase all of the Series 2018 Bonds if any are purchased. The Underwriters may offer and sell the Series 2018 Bonds to certain dealers and others (including dealers and others depositing Series 2018 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.

J.P. Morgan Securities LLC ("*JPMS*"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "*Dealer Agreement*") with each of Charles Schwab & Co., Inc. ("*CS&Co.*") and LPL Financial LLC ("*LPL*") for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of CS&Co. and LPL will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("*WFBNA*"), one of the underwriters of the Series 2018 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 2018 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 2018 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 2018 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.

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 MJMEUC and to persons and entities with relationships with MJMEUC, for which they received or will receive customary fees and expenses. MJMEUC 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.

RATINGS

The Series 2018 Bonds are rated "A2" by Moody's Investors Service ("*Moody's*") and "__" by Fitch Ratings ("*Fitch*"). The respective ratings by Moody's and Fitch of the Series 2018 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, One State Street Plaza, New York, New York 10004. 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. MJMEUC has furnished to each rating agency rating certain information about MJMEUC and the 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 MJMEUC and the Bonds. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the Series 2018 Bonds.

TAX MATTERS

General

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2018 Bonds and 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 holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2018 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers). Except as otherwise provided, this summary does not discuss the consequences to an owner under state, local or foreign tax laws. This summary does not deal with the tax treatment of persons who purchase the Series 2018 Bonds in the secondary market. Bond Counsel expresses no opinion regarding these tax consequences. 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 2018 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to MJMEUC, under existing law as of the issue date of the Series 2018 Bonds:

Federal and State of Missouri Tax Exemption. The interest on the Series 2018 Bonds [(including any original issue discount properly allocable to an owner thereof)] 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 2018 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2018 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 2018 Bonds, subject to the condition that MJMEUC comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2018 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. MJMEUC 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 2018 Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2018 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2018 Bonds, but has reviewed the discussion under the heading "TAX MATTERS."

Other Tax Consequences Applicable to the Series 2018 Bonds

[*Series 2018 Bonds Purchased with Original Issue Discount.* For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2018 Bond over its issue price. The issue price of a Series 2018 Bond is generally the first price at which a substantial amount of the Series 2018 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2018 Bond during any accrual period generally equals

(1) the issue price of that Series 2018 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2018 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2018 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Series 2018 Bonds Purchased with Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2018 Bond over its stated redemption price at maturity. The issue price of a Series 2018 Bond is generally the first price at which a substantial amount of the Series 2018 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 2018 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2018 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 2018 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 2018 Bond, an owner of the Series 2018 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 2018 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2018 Bond. To the extent the Series 2018 Bonds are 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 2018 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 Series 2018 Bonds, and to the proceeds paid on the sale of Series 2018 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 2018 Bonds should be aware that ownership of the Series 2018 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, 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 2018 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2018 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 2018 Bonds, including the possible application of state, local, foreign and other tax laws.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Series 2018 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 F 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 MJMEUC with various matters relating to the planning and structuring of the Series 2018 Bonds. The Financial Advisor assumes no responsibility for the accuracy, completeness or fairness of this Official Statement.

FINANCIAL STATEMENTS

Attached as APPENDIX A-1 to this Official Statement are MJMEUC's audited financial statements as of December 31, 2016 and 2015 for the fiscal years then ended, together with the report thereon of Williams Keepers LLC, independent certified public accountants.

Attached as APPENDIX A-2 to this Official Statement are MJMEUC's unaudited financial statements as of December 31, 2017 for the fiscal year then ended. MJMEUC expects to receive its audited financial statements for fiscal year ended December 31, 2017 in May 2018, and to make such audited financial statements available on the EMMA website on or about such date.

MISCELLANEOUS

During the initial offering period of the Series 2018 Bonds, copies of the proposed form of the Indenture and the forms of the Pool Power Purchase Agreement may be obtained from MJMEUC upon written request. Requests should be addressed to Missouri Joint Municipal Electric Utility Commission, 1808 I-70 Drive S.W., Columbia, Missouri 65203, Attention: Michael J. Loethen, Chief Financial Officer/Vice President of Administrative Services.

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 MJMEUC.

MISSOURI JOINT MUNICIPAL ELECTRIC
UTILITY COMMISSION

APPENDIX A-1

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

AUDITED FINANCIAL STATEMENTS

and

INDEPENDENT AUDITORS' REPORT

As of December 31, 2016 and 2015
and for the years then ended

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REPORT OF

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

DECEMBER 31, 2016 and 2015

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Missouri Joint Municipal Electric Utility Commission

We have audited the accompanying combined and combining financial statements of the Missouri Joint Municipal Electric Utility Commission (MJMEUC), which comprise the combined and combining statements of net position as of December 31, 2016; the related combined and combining statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the combined and combining financial statements referred to above present fairly, in all material respects, the combined financial position of the Missouri Joint Municipal Electric Utility Commission and each of its funds as of December 31, 2016, and the combined and individual results of the funds' operations and cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 to 11 and the pension plan schedules on pages 53 and 54 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 financial statements, and other knowledge we obtained during our audit of the 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in restricted bond accounts (the supplemental information) on page 55 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Williams Keepers LLC

May 24, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") offers all persons interested in the financial position and results of MJMEUC's operations this discussion and analysis of the financial performance of MJMEUC, which provides an overview of MJMEUC's financial activities for the fiscal years ended December 31, 2016 and 2015. Please read this narrative in conjunction with the accompanying financial statements and notes thereto, which follow this section.

Overview of MJMEUC

MJMEUC was formed with the main purpose of providing dependable, sufficient, and economical electric power and energy for the benefit of member municipalities and their residents. There are two full requirements energy pools within MJMEUC. The MoPEP Pool ("MoPEP") consists of 35 municipal members and the MMMPEP Pool ("MMMPEP") consists of 13 municipal members. MJMEUC has joint ownership interests in power generating facilities with other entities with take-or-pay power purchase agreements with other MJMEUC members and MoPEP for the sale of MJMEUC's share of the power generated from these facilities. MJMEUC also wholly owns two natural gas fired electric generation facilities, with the power generated from these facilities dedicated to MoPEP.

Overview of the Financial Statements

This report consists of three parts; management's discussion and analysis (this section), the financial statements, and supplemental information. The financial statements are comprised of the government-wide financial statements; the fund financial statements; and the notes to financial statements. These statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). MJMEUC applies GAAP that pertains to regulated operations and uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

The government-wide financial statements provide a broad overview of MJMEUC's finances. These financial statements include the combined statements of net position, the combined statements of revenues, expenses, and changes in net position, and the combined 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 governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. 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 Supplemental Information ("RSI") and its presentation is required by GAAP. The second section is referred to as Supplemental Information ("SI") and is not required by GAAP to be presented. The RSI includes two schedules regarding MJMEUC's pension plan and are the schedule of changes in net pension liability and the schedule of contributions – last ten fiscal years. The SI section includes a schedule of changes in restricted bond accounts and is presented to provide additional information on the individual funds comprising MJMEUC's financial statements for the purposes of additional analysis.

The combined and combining statements of net position present MJMEUC's financial position as of the end of the year presented. Information is displayed on assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The net position of MJMEUC reflects the resources available as of the end of the year to support member activities. Over time, increases and decreases in MJMEUC's net position are one indicator of whether MJMEUC's financial health is improving or deteriorating. Other factors to consider include MJMEUC's wholesale electric rates and its ability to maintain or exceed debt coverage levels and other covenants required by its bond indentures.

The combined and combining 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 year 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 giving rise to 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. For example, power purchases that occurred during the year will be reflected as an expense, whether or not they have been paid as of the end of the fiscal year. Further, GAAP for regulated operations require a matching of revenues and expenses for when costs are recoverable in MJMEUC's rates.

The combined and combining statements of cash flows present the cash inflows and outflows of MJMEUC categorized by operating, capital and related financing, and investing activities. They reconcile 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 financial statements and provide additional information that is essential to have a full understanding of the information provided in the financial statements.

Financial Highlights

	2016	2015	2014
Net Position (equity)	$ 53,693,510	$ 44,627,110	$ 38,151,957
Change in Net Position (net income)	$ 9,066,400	$ 6,475,153	$ 5,050,038
Capital Improvements	$ 18,627,702	$ 12,396,957	$ 12,560,908
Coincident Peak Demand			
MoPEP	532 megawatts	526 megawatts	531 megawatts
MMMPEP	107 megawatts	111 megawatts	109 megawatts
Electric Sales (in megawatt hours)			
MoPEP	2,609,294	2,588,340	2,659,193
MMMPEP	557,859	554,239	569,929
Plum Point	1,015,813	931,605	816,692
Iatan 2	542,927	664,291	487,988
Prairie State	1,312,755	1,371,408	1,185,405
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

Government-wide Financial Analysis

The following tables present summarized financial position and results as of and for the years ended December 31, 2016, 2015 and 2014. Additional details are available in the accompanying financial statements.

Combined Statements of Net Position as of December 31, 2016, 2015 and 2014

	2016	2015	2014
ASSETS			
Capital Assets	$ 1,235,702,824	$ 1,255,429,095	$ 1,279,499,760
Other Noncurrent Assets	173,977,944	177,391,295	179,911,934
Current Assets	128,926,581	130,916,514	128,262,668
Total Assets	1,538,607,349	1,563,736,904	1,587,674,362
DEFERRED OUTFLOWS OF RESOURCES	39,187,572	35,193,366	13,214,850
Total Assets and Deferred Outflows	$ 1,577,794,921	$ 1,598,930,270	$ 1,600,889,212
LIABILITIES			
Long-term Debt	$ 1,387,355,420	$ 1,431,856,673	$ 1,447,960,248
Unearned Revenue	13,335,781	19,302,099	18,511,404
Net Pension Liability	903,727	4,491	-
Accrued Interest Payable	23,795,630	29,477,921	31,451,108
Accounts Payable and Accrued Liabilities	22,202,386	18,776,782	19,705,384
Current Maturities of Long-Term Debt	42,145,000	33,394,000	32,777,000
Total Liabilities	1,489,737,944	1,532,811,966	1,550,405,144
DEFERRED INFLOW OF RESOURCES	34,363,467	21,491,194	12,598,333
NET POSITION			
Net Investment in Capital Assets	(92,394,746)	(102,326,948)	(90,149,619)
Restricted	56,557,149	54,787,462	53,748,109
Unrestricted	89,531,107	92,166,596	74,287,245
Total Net Position	53,693,510	44,627,110	37,885,735
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 1,577,794,921	$ 1,598,930,270	$ 1,600,889,212

Financial Position Analysis – 2016

MJMEUC issued one advance refunding revenue bond issue in 1Q 2016, of certain Prairie State Project Revenue Bonds to take advantage of favorable interest rates and to lower total future debt service requirements. Total future debt service savings from the advance refunding is approximately $56.2 million, with net present value savings of approximately $31.9 million. The refunded bonds were removed from the statements of net position as they were legally defeased and the refunding revenue bonds were added to the statements of net position.

Assets and Deferred Outflows of Resources

Capital assets before depreciation increased $17.2 million (1.2%) as a result of continued capital improvements of the utility plants. Capital assets, net of depreciation, decreased $19.7 million (1.6%) in 2016 due to depreciation expense exceeding capital improvement expenditures. Construction work in progress decreased slightly from $7.5 million to $6.9 million at the end of 2016 compared to 2015.

Other noncurrent assets consist of investments, restricted bond accounts, other restricted cash and investments, contractual deposits, and regulatory assets. Other noncurrent assets decreased by $3.4 million (1.9%) due to the use of bond project funds for capital projects, and from a reduction in restricted bond accounts resulting from a bond refunding and the release of restricted bond funds after the retirement of two bond issues. These reductions were partially offset by an increase in unrestricted investments. Current assets decreased $2 million (2%) due to decreases in the current portion of restricted bond accounts and fuel stock and material inventory, which were partially offset by increases in cash and cash investments, investments, and accounts receivable.

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 MJMEUC's financial statements as of December 31, 2016 include refunding bond costs, which are amortized into MJMEUC's expenses over the life of the refunding bonds, and certain costs related to MJMEUC's defined benefit pension plan. Deferred outflows of resources increased $4 million, primarily due to additional refunding bond costs from one refunding bond issuance in 2016.

Liabilities and Deferred Inflows of Resources

Long-term debt, including the current portion, had a net decrease of $35.6 million (2.4%) as a of result principal payments made on debt. Accrued interest payable decreased approximately $5.7 million (19.3%) and consists of interest accrued on MoPEP, Plum Point, Iatan 2, and Prairie State capital projects. This reduction was the result of bond refunding issues that lowered interest rates and large principal payments made that lowers interest costs. Unearned revenue decreased by approximately $6 million (30.9%), which primarily has to do with the timing of payments and the associated costs of the power generation projects. The net pension liability increased approximately $900,000 from 2015, which is the result of a change in assumptions used by the pension plan's actuary MJMEUC participates in. See Note 10 to these financial statements for more information. Accounts payable and accrued liabilities increased approximately $3.4 million from the 2015 amounts.

Deferred inflows of resources represent 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. MJMEUC has two financial statement items that qualify for reporting in the category, which are regulatory credits 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. These amounts are being amortized or otherwise recognized in revenue in accordance with MJMEUC's rate making policy. Deferred inflows of resources increased $12.9 million from an increase in regulatory credits.

Net Position

MJMEUC's overall net position increased $9.1 million (20%), which is primarily attributable to amounts collected for rate covenants according to debt agreements and investment return. The approximate $92 million deficit portion of net position decreased from 2015 figures by approximately $9.9 million and is primarily attributable to the reduction in debt in 2016. This deficit reflects the investments in capital assets less any outstanding debt net of unspent debt project funds that were issued to acquire those assets. Restricted net position increased $1.8 million from 2015, which consists of funds held by either MJMEUC for operations and maintenance reserves or held by MJMEUC's bond trustees that are to be used for payment of debt service and as debt service reserves, less the current portion of related liabilities as of the end of the fiscal year that are to be settled with these funds.

Financial Position Analysis – 2015

MJMEUC issued three refunding revenue bond issues in 2015, one each for the Plum Point, Iatan 2, and Prairie State Projects, to take advantage of favorable interest rates and to lower total future debt service requirements. Net present value savings from the refunding issues are approximately $3.1 million for the Plum Point Project, approximately $8.1 million for the Iatan 2 Project, and approximately $20.5 million for the Prairie State Project.

The refunded bonds were removed from the statements of net position as they were legally defeased and the refunding revenue bonds were added to the statements of net position.

Assets and Deferred Outflows of Resources

Capital assets before depreciation increased $11 million (0.8%) as a result of continued capital improvements of the utility plants. Capital assets, net of depreciation, decreased $24 million (1.9%) in 2015 due to depreciation expense exceeding capital improvement expenditures. Construction work in progress decreased $17.7 million to $7.5 million at the end of 2015 compared to 2014.

Other noncurrent assets consist of restricted bond accounts, other restricted cash and investments, investments, contractual deposits, and regulatory assets. Other noncurrent assets decreased by $2.5 million (1.4%) due to the use of bond project funds to complete capital projects, a reduction in restricted bond accounts, and a reduction in regulatory assets, which was partially offset by an increase in investments. Current assets increased $2.7 million (2.1%) due to increases in cash and cash investments, investments, and fuel stock and material inventory, partially offset by in decreases in contractual deposits, accounts receivable, and restricted bond accounts.

The deferred outflows of resources in MJMEUC's financial statements as of December 31, 2015 include refunding bond costs, which are amortized into MJMEUC's expenses over the life of the refunding bonds, and certain costs related to MJMEUC's defined benefit pension plan. Deferred outflows of resources increased $22 million, primarily due to additional refunding bond costs from three refunding bond issuances in 2015.

Liabilities and Deferred Inflows of Resources

Long-term debt, including the current portion, had a net decrease of $15.5 million (1.1%) as a of result principal payments made on debt. Accrued interest payable decreased approximately $2 million (6.3%) and consists of interest accrued on MoPEP, Plum Point, Iatan 2 and Prairie State capital projects. This large reduction was the result of bond refunding issues that lowered interest rates and a portion of the interest due on January 1, 2016 was paid at the time of the refunding issues, lowering the accrued interest at December 31, 2015.

Deferred inflows of resources represent 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. MJMEUC has two financial statement items that qualify for reporting in the category, which are regulatory credits, discussed above, 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. These amounts are being amortized in accordance with MJMEUC's rate making policy. Deferred inflows of resources increased $8.9 million (70.6%) from a $7.8 million increase in regulatory credits and a $1.1 million increase in unamortized gain on refunded debt.

Net Position

MJMEUC's overall net position increase of $6.5 million (17%), is primarily attributable to amounts collected for rate covenants according to debt agreements and investment return. There was also an approximate $300,000 adjustment to 2015's beginning net position for a new pension accounting standard, which is not included in the $6.5 million increase above. The approximate $102 million deficit portion of net position increased over 2014 figures by approximately $12.2 million and is primarily attributable to depreciation recognized in 2015. This deficit reflects the investments in capital assets less any outstanding debt, net of unspent debt project funds that were issued to acquire those assets. Restricted net position increased $1 million from 2014, which consists of funds held by either MJMEUC for operations and maintenance reserves or held by MJMEUC's bond trustees that are to be used for payment of debt service and as debt service reserves, less the current portion of related liabilities as of the end of the fiscal year that are to be settled with these funds.

Combined Statements of Revenues, Expenses, and Changes in Net Position for 2016, 2015 and 2014

	2016	2015	2014
Operating Revenues:			
Power Sales and Related Charges	$ 322,401,937	$ 326,088,187	$ 340,607,775
Transmission	16,960,869	16,144,680	16,390,102
Transfers from MAMU and MGCM	105,448	97,376	105,099
Other	968,563	713,140	711,315
Total Operating Revenues	340,436,817	343,043,383	357,814,291
Operating Expenses:			
Power Purchases and Generation	189,602,940	192,704,020	190,543,647
Member Capacity and Generation Credits	10,209,217	10,688,906	11,044,734
Transmission	16,939,815	16,123,555	31,608,362
Depreciation	36,457,575	34,852,128	33,440,718
Net Costs Recoverable in Future Years	13,598,722	12,773,271	11,724,025
Other Pool and Project Expenses	4,343,165	4,189,609	3,793,209
Administrative, General, and Training	3,162,934	2,297,901	2,702,013
Total Operating Expenses	274,314,368	273,629,390	284,856,708
Operating Income	66,122,449	69,413,993	72,957,583
Nonoperating Income Net of Expenses	(57,056,049)	(62,938,840)	(67,907,545)
Increase in Net Position	9,066,400	6,475,153	5,050,038
Net Position, Beginning of Year	44,627,110	38,151,957	32,835,697
Net Position, End of Year (before restatement)	53,693,510	44,627,110	37,885,735
Effect of GASB 68 Restatement	-	-	266,222
Net Position, End of Year	$ 53,693,510	$ 44,627,110	$ 38,151,957

During the fiscal year ended December 31, 2015, MJMEUC implemented GASB 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses/expenditures. As a result of the implementation, net position as of December 31, 2014 was restated.

Operating Results Analysis - 2016

MJMEUC power sales are primarily collections from members engaged in the agency's full-requirements power pools services (MoPEP and MMMPEP) and from members participating in the Plum Point, Iatan 2, and Prairie State power generation projects. Overall, power sales and related charges decreased $3.7 million (1.1%). For the 2016 and 2015 fiscal years, combined power sales and related charges to MJMEUC members were $322.4 million and $326.1 million, respectively, on a consolidated basis, and $382.1 million and $386.5 million, respectively, on a nonconsolidated basis; refer to page 18 for the combining statements of revenues, expenses, and changes in net position. Unit sales for 2016 and 2015 were 5,132,994 megawatt hours (MWh) and 5,178,671 MWh, respectively, on a consolidated basis, and 6,038,648 MWh and 6,109,883 MWh, respectively, on a nonconsolidated basis.

MJMEUC bills member municipalities monthly for power and energy based on the cost of MJMEUC's power and energy purchases and generation plus a mark-up for associated MJMEUC overhead and to build

MJMEUC's reserves. The cost structure of MJMEUC's power supply has shifted more from energy to capacity with the base-load from Plum Point, Iatan 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 receives all of its power supply through power purchase agreements and does not have any city owned or generating capacity for itself. MJMEUC's combined power purchases and generation reflect power purchases increasing by $1.1 million in 2016 while MJMEUC's power generation costs related to power sales decreased $2 million in 2016. Member capacity and generation credits decreased approximately $480,000, mostly due to some MoPEP members retiring units.

Net costs recoverable in future years expense of $13.6 million represents a net of certain MoPEP and 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 MJMEUC's rate making policy to revenue and expense transactions.

Nonoperating income (net of expenses) decreased by approximately $5.9 million and is comprised of returns on investments, which increased approximately $700,000, bond interest subsidies received, interest expense, which decreased $4.4 million, an approximate $200,000 gain on disposal of capital assets in 2016, and an approximate $1.2 million return of net position to members from MoPEP.

Operating Results Analysis - 2015

Overall, power sales and related charges decreased $14.5 million (4.3%). For the 2015 and 2014 fiscal years, combined power sales and related charges to MJMEUC members were $326.1 million and $340.7 million, respectively, on a consolidated basis, and $386.5 million and $398 million on a nonconsolidated basis. Unit sales for 2015 and 2014 were 5,178,671 MWh and 4,946,444 MWh, respectively, on a consolidated basis, and 6,109,883 MWh and 5,721,507 MWh, respectively, on a nonconsolidated basis.

MJMEUC's power purchases decreased $2.2 million in 2015 while MJMEUC's power generation costs related to power sales increased $4.4 million in 2015. Member capacity and generation credits decreased approximately $356,000, mostly due to some MoPEP members retiring units from finding it too costly to update their generation assets to comply with new EPA emissions standards.

Net costs recoverable in future years expense of $12.8 million represents a net of certain MoPEP and 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 MJMEUC's rate making policy to revenue and expense transactions.

Nonoperating income (net of expenses) decreased by approximately $5 million and is comprised of returns on investments, which increased approximately $700,000, bond interest subsidies received, interest expense, which decreased $6.1 million, a $1.3 million loss on disposal of capital assets in 2015, and an approximate $450,000 return of net position to members.

Financial Outlook for 2017 and Beyond

MJMEUC foresees its continued development of increasingly diverse services and power supply relationships with municipal utilities and organizations in the SPP and MISO regions. Transitions in the utility environment, technologies, and customer expectations provide certain advantages to the municipal community utility model, and also amplify the value of inter-utility collaboration to achieve economic scale and specialized expertise. MJMEUC 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.

MoPEP

MJMEUC continues to increase its renewable resources of power supply. Three 3.2 MW solar farm projects in Marshall, Rolla, and Waynesville, Missouri were placed into commercial operation in 2016. In 2015, two 3.2 MW solar farm projects went into commercial operation, one in Macon and one in Trenton, Missouri.

Planning and construction for additional solar projects are underway as discussed below. In addition to these solar projects, MJMEUC has entered into an agreement with Clean Line Energy Partners for up to 200 MW of transmission on the Grain Belt Express transmission line from a highly desirable wind generation location in Kansas into Northeast Missouri, at very attractive pricing. MJMEUC has also entered an agreement for up to 200 MW of wind generated power to match with the before mentioned transmission contract, also at very attractive pricing. Both contracts are contingent on the Grain Belt Express transmission line being approved by the Missouri Public Service Commission and being constructed. If approved by the Missouri Public Service Commission, construction for both projects is expected to be completed in 2021.

MJMEUC entered into a long-term power purchase agreement with MC Power Companies, Inc. in 2016 for all the capacity and energy from additional solar power generating facilities in Missouri for approximately 16 MW of power to be constructed and placed into service. The power generating facilities are expected to be constructed over the next two years and fully subscribed by members of MoPEP.

Megawatt hour costs for MoPEP are expected to remain relatively flat in the foreseeable future, assuming no significant modifications are made to federal and state environmental regulations affecting MJMEUC's power generation units. MoPEP continues 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 units.

MJMEUC's 2017 budget did not allocate any additional funds to its Power Infrastructure Modernization Grant program for MoPEP members; however, any unspent grant funds will remain available for qualifying MoPEP members. In 2017, the funds that would otherwise be available for the grant program are to be set aside for a "Strategic Sustainability Fund" to be used to assist in purchasing solar projects as the purchase option dates come to pass and for other similar items the MoPEP Board determines appropriate.

Cyber security is an increasingly important issue. MoPEP continues to allocate funds in its budget for monitoring cyber threats to member systems and continues its security monitoring program for all MoPEP members and for MJMEUC's headquarters information systems.

MMMPEP

The contract between MJMEUC and the MMMPEP group of municipalities provides the MMMPEP group with their full power requirements. The original contract was scheduled to expire on May 31, 2018; however, MJMEUC and MMMPEP cities entered into a new contract in 2016 that extended the commitment of services for an additional ten years, now expiring on May 31, 2028. A thirteenth city joined MMMPEP as a member in 2016; however, this additional member will not begin receiving power from MMMPEP until January 2018. In addition, MJMEUC staff and the MMMPEP members continue to work on new power supply contracts for MMMPEP's long term power needs.

Empire Cities Energy Supply

Four cities in southern Missouri and Kansas being served by The Empire District Electric Company have discussed forming an energy pool. At this point, the cities are not considered to be part of MJMEUC. These cities have engaged MJMEUC to assist in developing an integrated resource plan, which is the first step in forming the framework for a new pool to operate. The expectation is for MJMEUC to continue working with the cities over the next couple years, such as assisting in request for proposals for capacity and energy, and ultimately for MJMEUC to manage a newly formed pool as a fund of MJMEUC.

Debt Refundings

In addition to the three successful debt refundings MJMEUC undertook in 2015, MJMEUC successfully refunded $273.5 million of Prairie State project revenue bonds in March 2016 with future debt service savings of $56.2 million and a net present value savings of $31.9 million. Management continues to monitor interest rates in 2017, and have been given authorization by MJMEUC's Board to take advantage of certain call dates that would provide for additional refunding opportunities.

Transmission

As is true throughout the electric utility industry, transmission costs and regional transmission organization ("RTO") related costs generally are growing to become a more significant driver of costs and rate increases. This is expected to continue in MISO, SPP and other regions as new and upgraded transmission facilities are developed. Through MJMEUC's strategic co-development agreement with Gridliance GP, LLC ("Gridliance"), whereby MJMEUC work's with Gridliance affiliates, Blackstone Energy Partners, the Oklahoma Municipal Power Authority, and other public power utilities to develop transmission investment opportunities enabling MJMEUC to mitigate transmission cost increases. These arrangements are not necessarily expected to result in immediate investment opportunities and do not obligate MJMEUC to make transmission investments at any time, but MJMEUC management is optimistic that advantageous opportunities will result within a few years. These investments will be smaller than those associated with major electric generation projects but will be significant in relation to transmission cost pressures.

Requests for Information

This financial report is designed to provide the reader a general overview and analysis of the financial activities of MJMEUC and is available at www.mpua.org. Questions or requests for more information concerning any of the information provided in this report should be directed to Duncan Kincheloe, CEO, President, and General Manager, Missouri Joint Municipal Electric Utility Commission, 1808 I-70 Drive, Columbia, Missouri 65203, (573-445-3279).

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF NET POSITION
December 31, 2016 and 2015

	2016	2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CAPITAL ASSETS		
Plant, Buildings, and Equipment in Service	$ 1,228,781,136	$ 1,247,917,007
Construction Work in Progress	6,921,688	7,512,088
Total Capital Assets, Net	1,235,702,824	1,255,429,095
RESTRICTED ASSETS		
Bond Accounts Cash and Investments	97,634,914	103,581,448
Other Cash, Cash Equivalents and Investments	16,642,288	16,604,082
Total Restricted Assets	114,277,202	120,185,530
OTHER ASSETS		
Investments	20,060,949	15,193,539
Prepaid Expenses	543,362	553,735
Contractual Deposits	8,483,301	8,588,301
Regulatory Assets	30,613,130	32,870,190
Total Other Assets	59,700,742	57,205,765
CURRENT ASSETS		
Cash and Cash Equivalents	35,482,452	32,324,490
Investments	7,528,689	2,850,865
Accounts Receivable, Net	15,782,621	15,110,393
Prepaid Expenses	6,762,909	7,160,893
Fuel Stock and Material Inventory	8,009,638	10,658,447
Restricted Assets:		
Bond Accounts, Current Portion	55,360,272	62,811,426
Total Current Assets	128,926,581	130,916,514
Total Assets	1,538,607,349	1,563,736,904
DEFERRED OUTFLOWS OF RESOURCES	39,187,572	35,193,366
Total Assets and Deferred Outflows of Resources	$ 1,577,794,921	$ 1,598,930,270

Continued on next page

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF NET POSITION
December 31, 2016 and 2015

	2016	2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Maturities	$ 1,387,355,420	$ 1,431,856,673
Net Pension Liability	903,727	4,491
Unearned Revenue	10,730,721	10,730,721
Total Noncurrent Liabilities	1,398,989,868	1,442,591,885
CURRENT LIABILITIES		
Accounts Payable	21,929,453	18,538,566
Accrued Payroll and Payroll Taxes	272,933	238,216
Unearned Revenue	2,605,060	8,571,378
Current Maturities, Long-Term Debt	42,145,000	33,394,000
Payable From Restricted Assets:		
Accrued Interest Payable on Debt	23,795,630	29,477,921
Total Current Liabilities	90,748,076	90,220,081
Total Liabilities	1,489,737,944	1,532,811,966
DEFERRED INFLOWS OF RESOURCES	34,363,467	21,491,194
Net Position		
Net Investment in Capital Assets	(92,394,746)	(102,326,948)
Restricted	56,557,149	54,787,462
Unrestricted	89,531,107	92,166,596
Total Net Position	53,693,510	44,627,110
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,577,794,921	$ 1,598,930,270

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Power Sales and Related Charges	$ 322,401,937	$ 326,088,187
Transmission	16,960,869	16,144,680
Energy Services	104,071	-
Transfers From MAMU and MGCM	105,448	97,376
Conferences and Member Training	554,825	427,698
Other	309,667	285,442
Total Operating Revenues	340,436,817	343,043,383
OPERATING EXPENSES		
Pool and Project Expenses		
Power Purchases	107,202,771	108,267,955
Member Capacity and Generation Credits	10,209,217	10,688,906
Power Generation	82,400,169	84,436,065
Transmission	16,939,815	16,123,555
Personnel Services and Staff Support	2,281,056	2,106,632
Professional Services	1,068,330	968,874
Rental and Maintenance	146,343	215,823
SCADA Communications	298,385	386,012
Energy Services	15,727	-
Depreciation	36,457,575	34,852,128
Net Costs Recoverable in Future Years	13,598,722	12,773,271
Other Operating Expenses	533,324	512,268
Conferences and Member Training	259,783	213,698
Administrative and General	2,903,151	2,084,203
Total Operating Expenses	274,314,368	273,629,390
Operating Income	66,122,449	69,413,993
NONOPERATING REVENUES (EXPENSES)		
Investment Return	2,491,662	1,820,188
Bond Interest Subsidy	7,104,102	7,095,032
Return of Equity to Members	(1,211,745)	(452,827)
Gain (Loss) on Disposal of Capital Assets	188,155	(1,343,559)
Interest and Fees Expense	(65,628,223)	(70,057,674)
Net Nonoperating Expenses	(57,056,049)	(62,938,840)
Increase in Net Position	9,066,400	6,475,153
Net Position, Beginning of Period	44,627,110	38,151,957
Net Position, End of Period	$ 53,693,510	$ 44,627,110

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2016 and 2015

	2016	2015
OPERATING ACTIVITIES		
Receipts from Power and Transmission Sales	$ 334,972,999	$ 342,125,829
Receipts from Other Revenue Sources	860,340	534,203
Payments for Power Purchases and Other Goods and Services	(212,907,226)	(219,028,854)
Payments to Employees for Services and Benefits	(3,233,264)	(2,950,358)
Net Cash Provided by Operating Activities	119,692,849	120,680,820
CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	281,751,850	372,753,061
Bond Interest Subsidy Received	7,104,102	7,095,032
Proceeds from Disposal of Capital Assets	1,828,825	-
Payment of Bond Issuance Costs	(1,566,418)	(1,554,450)
Payment of Bond Advance Refunding Costs	(9,765,256)	(22,798,616)
Principal Payments on Long-Term Debt	(306,869,000)	(379,162,000)
Payments of Interest and Fees on Debt	(75,385,755)	(75,326,044)
Return of Equity to Members	(1,211,745)	(452,827)
Acquisition and Construction of capital Assets	(18,627,702)	(12,396,957)
Net Cash (Used) by Capital and Related Financing Activities	(122,741,099)	(111,842,801)
INVESTING ACTIVITIES		
Purchases of Restricted Cash and Investments	(138,697,275)	(106,876,743)
Proceeds from Sales and Maturities of Restricted Cash and Investments	141,322,202	103,888,222
Investment Income Received	3,581,285	2,311,132
Net Cash Provided (Used) by Investing Activities	6,206,212	(677,389)
Net Increase in Cash and Cash Equivalents	3,157,962	8,160,630
Cash and Cash Equivalents at Beginning of Year	32,324,490	24,163,860
Cash and Cash Equivalents at End of Year	$ 35,482,452	$ 32,324,490
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 66,122,449	$ 69,413,993
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	36,713,303	34,994,868
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:		
Accounts Receivable	(672,228)	2,455,104
Prepaid Expenses	408,357	168,819
Fuel Stock and Material Inventory	2,648,809	(2,468,984)
Contractual Deposits	105,000	6,217,062
Regulatory Assets	3,823,478	3,406,462
Accounts Payable	3,390,887	67,240
Accrued Payroll and Payroll Taxes	34,717	18,396
Unearned Revenue	(5,966,318)	8,279
Net Pension Liability	899,236	4,491
Deferred Outflows of Resources	(738,250)	(220,706)
Deferred Inflows of Resources	12,923,409	6,615,796
Net Cash Provided by Operating Activities	$ 119,692,849	$ 120,680,820

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF NET POSITION
December 31, 2016

			Full Requirements Pools		Generation Funds					
	Alliance Fund	General Fund	MoPEP 1 Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Total	Eliminations	Total Combined
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
CAPITAL ASSETS										
Plant, Buildings, and Equipment in Service	$ 1,347,602	$ 237,672	$ 53,199,741	$ -	$ 245,918,011	$ 235,009,565	$ 693,068,545	$ 1,228,781,136	$ -	$ 1,228,781,136
Construction Work in Progress	-	-	-	-	1,236,741	1,268,705	4,416,242	6,921,688	-	6,921,688
Total Capital Assets, Net	1,347,602	237,672	53,199,741	-	247,154,752	236,278,270	697,484,787	1,235,702,824	-	1,235,702,824
RESTRICTED ASSETS										
Bond Accounts Cash and Investments	-	-	3,751,160	-	24,332,451	19,143,143	50,408,160	97,634,914	-	97,634,914
Other Cash, Cash Equivalents, and Investments	-	-	-	-	7,136,673	4,606,257	4,899,358	16,642,288	-	16,642,288
Total Restricted Assets	-	-	3,751,160	-	31,469,124	23,749,400	55,307,518	114,277,202	-	114,277,202
OTHER ASSETS										
Investments	-	-	18,135,530	-	-	-	1,925,419	20,060,949	-	20,060,949
Prepaid Expenses	-	-	-	-	-	456,409	86,953	543,362	-	543,362
Contractual Deposits	-	-	1,605,849	-	2,704,053	720,999	3,452,400	8,483,301	-	8,483,301
Regulatory Assets	-	-	642,295	-	17,824,366	3,493,208	8,653,261	30,613,130	-	30,613,130
Total Other Assets	-	-	20,383,674	-	20,528,419	4,670,616	14,118,033	59,700,742	-	59,700,742
CURRENT ASSETS										
Cash and Cash Equivalents	289,041	556,638	18,524,696	2,383,475	5,820,036	3,037,932	4,870,634	35,482,452	-	35,482,452
Investments	-	-	4,563,453	-	-	517,224	2,448,012	7,528,689	-	7,528,689
Accounts Receivable, Net	-	57,680	12,471,222	3,060,266	-	-	193,453	15,782,621	-	15,782,621
Due from Other Funds	-	744,979	1,858,477	-	-	-	1,035,768	3,639,224	(3,639,224)	-
Prepaid Expenses	14,480	83,901	663,189	-	2,378,669	339,462	3,283,208	6,762,909	-	6,762,909
Fuel Stock and Material Inventory	-	-	-	-	4,055,765	2,029,167	1,924,706	8,009,638	-	8,009,638
Restricted Assets:										
Bond Accounts, Current Portion	-	-	1,738,608	-	14,698,369	11,215,546	27,707,749	55,360,272	-	55,360,272
Total Current Assets	303,521	1,443,198	39,819,645	5,443,741	26,952,839	17,139,331	41,463,530	132,565,805	(3,639,224)	128,926,581
Total Assets	1,651,123	1,680,870	117,154,220	5,443,741	326,105,134	281,837,617	808,373,868	1,542,246,573	(3,639,224)	1,538,607,349
DEFERRED OUTFLOWS OF RESOURCES	-	1,225,178	-	-	5,843,343	14,682,559	17,436,492	39,187,572	-	39,187,572
Total Assets and Deferred Outflows of Resources	$ 1,651,123	$ 2,906,048	$ 117,154,220	$ 5,443,741	$ 331,948,477	$ 296,520,176	$ 825,810,360	$ 1,581,434,145	$ (3,639,224)	$ 1,577,794,921
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION										
NONCURRENT LIABILITIES										
Long-Term Debt, Net of Current Maturities	$ 1,107,000	$ -	$ 47,570,726	$ -	$ 302,056,005	$ 263,705,680	$ 772,916,009	$ 1,387,355,420	$ -	$ 1,387,355,420
Net Pension Liability	-	903,727	-	-	-	-	-	903,727	-	903,727
Unearned Revenue	-	-	5,928,146	2,098,522	2,704,053	-	-	10,730,721	-	10,730,721
Total Noncurrent Liabilities	1,107,000	903,727	53,498,872	2,098,522	304,760,058	263,705,680	772,916,009	1,398,989,868	-	1,398,989,868
CURRENT LIABILITIES										
Accounts Payable	8,109	394,076	7,780,094	2,863,202	3,916,255	1,756,654	5,211,063	21,929,453	-	21,929,453
Accrued Payroll and Payroll Taxes	40,753	49,202	148,803	9,146	9,043	5,403	10,583	272,933	-	272,933
Due to Other Funds	-	-	1,035,768	322,270	889,221	507,870	884,095	3,639,224	(3,639,224)	-
Unearned Revenue	4,569	-	-	-	1,199,786	1,400,705	-	2,605,060	-	2,605,060
Current Maturities, Long-Term Debt	48,000	-	2,297,000	-	6,865,000	6,940,000	25,995,000	42,145,000	-	42,145,000
Payable From Restricted Assets:									-	-
Accrued Interest Payable on Debt	1,591	-	781,619	-	7,603,229	4,292,031	11,117,160	23,795,630	-	23,795,630
Total Current Liabilities	103,022	443,278	12,043,284	3,194,618	20,482,534	14,902,663	43,217,901	94,387,300	(3,639,224)	90,748,076
Total Liabilities	1,210,022	1,347,005	65,542,156	5,293,140	325,242,592	278,608,343	816,133,910	1,493,377,168	(3,639,224)	1,489,737,944
DEFERRED INFLOWS OF RESOURCES	-	-	13,024,056	-	1,125,575	14,169,149	6,044,687	34,363,467	-	34,363,467
NET POSITION										
Net Investment in Capital Assets	192,602	237,672	8,719,029	-	(34,039,236)	(13,225,383)	(54,279,430)	(92,394,746)	-	(92,394,746)
Restricted	-	-	1,114,396	-	14,825,558	12,040,888	28,576,307	56,557,149	-	56,557,149
Unrestricted	248,499	1,321,371	28,754,583	150,601	24,793,988	4,927,179	29,334,886	89,531,107	-	89,531,107
Total Net Position	441,101	1,559,043	38,588,008	150,601	5,580,310	3,742,684	3,631,763	53,693,510	-	53,693,510
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,651,123	$ 2,906,048	$ 117,154,220	$ 5,443,741	$ 331,948,477	$ 296,520,176	$ 825,810,360	$ 1,581,434,145	$ (3,639,224)	$ 1,577,794,921

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF NET POSITION
December 31, 2015

			Full Requirements Pools		Generation Funds					
	Alliance Fund	General Fund	MoPEP 1 Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Total	Eliminations	Total Combined
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
CAPITAL ASSETS										
Plant, Buildings, and Equipment in Service	$ 1,380,313	$ 288,367	$ 53,992,033	$ -	$ 253,008,764	$ 234,017,824	$ 705,229,706	$ 1,247,917,007	$ -	$ 1,247,917,007
Construction Work in Progress	-	-	715,911	-	247,510	3,083,900	3,464,767	7,512,088	-	7,512,088
Total Capital Assets, Net	1,380,313	288,367	54,707,944	-	253,256,274	237,101,724	708,694,473	1,255,429,095	-	1,255,429,095
RESTRICTED ASSETS										
Bond Accounts Cash and Investments	-	-	3,680,392	-	26,700,795	18,864,114	54,336,147	103,581,448	-	103,581,448
Other Cash and Cash Equivalents	-	-	-	-	7,121,568	4,595,448	4,887,066	16,604,082	-	16,604,082
Total Restricted Assets	-	-	3,680,392	-	33,822,363	23,459,562	59,223,213	120,185,530	-	120,185,530
OTHER ASSETS										
Investments	-	-	15,193,539	-	-	-	-	15,193,539	-	15,193,539
Prepaid Expenses	-	-	-	-	-	466,782	86,953	553,735	-	553,735
Contractual Deposits	-	-	1,605,849	-	2,704,053	825,999	3,452,400	8,588,301	-	8,588,301
Regulatory Assets	-	-	1,353,676	-	19,058,301	3,673,855	8,784,358	32,870,190	-	32,870,190
Total Other Assets	-	-	18,153,064	-	21,762,354	4,966,636	12,323,711	57,205,765	-	57,205,765
CURRENT ASSETS										
Cash and Cash Equivalents	261,311	345,047	16,581,698	2,464,036	2,362,166	1,746,920	8,563,312	32,324,490	-	32,324,490
Investments	-	-	2,850,865	-	-	-	-	2,850,865	-	2,850,865
Accounts Receivable, Net	6,913	165,943	12,458,976	2,478,561	-	-	-	15,110,393	-	15,110,393
Due from Other Funds	-	478,962	1,899,608	-	-	-	-	2,378,570	(2,378,570)	-
Prepaid Expenses	6,025	45,789	214,058	-	3,634,391	81,488	3,179,142	7,160,893	-	7,160,893
Fuel Stock and Material Inventory	-	-	-	-	6,578,494	2,235,444	1,844,509	10,658,447	-	10,658,447
Restricted Assets:										
Bond Accounts, Current Portion	-	-	1,717,325	-	14,424,742	11,766,348	34,903,011	62,811,426	-	62,811,426
Total Current Assets	274,249	1,035,741	35,722,530	4,942,597	26,999,793	15,830,200	48,489,974	133,295,084	(2,378,570)	130,916,514
Total Assets	1,654,562	1,324,108	112,263,930	4,942,597	335,840,784	281,358,122	828,731,371	1,566,115,474	(2,378,570)	1,563,736,904
DEFERRED OUTFLOWS OF RESOURCES	-	486,928	-	-	6,187,069	15,431,404	13,087,965	35,193,366	-	35,193,366
Total Assets and Deferred Outflows of Resources	$ 1,654,562	$ 1,811,036	$ 112,263,930	$ 4,942,597	$ 342,027,853	$ 296,789,526	$ 841,819,336	$ 1,601,308,840	$ (2,378,570)	$ 1,598,930,270
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION										
NONCURRENT LIABILITIES										
Long-Term Debt, Net of Current Maturities	$ 1,155,000	$ -	$ 49,960,188	$ -	$ 310,428,273	$ 272,144,382	$ 798,168,830	$ 1,431,856,673	$ -	$ 1,431,856,673
Net Pension Liability	-	4,491	-	-	-	-	-	4,491	-	4,491
Unearned Revenue	-	-	5,928,146	2,098,522	2,704,053	-	-	10,730,721	-	10,730,721
Total Noncurrent Liabilities	1,155,000	4,491	55,888,334	2,098,522	313,132,326	272,144,382	798,168,830	1,442,591,885	-	1,442,591,885
CURRENT LIABILITIES										
Accounts Payable	9,164	251,383	7,592,669	2,365,636	2,985,605	1,861,933	3,472,176	18,538,566		18,538,566
Accrued Payroll and Payroll Taxes	7,486	40,158	163,455	6,699	6,867	4,790	8,761	238,216	-	238,216
Due to Other Funds	-	-	-	327,203	901,721	252,211	897,435	2,378,570	(2,378,570)	-
Unearned Revenue	8,118	-	-	-	6,570,412	537,800	1,455,048	8,571,378		8,571,378
Current Maturities, Long-Term Debt	48,000	-	2,216,000	-	7,145,000	6,885,000	17,100,000	33,394,000	-	33,394,000
Payable From Restricted Assets:										
Accrued Interest Payable on Debt	1,638	-	795,542	-	7,116,125	4,452,024	17,112,592	29,477,921	-	29,477,921
Total Current Liabilities	74,406	291,541	10,767,666	2,699,538	24,725,730	13,993,758	40,046,012	92,598,651	(2,378,570)	90,220,081
Total Liabilities	1,229,406	296,032	66,656,000	4,798,060	337,858,056	286,138,140	838,214,842	1,535,190,536	(2,378,570)	1,532,811,966
DEFERRED INFLOWS OF RESOURCES	-	-	11,926,989	-	1,073,858	7,287,138	1,203,209	21,491,194	-	21,491,194
NET POSITION										
Net Investment in Capital Assets	177,313	288,367	6,125,044	-	(33,891,600)	(20,595,631)	(54,430,441)	(102,326,948)	-	(102,326,948)
Restricted	-	-	1,008,887	-	14,693,707	10,390,161	28,694,707	54,787,462	-	54,787,462
Unrestricted	247,843	1,226,637	26,547,010	144,537	22,293,832	13,569,718	28,137,019	92,166,596	-	92,166,596
Total Net Position	425,156	1,515,004	33,680,941	144,537	3,095,939	3,364,248	2,401,285	44,627,110	-	44,627,110
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,654,562	$ 1,811,036	$ 112,263,930	$ 4,942,597	$ 342,027,853	$ 296,789,526	$ 841,819,336	$ 1,601,308,840	$ (2,378,570)	$ 1,598,930,270

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2016

			Full Requirements Pools		Generation Funds					
	Alliance Fund	General Fund	MoPEP 1 Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Total	Eliminations	Combined Total
OPERATING REVENUES										
Power Sales and Related Charges	$ -	$ -	$ 173,217,476	$ 25,748,694	$ 51,525,735	$ 38,223,045	$ 93,426,514	$ 382,141,464	$ (59,739,527)	$ 322,401,937
Transmission	-	1,036,533	9,865,274	5,771,430	-	287,632	-	16,960,869	-	16,960,869
Energy Services	-	104,071	-	-	-	-	-	104,071	-	104,071
Transfers from MAMU and MGCM	105,448	-	-	-	-	-	-	105,448	-	105,448
Conferences and Member Training	121,045	433,780	-	-	-	-	-	554,825	-	554,825
Other	20,788	169,700	773	-	97,007	-	21,399	309,667	-	309,667
Total Operating Revenues	247,281	1,744,084	183,083,523	31,520,124	51,622,742	38,510,677	93,447,913	400,176,344	(59,739,527)	340,436,817
OPERATING EXPENSES										
Power Purchases	-	-	141,927,566	25,014,732	-	-	-	166,942,298	(59,739,527)	107,202,771
Member Capacity and Generation Credits	-	-	10,209,217	-	-	-	-	10,209,217	-	10,209,217
Power Generation	-	-	7,270,596	-	28,234,862	13,538,195	33,356,516	82,400,169	-	82,400,169
Transmission	-	1,015,305	9,865,274	5,771,430	-	287,806	-	16,939,815	-	16,939,815
Personnel Services and Staff Support	249,082	898,829	895,918	328,691	370,916	228,782	456,749	3,428,967	-	3,428,967
Professional Services	-	883,572	294,021	50,220	275,384	156,852	291,853	1,951,902	-	1,951,902
Rental and Maintenance	104,737	61,420	86,223	25,961	15,030	4,099	15,030	312,500	-	312,500
Utilities	54,803	-	-	-	-	-	-	54,803	-	54,803
Utilities - SCADA Communications	-	-	256,323	42,062	-	-	-	298,385	-	298,385
Energy Services	-	15,727	-	-	-	-	-	15,727	-	15,727
Conferences and Member Training	116,860	142,923	-	-	-	-	-	259,783	-	259,783
Depreciation	50,582	85,457	2,504,088	-	8,139,057	6,102,390	19,712,040	36,593,614	-	36,593,614
Net Costs Recoverable in Future Years	-	-	498,678	-	(501,606)	7,062,657	6,538,993	13,598,722	-	13,598,722
Other Operating Expenses	173,886	340,783	239,134	17,079	112,061	68,329	96,721	1,047,993	-	1,047,993
Total Operating Expenses	749,950	3,444,016	174,047,038	31,250,175	36,645,704	27,449,110	60,467,902	334,053,895	(59,739,527)	274,314,368
Operating Income	(502,669)	(1,699,932)	9,036,485	269,949	14,977,038	11,061,567	32,980,011	66,122,449	-	66,122,449
NONOPERATING REVENUES (EXPENSES)										
Investment Return	-	14,061	302,014	7,557	441,407	483,436	1,243,187	2,491,662	-	2,491,662
Bond Interest Subsidy	-	-	-	-	1,224,804	-	5,879,298	7,104,102	-	7,104,102
Return of Equity to Members	-	-	(1,211,745)	-	-	-	-	(1,211,745)	-	(1,211,745)
Gain (Loss) on Disposal of Capital Assets	-	-	20,620	-	204,604	-	(37,069)	188,155	-	188,155
Interest and Fees Expense	(54,826)	(82,350)	(2,259,132)	-	(13,994,919)	(10,905,086)	(38,331,910)	(65,628,223)	-	(65,628,223)
Net Nonoperating Revenues (Expenses)	(54,826)	(68,289)	(3,148,243)	7,557	(12,124,104)	(10,421,650)	(31,246,494)	(57,056,049)	-	(57,056,049)
OTHER FINANCING SOURCES (USES)										
Interfund Operating Transfers	573,440	1,812,260	(981,175)	(271,442)	(368,563)	(261,481)	(503,039)	-	-	-
Increase in Net Position	15,945	44,039	4,907,067	6,064	2,484,371	378,436	1,230,478	9,066,400	-	9,066,400
Net Position, Beginning of Period	425,156	1,515,004	33,680,941	144,537	3,095,939	3,364,248	2,401,285	44,627,110		44,627,110
Net Position, End of Period	$ 441,101	$ 1,559,043	$ 38,588,008	$ 150,601	$ 5,580,310	$ 3,742,684	$ 3,631,763	$ 53,693,510	$ -	$ 53,693,510

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2015

			Full Requirements Pools		Generation Funds					
	Alliance Fund	General Fund	MoPEP 1 Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Total	Eliminations	Combined Total
OPERATING REVENUES										
Power Sales and Related Charges	$ -	$ -	$ 174,618,150	$ 25,575,589	$ 53,029,076	$ 38,134,380	$ 95,171,561	$ 386,528,756	$ (60,440,569)	$ 326,088,187
Transmission	-	1,022,661	9,286,110	5,191,187	-	644,722	-	16,144,680	-	16,144,680
Transfers from MAMU and MGCM	97,376	-	-	-	-	-	-	97,376	-	97,376
Conferences and Member Training	99,111	328,587	-	-	-	-	-	427,698	-	427,698
Other	19,050	183,708	967	-	55,131	-	26,586	285,442	-	285,442
Total Operating Revenues	215,537	1,534,956	183,905,227	30,766,776	53,084,207	38,779,102	95,198,147	403,483,952	(60,440,569)	343,043,383
OPERATING EXPENSES										
Power Purchases	-	-	143,793,638	24,914,886	-	-	-	168,708,524	(60,440,569)	108,267,955
Member Capacity and Generation Credits	-	-	10,688,906	-	-	-	-	10,688,906	-	10,688,906
Power Generation	-	-	6,898,730	-	29,036,694	14,623,301	33,877,340	84,436,065	-	84,436,065
Transmission	-	1,001,491	9,286,110	5,191,187	-	644,767	-	16,123,555	-	16,123,555
Personnel Services and Staff Support	237,014	408,893	851,683	282,797	323,062	223,085	426,005	2,752,539	-	2,752,539
Professional Services	-	637,393	374,469	15,781	232,373	140,378	205,873	1,606,267	-	1,606,267
Rental and Maintenance	90,375	61,420	154,150	26,632	15,418	4,205	15,418	367,618	-	367,618
Utilities	45,253	-	-	-	-	-	-	45,253	-	45,253
Utilities - SCADA Communications	-	-	343,991	42,021	-	-	-	386,012	-	386,012
Conferences and Member Training	87,407	126,291	-	-	-	-	-	213,698	-	213,698
Depreciation	50,311	92,429	2,093,620	-	7,818,847	5,991,622	18,948,039	34,994,868	-	34,994,868
Net Costs Recoverable in Future Years	-	-	1,817,586	-	1,977,101	5,014,162	3,964,422	12,773,271	-	12,773,271
Other Operating Expenses	135,627	325,488	244,660	14,799	97,132	65,948	89,729	973,383	-	973,383
Total Operating Expenses	645,987	2,653,405	176,547,543	30,488,103	39,500,627	26,707,468	57,526,826	334,069,959	(60,440,569)	273,629,390
Operating Income	(430,450)	(1,118,449)	7,357,684	278,673	13,583,580	12,071,634	37,671,321	69,413,993	-	69,413,993
NONOPERATING REVENUES (EXPENSES)										
Invesment Return	-	2,690	302,702	1,159	317,716	120,193	1,075,728	1,820,188	-	1,820,188
Bond Interest Subsidy	-	-	-	-	1,222,174	-	5,872,858	7,095,032	-	7,095,032
Return of Equity to Members	-	-	(452,827)	-	-	-	-	(452,827)	-	(452,827)
Loss on Disposal of Capital Assets	-	-	-	-	-	-	(1,343,559)	(1,343,559)	-	(1,343,559)
Interest and Fees Expense	(56,939)	(81,750)	(1,981,187)	-	(14,486,216)	(11,669,133)	(41,782,449)	(70,057,674)	-	(70,057,674)
Net Nonoperating Revenues (Expenses)	(56,939)	(79,060)	(2,131,312)	1,159	(12,946,326)	(11,548,940)	(36,177,422)	(62,938,840)	-	(62,938,840)
OTHER FINANCING SOURCES (USES)										
Interfund Operating Transfers	502,806	1,515,965	(811,804)	(231,944)	(317,849)	(225,501)	(431,673)	-	-	-
Increase in Net Position	15,417	318,456	4,414,568	47,888	319,405	297,193	1,062,226	6,475,153	-	6,475,153
Net Position, Beginning of Period	409,739	1,196,548	29,266,373	96,649	2,776,534	3,067,055	1,339,059	38,151,957		38,151,957
Net Position, End of Period	$ 425,156	$ 1,515,004	$ 33,680,941	$ 144,537	$ 3,095,939	$ 3,364,248	$ 2,401,285	$ 44,627,110	$ -	$ 44,627,110

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2016

			Full Requirements Pools		Generation Funds					
	Alliance Fund	General Fund	MoPEP I Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Total	Eliminations	Total
OPERATING ACTIVITIES										
Receipts from Power and Transmission Sales	$ -	$ 1,095,814	$ 184,086,274	$ 30,938,419	$ 40,863,962	$ 28,324,045	$ 49,664,485	$ 334,972,999	$ -	$ 334,972,999
Receipts from Other Funds for Power and Transmission Sales	-	-	294,000	-	7,117,041	11,305,197	41,064,420	59,780,658	(59,780,658)	-
Receipts from Other Revenue Sources	250,645	490,516	773	-	97,007	-	21,399	860,340	-	860,340
Payments for Power Purchases and Other Goods and Services	(459,796)	(2,355,149)	(109,846,503)	(30,134,851)	(23,928,236)	(14,096,884)	(32,085,807)	(212,907,226)	-	(212,907,226)
Payments to Other Funds for Power Purchases	-	-	(59,486,658)	(294,000)	-	-	-	(59,780,658)	59,780,658	-
Payments to Employees for Services and Benefits	(215,815)	(728,799)	(910,570)	(326,244)	(368,740)	(228,169)	(454,927)	(3,233,264)	-	(3,233,264)
Net Cash Provided (Used) by Operating Activities	(424,966)	(1,497,618)	14,137,316	183,324	23,781,034	25,304,189	58,209,570	119,692,849	-	119,692,849
NONCAPITAL FINANCING ACTIVITIES										
Interfund Operating Transfers	573,440	1,812,260	(981,175)	(271,442)	(368,563)	(261,481)	(503,039)	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	573,440	1,812,260	(981,175)	(271,442)	(368,563)	(261,481)	(503,039)	-	-	-
CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	-	-	-	-	-	-	281,751,850	281,751,850	-	281,751,850
Bond Interest Subsidy Received	-	-	-	-	1,224,804	-	5,879,298	7,104,102	-	7,104,102
Payment of Bond Issuance Costs	-	-	-	-	-	-	(1,566,418)	(1,566,418)	-	(1,566,418)
Payment of Advance Refunding Costs	-	-	-	-	-	-	(9,765,256)	(9,765,256)	-	(9,765,256)
Principal Payments on Long-Term Debt	(48,000)	-	(2,216,000)	-	(7,145,000)	(6,885,000)	(290,575,000)	(306,869,000)	-	(306,869,000)
Payments of Interest and Fees on Debt	(54,873)	(82,350)	(2,265,819)	-	(14,722,493)	(11,814,936)	(46,445,284)	(75,385,755)	-	(75,385,755)
Return of Net Position to Members	-	-	(1,211,745)	-	-	-	-	(1,211,745)	-	(1,211,745)
Proceeds from Disposal of Capital Assets	-	-	309,300	-	1,403,000	-	116,525	1,828,825	-	1,828,825
Acquisition and Construction of Capital Assets	(17,871)	(34,762)	(1,284,565)	-	(3,235,931)	(5,278,936)	(8,775,637)	(18,627,702)	-	(18,627,702)
Net Cash Provided (Used) by Capital and Related Financing Activities	(120,744)	(117,112)	(6,668,829)	-	(22,475,620)	(23,978,872)	(69,379,922)	(122,741,099)	-	(122,741,099)
INVESTING ACTIVITIES										
Purchases of Investments	-	-	(11,159,079)	-	(29,608,707)	(29,323,332)	(68,606,157)	(138,697,275)	-	(138,697,275)
Proceeds from Sales and Maturities of Investments	-	-	6,235,833	-	31,713,865	29,081,607	74,290,897	141,322,202	-	141,322,202
Investment Income	-	14,061	378,932	7,557	415,861	468,901	2,295,973	3,581,285	-	3,581,285
Net Cash Provided (Used) by Investing Activities	-	14,061	(4,544,314)	7,557	2,521,019	227,176	7,980,713	6,206,212	-	6,206,212
Net Increase (Decrease) in Cash and Cash Equivalents	27,730	211,591	1,942,998	(80,561)	3,457,870	1,291,012	(3,692,678)	3,157,962	-	3,157,962
Cash and Cash Equivalents at Beginning of Year	261,311	345,047	16,581,698	2,464,036	2,362,166	1,746,920	8,563,312	32,324,490	-	32,324,490
Cash and Cash Equivalents at End of Year	$ 289,041	$ 556,638	$ 18,524,696	$ 2,383,475	$ 5,820,036	$ 3,037,932	$ 4,870,634	$ 35,482,452	$ -	$ 35,482,452
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES										
Operating Income	$ (502,669)	$ (1,699,932)	$ 9,036,485	$ 269,949	$ 14,977,038	$ 11,061,567	$ 32,980,011	$ 66,122,449	$ -	$ 66,122,449
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:										
Depreciation	50,582	85,457	2,504,088	-	8,139,057	6,102,390	19,831,729	36,713,303	-	36,713,303
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:										
Accounts Receivable	6,913	108,263	(12,246)	(581,705)	-	-	(193,453)	(672,228)	-	(672,228)
Due from Other Funds	-	(266,017)	41,131	-	-	-	(1,035,768)	(1,260,654)	1,260,654	-
Prepaid Expenses	(8,455)	(38,112)	(449,131)	-	1,255,722	(247,601)	(104,066)	408,357	-	408,357
Fuel Stock and Material Inventory	-	-	-	-	2,522,729	206,277	(80,197)	2,648,809	-	2,648,809
Contractual Deposits	-	-	-	-	-	105,000	-	105,000	-	105,000
Regulatory Assets	-	-	711,381	-	1,233,935	180,647	1,697,515	3,823,478	-	3,823,478
Accounts Payable	(1,055)	142,693	187,425	497,566	930,650	(105,279)	1,738,887	3,390,887	-	3,390,887
Accrued Payroll and Payroll Taxes	33,267	9,044	(14,652)	2,447	2,176	613	1,822	34,717	-	34,717
Due to Other Funds	-	-	1,035,768	(4,933)	(12,500)	255,659	(13,340)	1,260,654	(1,260,654)	-
Unearned Revenue	(3,549)	-	-	-	(5,370,626)	862,905	(1,455,048)	(5,966,318)	-	(5,966,318)
Net Pension Liability	-	899,236	-	-	-	-	-	899,236	-	899,236
Deferred Outflows of Resources	-	(738,250)	-	-	-	-	-	(738,250)	-	(738,250)
Deferred Inflows of Resources	-	-	1,097,067	-	102,853	6,882,011	4,841,478	12,923,409	-	12,923,409
Net Cash Provided (Used) by Operating Activities	$ (424,966)	$ (1,497,618)	$ 14,137,316	$ 183,324	$ 23,781,034	$ 25,304,189	$ 58,209,570	$ 16,857,097	$ -	$ 119,692,849

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

			Full Requirements Pools		Generation Funds					
	Alliance Fund	General Fund	MoPEP 1 Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Total	Eliminations	Total
OPERATING ACTIVITIES										
Receipts from Power and Transmission Sales	$ -	$ 1,036,392	$ 185,547,823	$ 31,023,884	$ 43,634,557	$ 26,483,300	$ 54,399,873	$ 342,125,829	$ -	$ 342,125,829
Receipts from Other Funds for Power and Transmission Sales	-	-	296,031	-	6,624,007	11,114,449	41,165,336	59,199,823	(59,199,823)	-
Receipts from Other Revenue Sources	219,117	232,402	967	-	55,131	-	26,586	534,203	-	534,203
Payments for Power Purchases and Other Goods and Services	(375,073)	(2,227,336)	(106,627,603)	(30,229,293)	(27,800,377)	(16,119,916)	(35,649,256)	(219,028,854)	-	(219,028,854)
Payments to Other Funds for Power Purchases	-	-	(58,903,792)	(296,031)	-	-	-	(59,199,823)	59,199,823	-
Payments to Employees for Services and Benefits	(257,020)	(620,716)	(822,692)	(282,128)	(322,165)	(221,911)	(423,726)	(2,950,358)	-	(2,950,358)
Net Cash Provided (Used) by Operating Activities	(412,976)	(1,579,258)	19,490,734	216,432	22,191,153	21,255,922	59,518,813	120,680,820	-	120,680,820
NONCAPITAL FINANCING ACTIVITIES										
Interfund Operating Transfers	502,806	1,515,965	(811,804)	(231,944)	(317,849)	(225,501)	(431,673)	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	502,806	1,515,965	(811,804)	(231,944)	(317,849)	(225,501)	(431,673)	-	-	-
CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from Long-Term Debt	-	-	-	-	37,186,808	87,564,152	248,002,101	372,753,061	-	372,753,061
Bond Interest Subsidy Received	-	-	-	-	1,222,174	-	5,872,858	7,095,032	-	7,095,032
Payment of Bond Issuance Costs	-	-	-	-	(127,411)	(521,914)	(905,125)	(1,554,450)	-	(1,554,450)
Payment of Advance Refunding Costs	-	-	-	-	-	(9,165,319)	(13,633,297)	(22,798,616)	-	(22,798,616)
Principal Payments on Long-Term Debt	(48,000)	-	(2,124,000)	-	(43,460,000)	(86,165,000)	(247,365,000)	(379,162,000)	-	(379,162,000)
Payments of Interest and Fees on Debt	(57,020)	(81,750)	(2,084,202)	-	(12,425,407)	(12,573,239)	(48,104,426)	(75,326,044)	-	(75,326,044)
Return of Net Position to Members	-	-	(452,827)	-	-	-	-	(452,827)	-	(452,827)
Acquisition and Construction of Capital Assets	(17,187)	-	(845,499)	-	(1,891,076)	(3,343,023)	(6,300,172)	(12,396,957)	-	(12,396,957)
Net Cash Provided (Used) by Capital and Related Financing Activities	(122,207)	(81,750)	(5,506,528)	-	(19,494,912)	(24,204,343)	(62,433,061)	(111,842,801)	-	(111,842,801)
INVESTING ACTIVITIES										
Purchases of Investments	-	-	(7,936,427)	-	(22,666,306)	(17,002,744)	(59,271,266)	(106,876,743)	-	(106,876,743)
Proceeds from Sales and Maturities of Investments	-	-	4,422,533	-	19,865,745	17,837,483	61,762,461	103,888,222	-	103,888,222
Investment Income	-	2,690	567,662	1,159	324,002	173,644	1,241,975	2,311,132	-	2,311,132
Net Cash Provided (Used) by Investing Activities	-	2,690	(2,946,232)	1,159	(2,476,559)	1,008,383	3,733,170	(677,389)	-	(677,389)
Net Increase (Decrease) in Cash and Cash Equivalents	(32,377)	(142,353)	10,226,170	(14,353)	(98,167)	(2,165,539)	387,249	8,160,630	-	8,160,630
Cash and Cash Equivalents at Beginning of Year	293,688	487,400	6,355,528	2,478,389	2,460,333	3,912,459	8,176,063	24,163,860	-	24,163,860
Cash and Cash Equivalents at End of Year	$ 261,311	$ 345,047	$ 16,581,698	$ 2,464,036	$ 2,362,166	$ 1,746,920	$ 8,563,312	$ 32,324,490	$ -	$ 32,324,490
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES										
Operating Income	$ (430,450)	$ (1,118,449)	$ 7,357,684	$ 278,673	$ 13,583,580	$ 12,071,634	$ 37,671,321	$ 69,413,993	$ -	$ 69,413,993
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:										
Depreciation	50,311	92,429	2,093,620	-	7,818,847	5,991,622	18,948,039	34,994,868	-	34,994,868
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:										
Accounts Receivable	(4,538)	(171,964)	1,941,220	257,108	-	-	433,278	2,455,104	-	2,455,104
Due from Other Funds	-	(94,198)	1,194,853	-	58,321	-	-	1,158,976	(1,158,976)	-
Prepaid Expenses	(261)	(3,761)	(58,320)	-	299,178	268,554	(336,571)	168,819	-	168,819
Fuel Stock and Material Inventory	-	-	-	-	(1,917,504)	(702,238)	150,758	(2,468,984)	-	(2,468,984)
Contractual Deposits	-	-	6,491,125	-	(97,063)	(177,000)	-	6,217,062	-	6,217,062
Regulatory Assets	-	-	56,999	-	(203,733)	493,899	3,059,297	3,406,462	-	3,406,462
Accounts Payable	(16,150)	(71,492)	(1,276,236)	(559,795)	3,296,629	(30,633)	(1,275,083)	67,240	-	67,240
Accrued Payroll and Payroll Taxes	(20,006)	4,392	28,991	669	897	1,174	2,279	18,396	-	18,396
Due to Other Funds	-	-	(98,163)	239,777	(348,321)	(362,716)	(589,553)	(1,158,976)	1,158,976	-
Unearned Revenue	8,118	-	(1,625)	-	(299,678)	(1,153,584)	1,455,048	8,279	-	8,279
Net Pension Liability	-	4,491	-	-	-	-	-	4,491	-	4,491
Deferred Outflows of Resources	-	(220,706)	-	-	-	-	-	(220,706)	-	(220,706)
Deferred Inflows of Resources	-	-	1,760,586	-	-	4,855,210	-	6,615,796	-	6,615,796
Net Cash Provided (Used) by Operating Activities	$ (412,976)	$ (1,579,258)	$ 19,490,734	$ 216,432	$ 22,191,153	$ 21,255,922	$ 59,518,813	$ 16,271,959	$ -	$ 120,680,820

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Missouri Joint Municipal Electric Utility Commission ("MJMEUC") is a joint action agency formed under the Joint Municipal Utility Commission Act, Revised Statutes of Missouri Sections 393.700-393.770, to obtain sufficient and economical electric power and energy for the benefit of member Missouri municipalities and their residents and out of-state advisory members. MJMEUC is a body public and corporate, of the State of Missouri. MJMEUC 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 in the State of Arkansas. Each regular member of MJMEUC appoints a representative to MJMEUC's Board of Directors.

Within MJMEUC there are two 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 original twelve municipal members of MMMPEP have entered into power purchase contracts with MJMEUC for the full power requirements of their respective municipality. These contracts were originally for five years and were set to expire on May 31, 2018. MJMEUC and MMMPEP entered into a new contract in 2016 that extended the commitment of services for an additional ten years, now expiring on May 31, 2028. A thirteenth municipality joined MMMPEP as a member in 2016; however, this additional member will not begin receiving power from MMMPEP until January 2018.

As of December 31, 2016, MJMEUC has several long-term commitments for power purchase contracts and operating costs of jointly owned power generating facilities, as explained elsewhere in these notes. MJMEUC's acquisition of ownership interests generally includes commitments under loan or bond financing arrangements. Through participation in the joint agreements with other MJMEUC members, each member has an allocated share of the various long-term commitments under these contracts, including its allocated portion of costs with MJMEUC's ownership interest in power generating facilities and take-or-pay power purchase commitments. MJMEUC 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. MJMEUC's membership includes four cities located in the State of Arkansas who also receive power from MJMEUC. There are various cancellation provisions under these contracts.

MJMEUC is a party to a joint operating agreement with the Missouri Association of Municipal Utilities ("MAMU") and the Municipal Gas Commission of Missouri ("MGCM") for the purpose of coordinating resources to improve efficiency and reduce costs. The resulting alliance, known as the Missouri Public Utility Alliance ("MPUA"), is managed by a Joint Operating Committee comprised of three representatives from the governing boards of each member. This committee 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 MJMEUC's finances. These financial statements include the combined statements of net position, the combined statements of revenues, expenses, and changes in net position, and the combined statements of cash flows.

Fund Accounting

MJMEUC 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.

MJMEUC reports the following proprietary 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 to cover the costs.

The General Fund is used to account for general operations beneficial to all members and projects. Power and transmission transactions not related to MoPEP and MMMPEP members or the project funds are accounted for in the General Fund. The General Fund receives reimbursements from the other funds for costs incurred that are allocable to the other 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 Generation Project Funds are used to account for revenues and expenses of three MJMEUC 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 funds.

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 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.

MJMEUC's accounts are maintained in accordance with the Uniform System of Accounts of the Federal Energy Regulatory Commission and the accrual basis of accounting. MJMEUC 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 MJMEUC's Board of Directors.

MJMEUC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with MJMEUC'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

MJMEUC 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 ("RTOs")

MJMEUC sells electric power on the market through RTOs, either from generation resources or through power purchase agreements, and MJMEUC purchases energy from the RTOs where MJMEUC economically needs to receive the power. MJMEUC 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 U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

MJMEUC 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. Interest incurred during the construction phase is reflected in the capitalized amount of the asset constructed, net of interest earned on the invested debt proceeds over the same period. MJMEUC capitalizes fixed assets that have useful life of more than one year and an initial individual cost of at least $5,000, except for computer equipment and furniture for which the minimum threshold amount is $1,500. Costs incurred for MJMEUC's jointly owned investments in utility power plant projects have been capitalized. Capitalization thresholds may be set by individual projects; however, MJMEUC analyzes the costs of each project to apply its capitalization policies consistently. Utility plant betterments and 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. Property, plant and equipment financed by capital leases are recorded as capital assets and as corresponding liabilities. Amortization expense related to assets acquired with capital 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 Equipment	5
Office Furniture	7-10
Other Equipment	7-10
Office Buildings	40
Railcars	15
Utility Plant in Service	5-60

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 MJMEUC'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 life of the respective debt in accordance with MJMEUC's rate-making policy.

Investments

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

Fuel Stock and Material Inventory

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

Prepaid Expenses

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

Accounts Receivable

Accounts receivable are stated at the amount billed to members. All receivable balances are considered fully collectible and an allowance for doubtful accounts is not deemed necessary.

Interfund Receivables/Payables

During the course of 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" on the combining statements of net position. These balances between funds are eliminated in the combined financial statements.

Regulatory Assets and Regulatory Credits

MJMEUC applies the accounting principles in GASB 62 that pertain to regulatory operations. Billing rates are established by MJMEUC'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. MJMEUC 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	2016	2015
Interest, Depreciation and Capital Costs in Excess of Billings	$ 10,533,820	$ 13,391,646
Unamortized Debt Issuance Costs	20,079,310	19,478,544
	$ 30,613,130	$ 32,870,190

Regulatory Credits	2016	2015
Billings in Excess of Interest, Depreciation and Capital Costs	$ 31,978,747	16,525,877
Advance Billings for Future Costs	1,361,998	3,891,459
	$ 33,340,745	$ 20,417,336

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position will sometimes report 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 a future period(s) and so will not be recognized as an outflow of resources (expense) until then. MJMEUC's items that qualify for reporting in this category are the unamortized deferred charge on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt, and deferred outflows relating to MJMEUC's defined benefit pension plan for its employees. These amounts are being amortized in accordance with GAAP and MJMEUC's rate making policy.

In addition to liabilities, the statements of financial position will sometimes report 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 a future period(s) and so will not be recognized as an income or resources (revenue) until that time. MJMEUC's items that qualify for reporting in this category are regulatory credits discussed above and 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. These amounts are being amortized in accordance with GAAP and MJMEUC's rate making policy.

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

Deferred Outflows of Resources	2016	2015
Unamortized Deferred Charge on Refunded Debt	$ 37,962,394	$ 34,706,438
Defined Benefit Pension Plan Costs	1,225,178	486,928
	$ 39,187,572	$ 35,193,366

Deferred Inflows of Resources	2016	2015
Regulatory Credits	$ 33,340,745	$ 20,417,336
Unamortized Deferred Gain on Refunded Debt	1,022,722	1,073,858
	$ 34,363,467	$ 21,491,194

Pensions

For purposes of measuring the net pension 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

MJMEUC'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 MJMEUC'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 MJMEUC due to the uncertainty of the actual refunds to be received. MJMEUC received a $1,403,000 arbitrage rebate refund in 2016.

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. 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 MJMEUC will find outlays for a particular purpose to be available from both restricted and unrestricted resources. It is MJMEUC'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 for 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 2021, 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. MJMEUC's BAB's Federal subsidies were reduced by approximately 8.7%, 7.3%, 7.2%, 6.8% and 6.9% for the U.S. Federal government's years ended September 30, 2013, 2014, 2015, 2016 and 2017, respectively. The sequestration rate for future years through 2021 will be set by the U.S. Federal government from time to time in the future.

Transmission Revenue and Transmission Expense

Transmission revenue represents the costs of transmission services provided to MJMEUC members that are directly allocable and billed to specific members. 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. Transmission expense represents the costs of transmission services provided to MJMEUC members that are directly allocable and billed to specific members and all other transmission related costs are reported as a component of power purchases expense.

MAMU and MGCM Transfers

A portion of MAMU's and MGCM's income is transferred to the Alliance Fund maintained by MJMEUC to pay for MPUA expenses. Transfers from MAMU and MGCM (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 are reported as unearned revenue.

Risk Management

MJMEUC manages it 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 in the last three years.

NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash Equivalents

For the purpose of the statements of cash flows, MJMEUC considers unrestricted cash and highly liquid debt instruments purchased with a maturity of three months or less, such as overnight repurchase agreements, to be cash equivalents.

Investments

Missouri State Statutes authorize political subdivisions of the state to invest funds in obligations of the United States or its agencies; certain obligations of the State of Missouri or its political subdivisions and municipalities; certificates of deposit; repurchase agreements; bankers' acceptances; and certain domestic corporation commercial paper. 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, MJMEUC'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 – MJMEUC holds investments that are measured at fair value on a recurring basis. MJMEUC 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, and credit ratings. Inputs also include sales of similar investments.

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

MJMEUC's investments that are measured at fair value on a recurring basis as of December 31, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

2016	Total	Level 1	Level 2	Level 3
Money Market Funds	$ 56,429,591	$ -	$ 56,429,591	$ -
U.S. Agency Securities	19,515,868	-	19,515,868	-
Municipal Securities	91,884,506	-	91,884,506	-
Corporate Bonds	11,452,154	-	11,452,154	-
Asset Backed Securities	145,317	-	145,317	-
Mortgage Backed Securities	20,109	-	20,109	-
Certificates of Deposit	11,257,674	-	11,257,674	-
	$ 190,705,219	$ -	$ 190,705,219	$ -

2015	Total	Level 1	Level 2	Level 3
Money Market Funds	$ 65,839,907	-	$ 65,839,907	-
U.S. Agency Securities	15,850,618	-	15,850,618	-
Municipal Securities	79,650,419	-	79,650,419	-
Corporate Bonds	6,782,924	-	6,782,924	-
Commercial Paper	3,344,530	-	3,344,530	-
Certificates of Deposit	12,968,880	-	12,968,880	-
	$ 184,437,278	$ -	$ 184,437,278	$ -

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

Interest Rate Risk – MJMEUC 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 selling investments for a realized or other short term gain.

As of December 31, MJMEUC had the following investments:

2016	Cash and Cash Equivalents	Investment Maturities (in years) Less than 1	1-5	Over 5	Fair Value
Money Market Funds	$ 56,429,591	$ -	$ -	$ -	$ 56,429,591
U.S. Agency Securities	-	4,558,033	14,957,835	-	19,515,868
Municipal Securities	2,348,960	12,154,405	61,622,493	15,758,648	91,884,506
Corporate Bonds	-	-	9,009,882	2,442,272	11,452,154
Asset Backed Securities	-	-	145,317	-	145,317
Mortgage Backed Securities	-	-	-	20,109	20,109
Certificates of Deposit	-	2,504,068	8,511,059	242,547	11,257,674
Total Bond Accounts Cash and Investments	$ 58,778,551	$ 19,216,506	$ 94,246,586	$ 18,463,576	$ 190,705,219

Classified on the Statements of Net Position as:	
Current Assets (includes portion of debt service accounts for bond payments through January 1, 2017)	$ 56,367,068
Noncurrent Assets	134,338,151
	$ 190,705,219

2015	Cash and Cash Equivalents	Investment Maturities (in years) Less than 1	1-5	Over 5	Fair Value
Money Market Funds	$ 65,839,907	$ -	$ -	$ -	$ 65,839,907
U.S. Agency Securities	-	572,667	15,277,951	-	15,850,618
Municipal Securities	-	16,509,812	42,008,426	21,132,181	79,650,419
Corporate Bonds	-	-	6,782,924	-	6,782,924
Commercial Paper	-	3,344,530	-	-	3,344,530
Certificates of Deposit	-	2,278,198	10,690,682	-	12,968,880
Total Bond Accounts Cash and Investments	$ 65,839,907	$ 22,705,207	$ 74,759,983	$ 21,132,181	$ 184,437,278

Classified on the Statements of Net Position as:	
Current Assets (includes portion of debt service accounts for bond payments through January 1, 2016)	$ 49,058,209
Noncurrent Assets	135,379,069
	$ 184,437,278

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 and Moody's. MJMEUC's practice is to only invest in investment grade securities as permitted by Missouri State Statutes as explained above.

The following is a summary of the credit quality ratings by investment type, as listed by Moody's Investor Service, as of December 31:

Type of Investment	Quality Rating	Fair Value 2016	Fair Value 2015
Money Market Funds	Aaa	$ 55,835,847	$ 65,839,907
Money Market Funds	Not Rated	593,744	-
U.S. Agency Securities	Aaa	19,515,868	15,850,618
Municipal Securities	Aaa	17,081,620	13,234,133
Municipal Securities	Aa1	28,151,865	15,015,329
Municipal Securities	Aa2	29,423,552	23,902,806
Municipal Securities	Aa3	15,676,363	27,498,151
Municipal Securities	A1	1,307,312	-
Municipal Securities	A2	243,794	-
Corporate Bonds	Aaa	5,158,142	6,782,924
Corporate Bonds	Aa2	2,132,209	-
Corporate Bonds	Aa3	225,887	-
Corporate Bonds	A1	1,027,082	-
Corporate Bonds	A2	1,815,764	-
Corporate Bonds	A3	1,093,070	-
Asset Backed Securities	Aaa	65,407	-
Asset Backed Securities	Aa1	39,863	-
Asset Backed Securities	Aa2	24,919	-
Asset Backed Securities	Aa3	15,128	-
Mortgage Backed Securities	Aa2	9,839	-
Mortgage Backed Securities	Aa3	10,270	-
Commercial Paper	P-1	-	3,344,530
Certificates of Deposit	Not Rated	11,257,674	12,968,880
		$ 190,705,219	$ 184,437,278

The 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. MJMEUC 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 MJMEUC's name. As of December 31, 2016, MJMEUC has investments in the Blackrock Federal Fund totaling 27% of MJMEUC's total investments. As of December 31, 2015, MJMEUC had investments in the Federated Prime Obligations Fund totaling 36% of MJMEUC's total investments.

Custodial Risk for Deposits – This is the risk that, in the event of a financial institution failure, deposits may not be returned. MJMEUC's practice is to utilize 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, swept into governmental money market accounts with a AAA rating, or the financial institution pledges securities held in MJMEUC's name with a fair value of at least 100% of the uninsured bank balance of deposits. MJMEUC 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, 2016 and 2015, all MJMEUC's investments were held by the counterparty's trust department or agent in MJMEUC's name.

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

	2016	2015
Operating and Maintenance Accounts	$ 9,544,996	$ 9,520,506
Contingency Reserve Accounts	7,097,292	7,083,576
	$ 16,642,288	$ 16,604,082

NOTE 3: UTILITY PLANT PROJECTS

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

In March 2006, MJMEUC entered into agreements to acquire a 22.11% undivided interest (or approximately 147 MW) in the Plum Point Energy Station, a 665 MW coal-fired generating plant near Osceola, Arkansas. Initially, MJMEUC 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. In June 2011, MJMEUC's MoPEP members accepted assignment of 20 MW from one of the original Missouri member municipality's unit power purchase agreements. In 2012, an agreement was reached between two Plum Point Arkansas municipalities who assigned a combined 5 MW of their output to an additional Arkansas municipality who started receiving this 5 MW on April 1, 2014, bringing the total Arkansas advisory members to four. MJMEUC's capitalized project expenditures for its share of the costs are recovered through rates and charges from MJMEUC's MoPEP members and from the participating municipalities under life-of-unit, take-or-pay unit power purchase agreements. MJMEUC is required to pay its proportionate share of plant operation costs, operating reserves, working capital requirements and plant closure costs and in return MJMEUC receives its proportionate share of the energy generated by the plant.

Iatan Unit 2 (placed in service during 2011)

MJMEUC 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. MJMEUC allocated 30% of its Iatan 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. MJMEUC's capitalized project expenditures for its share of the costs are recovered through rates and charges from MJMEUC's MoPEP members and from the participating municipalities under power purchase agreements. MJMEUC 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, MJMEUC 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, MJMEUC 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 pulverized coal-fueled power generating facility in Washington County, Illinois. MJMEUC's capitalized project expenditures for its share of the costs, including coal reserves, are being recovered from MJMEUC's MoPEP members through rates and charges and from several other MJMEUC members under power purchase agreements. MJMEUC is authorized to take up to 195 MW, or 12.33%, of the total 1,582 MW capacity. The MoPEP pool takes 42% of the electric power generated by MJMEUC's share in the facility. MJMEUC is required to pay its proportionate share of plant operation costs, operating reserves, working capital requirements and plant closure costs.

In 2013, a power purchase agreement was reached between MoPEP and a MJMEUC member who contracted for 4 MW of the capacity and energy. Under this agreement, MoPEP purchases this member's 4 MW of capacity and energy until June 1, 2017, at which time the 4 MW of capacity is permanently assigned to MoPEP and the member is discharged from all obligations of the project.

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

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

Dogwood Energy Center (acquired ownership interest in 2012)

On March 26, 2012, MJMEUC acquired an 8.2% interest in the Dogwood Energy Center, a 610 MW combined-cycle natural gas plant located in Pleasant Hill, Missouri. MJMEUC's ownership interest in the plant is for the energy needs of MoPEP members and MJMEUC 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, MJMEUC 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 is expected to serve electric peaking loads of MJMEUC's members participating in MoPEP and MJMEUC will recover all costs incurred from those members through rates and charges. Construction of the project commenced in December 2010. Initial funding for construction costs was obtained through MJMEUC's revolving line of credit and bond financing was secured in December 2011. Commercial operations of the plant were delayed pending completion of third party power grid upgrades interconnecting of the plant to the power grid, which were completed in May 2015. Final testing of the plant was completed in June 2015 and the plant was placed in service on July 1, 2015.

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 is as follows:

	Balance 1/1/2016	Additions	Transfers	Disposals	Balance 12/31/2016
Capital Assets not Being Depreciated:					
Land					
Office Building	$ 68,500	$ -	$ -	$ -	$ 68,500
Plum Point	2,538,009	-	-	-	2,538,009
Iatan 2	3,619	-	-	-	3,619
Prairie State	3,892,356	47,597	-	-	3,939,953
MoPEP Units					
Dogwood	23,001	-	-	-	23,001
Total Land	6,525,485	47,597	-	-	6,573,082
Construction in Process					
Plum Point	247,510	2,486,952	(1,497,721)	-	1,236,741
Iatan 2	3,083,900	4,557,931	(6,373,126)	-	1,268,705
Prairie State	3,464,767	8,460,669	(7,509,194)	-	4,416,242
MoPEP Units					
Fredericktown	-	18,859	(18,859)	-	-
Dogwood	715,911	1,207,625	(1,923,536)	-	-
Total Construction in Process	7,512,088	16,732,036	(17,322,436)	-	6,921,688
Total Capital Assets not Being Depreciated	$ 14,037,573	$ 16,779,633	$ (17,322,436)	$ -	$ 13,494,770
Capital Assets Being Depreciated:					
Plum Point					
Utility plant	$ 280,323,551	$ 748,978	$ 1,497,721	$ (1,403,000)	$ 281,167,250
Railcars	9,915,339	-	-	-	9,915,339
Iatan 2					
Utility Plant	260,614,168	721,005	6,373,126	-	267,708,299
Prairie State					
Utility Plant	728,995,923	132,858	6,798,604	(243,840)	735,683,545
Coal Mine and Mine Equipment	36,774,876	134,512	710,590	-	37,619,978
MoPEP Units					
Laddonia Utility Plant	11,296,977	10,191	-	-	11,307,168
Dogwood Utility Plant	32,319,041	-	1,923,536	-	34,242,577
Fredericktown	19,975,001	47,890	18,859	(309,300)	19,732,450
Administrative					
Office Building	1,582,579	11,700	-	-	1,594,279
Furniture and Equipment	490,440	6,172	-	-	496,612
Transportation and Other Equipment	-	34,762	-	-	34,762
Computer Software	422,000	-	-	-	422,000
Total Capital Assets Being Depreciated	1,382,709,895	1,848,068	17,322,436	(1,956,140)	1,399,924,259
Accumulated Depreciation	(141,318,373)	(36,713,300)	-	315,468	(177,716,205)
Total Capital Assets Being Depreciated, net of Depreciation	$ 1,241,391,522	$ (34,865,232)	$ 17,322,436	$ (1,640,672)	$ 1,222,208,054

	Balance 1/1/2015	Additions	Transfers	Disposals	Balance 12/31/2015
Capital Assets not Being Depreciated:					
Land					
Office Building	$ 68,500	$ -	$ -	$ -	$ 68,500
Plum Point	2,538,009	-	-	-	2,538,009
Iatan 2	3,619	-	-	-	3,619
Prairie State	3,892,356	-	-	-	3,892,356
MoPEP Units					
Dogwood	23,001	-	-	-	23,001
Total Land	6,525,485	-	-	-	6,525,485
Construction in Process					
Plum Point	752,906	1,722,761	(2,228,157)	-	247,510
Iatan 2	1,182,853	2,580,691	(679,644)	-	3,083,900
Prairie State	3,260,155	6,456,630	(6,095,560)	(156,458)	3,464,767
MoPEP Units					
Laddonia Utility Plant	-	78,176	(78,176)	-	-
Fredericktown	19,525,825	449,176	(19,975,001)	-	-
Dogwood	465,939	309,457	(59,485)	-	715,911
Total Construction in Process	25,187,678	11,596,891	(29,116,023)	(156,458)	7,512,088
Total Capital Assets not Being Depreciated	$ 31,713,163	$ 11,596,891	$ (29,116,023)	$ (156,458)	$ 14,037,573
Capital Assets Being Depreciated:					
Plum Point					
Utility plant	$ 277,927,078	$ 271,110	$ 2,228,157	$ (102,794)	$ 280,323,551
Railcars	9,915,339	-	-	-	9,915,339
Iatan 2					
Utility Plant	259,172,192	762,332	679,644	-	260,614,168
Prairie State					
Utility Plant	724,569,545	-	5,849,299	(1,422,921)	728,995,923
Coal Mine and Mine Equipment	36,528,615	-	246,261	-	36,774,876
MoPEP Units					
Laddonia Utility Plant	11,218,801	-	78,176	-	11,296,977
Dogwood Utility Plant	32,259,556	-	59,485	-	32,319,041
Fredericktown	-	-	19,975,001	-	19,975,001
Administrative					
Office Building	1,568,682	13,897	-	-	1,582,579
Furniture and Equipment	487,150	3,290	-	-	490,440
Computer Software	422,000	-	-	-	422,000
Total Capital Assets Being Depreciated	1,354,068,958	1,050,629	29,116,023	(1,525,715)	1,382,709,895
Accumulated Depreciation	(106,282,361)	(35,118,490)	-	82,478	(141,318,373)
Total Capital Assets Being Depreciated, net of Depreciation	$ 1,247,786,597	$ (34,067,861)	$ 29,116,023	$ (1,443,237)	$ 1,241,391,522

Following is the gross amount of assets recorded under capital leases and the accumulated depreciation recognized as of December 31, 2016:

	Gross Amount	Accumulated Depreciation	Net Book Value
Utility Plant in Service	$ 11,148,820	$ 4,524,418	$ 6,624,402
Office Building	1,457,263	332,175	1,125,088
Land - Office Building	68,500	-	68,500
	$ 12,674,583	$ 4,856,593	$ 7,817,990

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 MJMEUC's ownership interest in the coal reserves, measured in tons:

Estimated Recoverable Reserves, as of December 31, 2014	24,270,872
2015 Changes in Reserve Estimate	-
Reserve Acquisitions in 2015	-
Amount Mined During 2015	(734,071)
Estimated Recoverable Reserves, as of December 31, 2015	23,536,801
2016 Changes in Reserve Estimate	-
Reserve Acquisitions in 2016	-
Amount Mined During 2016	(729,089)
Estimated Recoverable Reserves, as of December 31, 2016	22,807,712

NOTE 5: LONG-TERM DEBT

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2016:

	Balance 1/1/2016	Additions	Payments or Amortization	Balance 12/31/2016	Principal Due in One Year
Utility plant projects:					
Plum Point Energy Station - Bonds	$ 290,450,000	$ -	$ 7,145,000	$ 283,305,000	$ 6,865,000
Add Bond Premium	27,176,255	-	1,509,792	25,666,463	
Deduct Bond Discount	(52,981)	-	(2,523)	(50,458)	
Iatan Unit 2 - Bonds	249,670,000	-	6,885,000	242,785,000	6,940,000
Add Bond Premium	29,534,576	-	1,559,407	27,975,169	
Deduct Bond Discount	(175,195)	-	(60,706)	(114,489)	
Prairie State Energy Campus - Bonds	778,460,000	252,745,000	290,575,000	740,630,000	25,995,000
Add Bond Premium	36,808,830	29,006,851	7,534,672	58,281,009	
Fredericktown - Bonds	15,255,000	-	645,000	14,610,000	670,000
Add Bond Premium	235,913	-	13,878	222,035	
Dogwood - Bonds	30,780,000	-	845,000	29,935,000	865,000
Add Bond Premium	1,650,275	-	78,584	1,571,691	
2005A Capital Lease for Laddonia	3,899,000	-	666,000	3,233,000	700,000
2006A Capital Lease for Laddonia	356,000	-	60,000	296,000	62,000
Revolving Credit Line - MoPEP	-	-	-	-	-
Other:					
2006A Capital Lease, Office Building	1,203,000	-	48,000	1,155,000	48,000
Total Long-term Debt	$ 1,465,250,673	$ 281,751,851	$ 317,502,104	$ 1,429,500,420	$ 42,145,000

The following is a summary of changes in long-term debt for the year ended December 31, 2015:

	Balance 1/1/2015	Additions	Payments or Amortization	Balance 12/31/2015	Principal Due in One Year
Utility plant projects:					
Plum Point Energy Station - Bonds	$ 296,670,000	$ 37,240,000	$ 43,460,000	$ 290,450,000	$ 7,145,000
Add Bond Premium	29,970,072	-	2,793,817	27,176,255	
Deduct Bond Discount	-	(53,192)	(211)	(52,981)	
Iatan Unit 2 - Bonds	255,150,000	80,685,000	86,165,000	249,670,000	6,885,000
Add Bond Premium	24,983,585	6,879,152	2,328,161	29,534,576	
Deduct Bond Discount	(1,456,949)	-	(1,281,754)	(175,195)	
Prairie State Energy Campus - Bonds	810,720,000	215,105,000	247,365,000	778,460,000	17,100,000
Add Bond Premium	9,056,890	33,177,996	5,426,056	36,808,830	
Fredericktown - Bonds	15,875,000	-	620,000	15,255,000	645,000
Add Bond Premium	249,791	-	13,878	235,913	
Dogwood - Bonds	31,590,000	-	810,000	30,780,000	845,000
Add Bond Premium	1,728,859	-	78,584	1,650,275	
2005A Capital Lease for Laddonia	4,533,000	-	634,000	3,899,000	666,000
2006A Capital Lease for Laddonia	416,000	-	60,000	356,000	60,000
Revolving Credit Line - MoPEP	-	-	-	-	-
Other:					
2006A Capital Lease, Office Building	1,251,000	-	48,000	1,203,000	48,000
Total Long-term Debt	$ 1,480,737,248	$ 373,033,956	$ 388,520,531	$ 1,465,250,673	$ 33,394,000

Summary of Long-term Debt

The following is a description of long-term debt. Amounts are presented net of unamortized bond premium or discount.

	2016	2015
$278,880,000 MJMEUC Power Project Revenue Bonds (Plum Point Project), Series 2006. (a)	$ -	$ 7,145,000
$181,660,000 Series 2006A and $725,000 Series 2006B MJMEUC Power Project Revenue Bonds (Iatan 2 Project). (b)	-	4,675,000
$521,760,000 Series 2007A and $28,045,000 Series 2007B MJMEUC Power Project Revenue Bonds (Prairie State Project). (c)	10,240,000	298,056,664
$48,600,000 Series 2009A and $4,860,000 Series 2009B MJMEUC Power Project Revenue Bonds (Plum Point Project). (d)	53,460,000	53,460,000
$99,975,000 Series 2009A and $3,160,000 Series 2009B MJMEUC Power Project Revenue Bonds (Iatan 2 Project). (e)	6,460,511	8,404,805
$193,720,000 Series 2009A and $14,200,000 Series 2009B MJMEUC Power Project Revenue Bonds (Prairie State Project). (f)	189,120,000	194,560,000
$73,420,000 Series 2010A and $4,585,000 Series 2010B MJMEUC Power Project Revenue Bonds (Prairie State Project). (g)	73,772,694	75,696,289
$17,060,000 Series 2011 Power Supply System Revenue Bonds (Fredericktown Project). (h)	14,832,036	15,490,914
$32,950,000 Series 2012 Power Supply System Revenue Bonds (Dogwood Project). (i)	31,506,690	32,430,274
$155,730,000 Series 2014A MJMEUC Power Project Revenue Refunding Bonds (Iatan 2 Project). (j)	177,173,700	178,435,094
$192,605,000 Series 2014A MJMEUC Power Project Revenue Refunding Bonds (Plum Point Project). (k)	218,271,463	219,781,255
$215,105,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project). (l)	244,965,197	246,955,876
$80,685,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Iatan 2 Project). (m)	87,011,469	87,514,483
$37,240,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Plum Point Project). (n)	37,189,542	37,187,019
$252,745,000 Series 2016A MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project). (o)	280,813,118	-
$8,715,000 Capital Lease Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2005A. (p)	3,233,000	3,899,000
$781,000 Capital Lease Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2006A. (q)	296,000	356,000
$1,523,000 Capital Lease Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2006A. (r)	1,155,000	1,203,000
$48,000,000 Line of Credit Agreement with a Financial Institution. (s)	-	-
Total Long-term Debt	1,429,500,420	1,465,250,673
Less Current Maturities	(42,145,000)	(33,394,000)
Total Long-term Debt, Net of Current Maturities	$ 1,387,355,420	$ 1,431,856,673

(a) Plum Point Project – Series 2006: Principal due annually on January 1 through 2036. Interest is payable semi-annually at 5%, except for bonds of $36,655,000 at 4.2%. Bonds maturing in 2017 and thereafter are subject to early redemption without a premium on and after January 1, 2016. A portion of the Series 2006 bonds were refunded with refunding bonds issued in 2014 with the remainder of the bonds refunded in 2015, except for the principal payment paid on January 1, 2016; see (k) and (n) below.

(b) Iatan 2 Project – Series 2006: Principal due annually on January 1 through 2036. Interest is payable semi-annually. Interest on the Series 2006A tax-exempt bonds is at 5%, except for bonds of $23,955,000 at 4.5%. The Series 2006A bonds maturing in 2017 and thereafter are subject to early redemption without a premium on and after January 1, 2016. The Series 2006B bonds matured on January 1, 2012. A portion of the Series 2006A bonds were refunded with refunding bonds issued in 2014 with the remainder of the bonds refunded in 2015, except for the principal payment paid on January 1, 2016; see (j) and (m) below.

(c) Prairie State Project – Series 2007: Principal due annually on January 1 through 2042. Interest is payable semi-annually. Interest on the Series 2007A tax-exempt bonds is at 5%, except for bonds of $121,080,000 at 4.5% and $11,285,000 at 4%. Interest on the Series 2007B taxable bonds ranges from 5.22% to 5.35%. The Series 2007A bonds maturing in 2018 and thereafter are subject to early redemption without a premium on and after January 1, 2017. A portion of the Series 2007A bonds were refunded with refunding bonds issued in 2015 with the remainder of the bonds refunded in 2016; except for the principal payment scheduled for January 1, 2017; see (l) and (o) below.

(d) 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.

(e) Iatan 2 Project – Series 2009: Principal due annually on January 1 through 2039. Interest is payable semi-annually. Interest on the Series 2009A tax-exempt bonds range from 3.5% to 6%. Interest on the Series 2009B taxable bonds is at 6.25%. The Series 2009B bonds matured on January 1, 2013. A portion of the Series 2009 bonds were refunded with refunding bonds issued in 2014 and 2015, see (j) and (m) below.

(f) 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 3.87% to 6.89%. Interest on the Series 2009B taxable bond ranges from 3.87% to 4.69%. 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.

(g) 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%. Interest on the Series 2010B taxable bonds is at 5%. 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.

(h) MoPEP Facilities Fredericktown Project – Series 2011: Principal due annually on December 1 through 2032. Interest on the Series 2011 tax-exempt bonds range from 2.5% to 4.5%.

(i) MoPEP Facilities Dogwood Generating Facility Project – Series 2012: Principal due annually on January 1 through 2037. Interest on the Series 2012 tax-exempt bonds range from 2.50% to 5.0%.

(j) 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% to 5%.

(k) 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 from 4.2% to 5%.

(l) 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 December 1, 2016 through 2038. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 3.25% to 5%.

(m) 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 paid on 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% to 5%.

(n) 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 paid on 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% to 5%.

(o) 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% to 5%.

(p) MAMU Lease Financing Program Series 2005A: Proceeds were used to fund construction of the Laddonia Co-Generation Plant and related equipment. Payments are due monthly through March 2021, and include principal, interest and certain fees. Interest is at a rate of 4.122%. The lease is secured by the property financed with the lease proceeds.

(q) MAMU Lease Financing Program Series 2006A: Proceeds were used to fund additional construction costs of the Laddonia Co-Generation Plant and related equipment. Payments are due monthly through March 2021, and include principal, interest and certain fees. Interest is at a rate of 3.685%. The lease is secured by the property financed with the lease proceeds.

(r) MAMU Lease Financing Program Series 2006A: Proceeds were used to fund the purchase of MJMEUC's office building and associated remodeling costs. Payments are due monthly through November 2032, and include principal, interest and certain fees. Interest is at a rate of 3.82%. The lease is secured by the property financed with the lease proceeds.

(s) Line of Credit: MJMEUC has a $48 million line of credit agreement with a financial institution. Interest is due quarterly with a final maturity on June 30, 2017. Proceeds can be used for any purpose consistent with MJMEUC's operations. The interest rate is variable based on the one month LIBOR rate plus the applicable spread (1% at December 31, 2016). The applicable spread ranges from 1% to 2.25% depending on any downgrades to MJMEUC's debt. MJMEUC 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 MJMEUC posted as collateral at two RTO's. The line of credit is used as collateral for the letters of credit and no amount was drawn on the line of credit for this or any other purpose in 2016 and 2015.

The revenue bonds are special, limited obligations of MJMEUC, payable solely out of the net revenues relating to the ownership and operation of the project funded with the bonds, and 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 MJMEUC members and other municipalities pursuant to unit-specific, life-of-unit, take-or-pay power purchase agreements between MJMEUC and each of the municipalities participating with MJMEUC 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. Management of MJMEUC is not aware of any instances of default with respect to the bonds' covenants.

Refunding Debt Issues

Among other factors, MJMEUC periodically reviews the current interest rates in the municipal bond markets compared to the interest rates MJMEUC 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 MJMEUC are met, MJMEUC may undertake a debt refunding. MJMEUC's refunding debt issues are discussed individually below.

Prairie State Project

Current Year Refunding

During 2016, MJMEUC issued Series 2016A Power Project Revenue Refunding Bonds (Prairie State Project) to generate resources to refund $273,475,000 of outstanding Series 2007A Power Project Revenue Bonds (Prairie State Project). The net refunding proceeds were deposited in an irrevocable trust with an escrow agent to provide funds to refund the bonds on January 1, 2017. As a result, the portion of the Series 2007A Power Project Revenue Bonds (Prairie State Project) that were refunded are considered defeased and the liability for those bonds has been removed from the statements of net position.

MJMEUC advance refunded the Series 2007A Power Project Revenue Bonds (Prairie State Project) to reduce its total debt service payments over 25 years by $56,244,150 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of $35,031,285. The net refunding proceeds were exceeded the net carrying amount of the old debt by $5,339,319. This amount is reported as a deferred outflow of resources in the statements of net position and is amortized over the remaining life of the refunding debt.

Prior Year Defeasance

In prior years, MJMEUC defeased MJMEUC Series 2007A Power Project Revenue Bonds (Prairie State Project) by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in MJMEUC's statements of net position. The remaining balance of the refunded Series 2007A Bonds were retired in 2016 by the trustee.

Iatan 2 Project

In prior years, MJMEUC defeased MJMEUC Series 2006A and Series 2009A Power Project Revenue Bonds (Iatan 2 Project) by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in MJMEUC's statements of net position. The remaining balance of the refunded Series 2006A and Series 2009A Bonds were retired in 2016 by the trustee.

Plum Point Project

In prior years, MJMEUC defeased Series 2006 Power Project Revenue Bonds (Plum Point Project) by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in MJMEUC's statements of net position. The remaining balance of the refunded Series 2006 Bonds were retired in 2016 by the trustee.

Fixed Rate Capital Leases

MJMEUC had the option of fixed or variable interest rate leases under MAMU's financing program. MJMEUC selected fixed rates to protect against the potential of rising interest rates. The trustee for MAMU's financing program entered into interest rate exchange agreements with a financial institution to effectively convert the variable interest rates into fixed interest rates for the three capital leases previously mentioned. Although MJMEUC is not a direct party to these interest exchange agreements, if MJMEUC elects to prepay a capital lease obligation, its optional prepayment price under the lease is roughly equal to the fair value of the interest rate exchange agreement plus unpaid principal, and as such, corresponds directly to the termination payment the trustee would receive or pay under the terms of the interest rate exchange agreement. MJMEUC does not bear any counterparty credit risk of the interest rate exchange agreements and instead the financial institution and the financing pool trusts who are parties to the interest rate exchange agreements bears all counterparty credit risk.

If elected, the additional early termination payment under the terms of the lease and interest rate exchange agreements at December 31, 2016 would have been as follows:

Capital Lease Issue	Payment
Laddonia Series 2005A Capital Lease Obligation	$ 191,964
Laddonia Series 2006A Capital Lease Obligation	14,768
Office Building Series 2006A Capital Lease Obligation	169,915
	$ 376,647

Total Interest Costs

Total interest costs incurred on long-term debt, excluding bond premiums, bond discounts, and the amortization of advance bond refunding costs, was $69,644,666 and $73,869,439 for 2016 and 2015, respectively. The amount of interest capitalized as construction work in progress, after netting related interest earnings on funds held in trust, was $307,725 for 2015. No interest was capitalized for 2016.

Future Debt Service Payments

Future payments due on long-term debt as of December 31, 2016 are as follows:

	Bonds and Notes Payable			Capital
	Principal	Interest	Total	Leases
2017	$ 41,335,000	$ 68,966,384	$ 110,301,384	$ 1,031,211
2018	32,480,000	66,929,238	99,409,238	1,037,826
2019	33,960,000	65,307,278	99,267,278	1,046,158
2020	35,515,000	63,578,765	99,093,765	1,041,487
2021	37,200,000	61,733,995	98,933,995	336,835
2022	38,980,000	59,787,860	98,767,860	100,000
2023	40,845,000	57,728,046	98,573,046	105,133
2024	42,835,000	55,549,853	98,384,853	105,911
2025	44,915,000	53,240,363	98,155,363	102,682
2026	47,110,000	50,798,676	97,908,676	100,450
2027	49,450,000	48,250,715	97,700,715	107,831
2028	51,510,000	45,588,825	97,098,825	104,070
2029	58,240,000	43,150,241	101,390,241	100,306
2030	56,785,000	40,193,195	96,978,195	108,186
2031	59,580,000	37,111,166	96,691,166	103,886
2032	62,775,000	33,963,621	96,738,621	93,431
2033	63,260,000	30,851,450	94,111,450	-
2034	77,425,000	27,679,904	105,104,904	-
2035	73,375,000	23,820,505	97,195,505	-
2036	64,000,000	20,290,501	84,290,501	-
2037	64,205,000	16,868,019	81,073,019	-
2038	65,880,000	12,847,831	78,727,831	-
2039	61,355,000	8,797,955	70,152,955	-
2040	44,685,000	5,601,153	50,286,153	-
2041	46,870,000	3,008,916	49,878,916	-
2042	16,695,000	599,663	17,294,663	-
Total Payments	$ 1,311,265,000	$ 1,002,244,118	$ 2,313,509,118	5,625,403
Less Interest				(941,403)
Present Value of Minimum Lease Payments				$ 4,684,000

NOTE 6: LETTERS OF CREDIT

MJMEUC obtained standby letters of credit totaling $7.5 million in December 2014 to replace $6,489,500 of deposits MJMEUC had with regional transmission operators. $7.5 million of MJMEUC's line of credit is pledged as collateral for these letters of credit, which expire when the line of credit matures on June 30, 2017.

NOTE 7: INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund receivable and payable balances at December 31 resulting from interfund transactions were as follows:

	2016		2015	
	Receivable	Payable	Receivable	Payable
General Fund	$ 744,979	$ -	$ 478,962	$ -
MoPEP Fund	1,858,477	1,035,768	1,899,608	-
MMMPEP Fund	-	322,270	-	327,203
Plum Point Fund	-	889,221	-	901,721
Iatan 2 Fund	-	507,870	-	252,211
Prairie State Fund	1,035,768	884,095	-	897,435
Total	$ 3,639,224	$ 3,639,224	$ 2,378,570	$ 2,378,570

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 December 31, 2016 and 2015. The amounts due to MoPEP, Plum Point, Iatan 2, and Prairie State 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

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

	2016		2015	
	Alliance Fund	General Fund	Alliance Fund	General Fund
Transferred from:				
General Fund	$ 573,440	$ -	$ 573,440	$ -
MoPEP Fund	-	981,175	-	981,175
MMMPEP Fund	-	271,442	-	271,442
Plum Point Fund	-	368,563	-	368,563
Iatan 2 Fund	-	261,481	-	261,481
Prairie State Fund	-	503,039	-	503,039
Total Transfers	$ 573,440	$ 2,385,700	$ 573,440	$ 2,385,700

Transfers are made to the Alliance and General Funds by the other funds for costs incurred by these 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.

NOTE 8: RESTRICTED ASSETS AND NET POSITION

Restricted assets were as follows as of December 31:

For Utility Plant Projects:	2016	2015
Held by Trustees for Payment of Construction Costs:		
Plum Point Energy Station	$ 92	$ 2,698,475
Prairie State Energy Campus	-	19
Held by Trustees for Regular Debt Service Payments:		
Plum Point Energy Station	14,698,369	14,424,742
Iatan Unit 2	11,215,546	11,766,348
Prairie State Energy Campus	27,707,749	34,903,011
Fredericktown	122,522	116,714
Dogwood	1,616,086	1,600,611
Held by Trustees for Debt Service Reserve:		
Plum Point Energy Station	24,332,359	23,943,692
Iatan Unit 2	19,143,143	18,805,524
Prairie State Energy Campus	50,408,160	54,336,128
Fredericktown	1,332,677	1,306,470
Dogwood	2,418,483	2,371,008
Held by Trustees for Debt Financing Costs:		
Plum Point Energy Station	-	58,628
Iatan Unit 2	-	58,590
Fredericktown	-	2,914
Held by MJMEUC for Utility Plant Operations and Maintenance		
Plum Point Energy Station	7,136,673	7,121,568
Iatan Unit 2	4,606,257	4,595,448
Prairie State Energy Campus	4,899,358	4,887,066
	$ 169,637,474	$ 182,996,956

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

	2016	2015
Debt Service and Debt Service Reserves	$ 50,227,978	$ 48,496,497
Operation and Maintenance of Power Plants	6,329,171	6,290,965
	$ 56,557,149	$ 54,787,462

NOTE 9: RELATED ENTITY TRANSACTIONS

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

MAMU and MGCM reimburse MJMEUC's Alliance Fund for time spent by MJMEUC employees on MAMU and MGCM matters. Salary reimbursements received from MAMU totaled $502,097 and $483,732 for 2016 and 2015, respectively. Salary reimbursements received from MGCM totaled $109,341 and $100,700 for 2016 and 2015, respectively. Expenses reported in the accompanying statements of revenues, expenses, and changes in net position are net of these reimbursements.

A majority of telephone, utility, postage and other miscellaneous office expenses not directly attributable to a specific program or member are charged to MJMEUC's Alliance Fund. MAMU and MGCM together transferred $105,448 and $97,376 in 2016 and 2015, respectively, to MJMEUC to pay their allocated share of Alliance Fund expenses.

NOTE 10: PENSION PLAN

General Information about the Pension Plan

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

Plan Description

MJMEUC's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. MJMEUC 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 a publicly available financial report that includes 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.

Benefit Multiplier	2%
Final Average Salary	3 years
Member Contributions	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:

	2016	2015
Inactive Employees or Beneficiaries Currently Receiving Benefits	7	6
Inactive Employees Entitled to but not yet Receiving Benefits	2	1
Active Employees	28	28
Total	37	35

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 2016 and 2015 was 13.5% and 14.3% respectively, of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2016 and 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016 and February 28, 2015, respectively.

Actuarial Assumptions

The total pension liability in the February 29, 2016 and February 28, 2015, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2016	2015
Inflation	3.25% wage; 2.5% price inflation	3.5% wage; 2.5% price inflation
Salary Increase	3.25% to 6.55% including inflation	3.5% to 6.8% including inflation
Investment Rate of Return	7.25%	7.25%

Mortality rates were based on the 2014 Health Annuitant, Disabled, and Employees Mortality Tables for the February 29, 2016 actuarial valuation. Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females for the February 28, 2015 actuarial valuation.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015. The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

2016

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Investments	10.00%	5.73%

2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Investments	6.50%	7.50%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%, respectively. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. 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 (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	$ 4,521,377	$ 4,608,288	$ (86,911)
Changes for 2015:			
Service Cost	262,790	-	262,790
Interest	335,167	-	335,167
Difference Between Expected and Actual Experience	119,228	-	119,228
Contributions - Employer	-	359,868	(359,868)
Contributions - Employee	-	-	-
Net Investment Income	-	92,005	(92,005)
Benefit Payments, Including Refunds	(55,925)	(55,925)	-
Administrative Expenses	-	(3,169)	3,169
Other Changes	-	177,079	(177,079)
Net Changes	661,260	569,858	91,402
Balances at June 30, 2015	5,182,637	5,178,146	4,491
Changes for 2016:			
Service Cost	289,867	-	289,867
Interest	383,108	-	383,108
Difference Between Expected and Actual Experience	180,411	-	180,411
Contributions - Employer	-	351,572	(351,572)
Contributions - Employee	-	-	-
Net Investment Income	-	(18,952)	18,952
Changes of Assumptions	360,249	-	360,249
Benefit Payments, Including Refunds	(83,027)	(83,027)	-
Administrative Expenses	-	(3,030)	3,030
Other Changes	-	(15,191)	15,191
Net Changes	1,130,608	231,372	899,236
Balances at June 30, 2016	$ 6,313,245	$ 5,409,518	$ 903,727

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

The following presents the net pension liability of MJMEUC as of June 30, calculated using the discount rate of 7.25%, as well as what the MJMEUC's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

2016	1% Decrease (6.25%)	Current Single Discount Rate Assumption (7.25%)	1% Increase (8.25%)
Total Pension Liability	$ 7,246,644	$ 6,313,245	$ 5,537,452
Plan Fiduciary Net Position	5,409,518	5,409,518	5,409,518
Net Pension Liability	$ 1,837,126	$ 903,727	$ 127,934

2015	1% Decrease (6.25%)	Current Single Discount Rate Assumption (7.25%)	1% Increase (8.25%)
Total Pension Liability	$ 5,899,053	$ 5,182,637	$ 4,573,012
Plan Fiduciary Net Position	5,178,146	5,178,146	5,178,146
Net Pension Liability	$ 720,907	$ 4,491	$ (605,134)

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, 2016 and 2015, MJMEUC recognized pension expense of $518,676 and $139,451, respectively. MJMEUC reported deferred outflows of resources related to pensions from the following sources:

	2016	2015
Differences in Experience	$ 248,671	$ 104,527
Changes of Assumptions	317,185	-
Excess (Deficit) Investment Returns	478,095	207,292
Contributions Subsequent to the Measurement Date*	181,227	175,109
Total	$ 1,225,178	$ 486,928

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability (asset) for the years ending June 30, 2017 and 2016.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2017	$	211,811
2018		211,811
2019		211,811
2020		159,986
2021		79,331
Thereafter		169,201
Total	$	1,043,951

NOTE 11: COMMITMENTS AND CONTINGENCIES

Power Supply and Related Contracts

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

Nonrenewable Resources

As of December 31, 2016, MJMEUC has long-term contracts with the Southwestern Power Administration and with Illinois Power Marking Co. ("IPM"), a subsidiary of Dynegy, Inc., and several unit-specific contracts of 3-5 year lengths with the Sikeston Board of Municipal Utilities. IPM purchased certain power generation facilities from Ameren Energy Marketing Company ("Ameren") on December 2, 2013 and took over the power supply contract from Ameren. MJMEUC and IPM entered into an amended power supply contract on February 19, 2014.

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

In January 2004, MJMEUC entered into 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 MW coal-fired generating station solely owned by OPPD. MJMEUC 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. MJMEUC's prorate share of the original total project costs is being financed by OPPD via a revenue bond issuance, which was or may be partially refunded from time to time. MJMEUC 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. MJMEUC 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. MJMEUC has committed all the capacity and energy from this Participation Agreement to MoPEP.

In August 2013, MJMEUC executed a power purchase agreement with the City of Marceline, Missouri ("Marceline") for the purchase of 4 MW capacity and energy from Marceline's unit power purchase agreement for the energy it received from the Prairie State Energy Campus. On June 1, 2017, Marceline's unit power purchase agreement will be transferred to MJMEUC and assigned to MoPEP.

Renewable Resources

In 2006, MJMEUC 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. MJMEUC has rights to purchase the entire capacity and energy from this wind generation facility, which is fully dedicated to MoPEP. MJMEUC has the right, but not the obligation, to extend this agreement through 2027.

In September 2008, MJMEUC 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 ("Lamar"). 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 output is again expected to increase by an additional 3.2 MW to 8.8 MW in the summer of 2017. MJMEUC's power purchase agreement provides for MJMEUC to receive additional capacity added by the facility. The take-or-pay agreement provides for MJMEUC to receive the entire capacity and energy until the agreement expires in 2022. The capacity and energy is fully dedicated to MoPEP.

In February 2013, MJMEUC executed a long-term power purchase agreement to purchase all the capacity and energy from a solar power generating facility in the City of Butler, Missouri. MC Power Companies, Inc. is responsible for construction and operation of the 3.2 MW facility. MJMEUC has certain option rights to purchase the facility at the end of the seventh contract year, or at the end of any subsequent contract years thereafter. The facility went into commercial operation in March 2014. The capacity and energy is fully dedicated to MoPEP.

In September 2013, MJMEUC executed a long-term power purchase agreement with Marshall Wind Energy LLC for the purchase of 20 MW capacity and energy from its wind farm. The facility officially entered commercial operation on May 1, 2016. The capacity and energy is dedicated to MoPEP.

In January 2014, MJMEUC 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 is fully dedicated to MoPEP.

In August 2014, MJMEUC executed a long-term power purchase agreement for the rights to purchase all the capacity and energy from multiple solar power generating facilities in Missouri. The power generating facilities were constructed in five cities that are members of MoPEP. MC Power Companies, Inc. is responsible for operation of the approximate total 12.8 MW of the five facilities. MJMEUC has certain option rights to purchase each facility on or after the end of the seventh contract year of each facility. The capacity and energy is fully dedicated to MoPEP.

Following is a summary of the five facilities:

MoPEP Member	Facility Status
City of Macon, Missouri	Commercial Operation May 2015
City of Trenton, Missouri	Commercial Operation October 2015
City of Rolla, Missouri	Commercial Operation May 2016
City of Waynesville, Missouri	Commercial Operation August 2016
City of Marshall, Missouri	Commercial Operation December 2016

In May 2016, MJMEUC executed a long-term power purchase agreement for the rights to purchase all the capacity and energy from multiple solar power generating facilities in Missouri. The power generating facilities will 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 facilities. MJMEUC has certain option rights to purchase each facility on or after the end of the seventh contract year. The capacity and energy is fully dedicated to MoPEP.

Below is a summary of five facilities expected to be constructed:

MoPEP Member	Facility Status
City of Lebanon, Missouri	Expect Commerical Operation in Summer 2017
City of Chillicothe, Missouri	Expect Commerical Operation in Summer 2017
City of Farmington, Missouri	Expect Commerical Operation in Late 2017
City of El Dorado Springs, Missouri	Expect Commerical Operation in Late 2017
City of Higginsville, Missouri	Expect Commerical Operation in Late 2017

In June 2016, MJMEUC 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 of the Grain Belt Express project, which is currently under review. This agreement will begin when the transmission project begins commercial operations and can provide the transmission service to MJMEUC. The initial term of this agreement is for 15 years and MJMEUC has the option to extend the agreement up to an additional 10 years.

In January 2017, MJMEUC executed a long-term agreement with Iron Star Wind Project, LLC for the purchase of a minimum of 100 MW and up to 300 MW capacity and energy from its Iron Star Project. 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 approval of the Grain Belt Express program by the Missouri Public Service Commission. 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 MJMEUC has the option to extend the agreement for two additional 5 year periods.

REQUIRED SUPPLEMENTARY INFORMATION

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATED RATIOS
Years Ended December 31, 2016 and 2015

	2016	2015
Total Pension Liability		
Service Cost	$ 289,867	$ 262,790
Interest on the Total Pension Liability	383,108	335,167
Benefit Changes	-	-
Difference Between Expected and Actual Experience	180,411	119,228
Assumption Changes	360,249	-
Benefit Payments	(83,027)	(55,925)
Refunds	-	-
Net Change in Total Pension Liability	1,130,608	661,260
Total Pension Liability, Beginning	5,182,637	4,521,377
Total Pension Liability, Ending	$ 6,313,245	$5,182,637
Plan Fiduciary Net Position		
Contributions - Employer	$ 351,572	$ 359,868
Contributions - Employee	-	-
Pension Plan Net Investment Income	(18,952)	92,005
Benefit Payments	(83,027)	(55,925)
Refunds	-	-
Pension Plan Administrative Expense	(3,030)	(3,169)
Other	(15,191)	177,079
Net Change in Plan Fiduciary Net Position	231,372	569,858
Plan Fiduciary Net Position, Beginning	5,178,146	4,608,288
Plan Fiduciary Net Position, Ending	$ 5,409,518	$5,178,146
Employer's Net Pension Liability	$ 903,727	$ 4,491
Plan Fiduciary Net Position as Percentage of Total Pension Liability	85.69%	99.91%
Covered Employee Payroll	$ 2,484,808	$2,399,441
Net Pension Liability as a Percentage of Covered Employee Payroll	36.37%	0.19%

Note: This schedule will ultimately contain ten years of data as it becomes available.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS - LAST TEN FISCAL YEARS
December 31, 2016

	2016	2015	2014	2013	2012
Actuarially Determined Contributions	$ 357,689	$ 355,667	$ 347,452	$ 299,869	$ 266,177
Contributions in Relation to the Actuarially Determined Contribution	357,689	355,667	347,452	299,869	266,178
Contribution Deficiency (Excess)	-	-	-	-	(1)
Covered Employee Payroll	$2,649,549	$2,487,180	$2,285,973	$1,934,741	$1,684,668
Contributions as a Percentage of Covered Employee Payroll	13.50%	14.30%	15.20%	15.50%	15.80%

	2011	2010	2009	2008	2007
Actuarially Determined Contributions	$ 252,999	$ 237,824	$ 195,857	$ 156,609	$ 122,848
Contributions in Relation to the Actuarially Determined Contribution	252,999	237,824	195,857	156,609	122,848
Contribution Deficiency (Excess)	-	-	-	-	-
Covered Employee Payroll	$1,653,591	$1,554,404	$1,341,488	$1,095,166	$ 841,425
Contributions as a Percentage of Covered Employee Payroll	15.30%	15.30%	14.60%	14.30%	14.60%

SUPPLEMENTAL INFORMATION

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY 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, 2016

	Fair Value 12/31/2015	Receipts	Disbursements	Change in Fair Value	Change in Interest Receivable	Fair Value 12/31/2016
Power Project Revenue Bonds (Plum Point Project) Series 2006, Series 2009A, Series 2009B, Series 2014A and Series 2015A						
Project Fund	$ 2,698,475	$ 4,661	$ 2,703,044	$ -	$ -	$ 92
Cost of Issuance Fund	58,628	111	58,739	-	-	-
Debt Service Fund	14,424,742	22,137,307	21,888,720	-	25,040	14,698,369
Debt Service Reserve Account	23,943,692	456,009	-	(42,302)	(25,040)	24,332,359
Total	$ 41,125,537	$ 22,598,088	$ 24,650,503	$ (42,302)	$ -	$ 39,030,820
Power Project Revenue Bonds (Iatan 2 Project) Series 2006A, 2006B, 2009A, 2009B, Series 2014A and Series 2015A						
Cost of Issuance Fund	$ 58,590	$ 113	$ 58,703	$ -	$ -	$ -
Debt Service Fund						
Tax Exempt	11,766,348	18,084,966	18,718,466	-	82,698	11,215,546
Debt Service Reserve Account	18,805,524	214,640	-	122,979	-	19,143,143
Total	$ 30,630,462	$ 18,299,719	$ 18,777,169	$ 122,979	$ 82,698	$ 30,358,689
Power Project Revenue Bonds (Prairie State Project) Series 2007A, 2007B, 2009A, 2009B, 2010A, 2010B, 2015A and 2016A						
Project Fund						
Taxable	$ 19	$ -	$ 19	$ -	$ -	$ -
Debt Service Fund						
Taxable	8,807,912	1,812	8,809,724	-	-	-
Tax Exempt	26,095,099	56,605,192	55,027,711	-	35,169	27,707,749
Debt Service Reserve Accounts	54,336,128	1,272,766	5,135,737	(64,997)	-	50,408,160
Total	$ 89,239,158	$ 57,879,770	$ 68,973,191	$ (64,997)	$ 35,169	$ 78,115,909
Power Supply System Revenue Bonds (Fredericktown) Series 2011						
Cost of Issuance Fund	$ 2,914	$ 9	$ 2,923	$ -	$ -	$ -
Debt Service Fund	116,714	1,282,705	1,274,908	-	(1,989)	122,522
Debt Service Reserve Account	1,306,470	30,505	-	(4,298)	-	1,332,677
Total	$ 1,426,098	$ 1,313,219	$ 1,277,831	$ (4,298)	$ (1,989)	$ 1,455,199
Power Supply System Revenue Bonds (Dogwood Energy Center) Series 2012						
Debt Service Fund	$ 1,600,611	$ 2,327,200	$ 2,307,663	$ -	$ (4,062)	$ 1,616,086
Debt Service Reserve Account	2,371,008	54,442	-	(6,967)	-	2,418,483
Total	$ 3,971,619	$ 2,381,642	$ 2,307,663	$ (6,967)	$ (4,062)	$ 4,034,569

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

UNAUDITED FINANCIAL STATEMENTS

As of December 31, 2017
and for the year then ended

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MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF NET POSITION
December 31, 2017 and 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2017	2016
CAPITAL ASSETS		
Plant, Buildings, and Equipment in Service	$ 1,204,224,596	$ 1,228,781,136
Construction Work in Progress	6,596,607	6,921,688
Total Capital Assets, Net	1,210,821,203	1,235,702,824
RESTRICTED ASSETS		
Bond Accounts Cash and Investments	130,821,345	97,634,914
Other Cash, Cash Equivalents and Investments	17,084,995	16,642,288
Total Restricted Assets	147,906,340	114,277,202
OTHER ASSETS		
Investments	19,844,051	20,060,949
Prepaid Expenses	474,991	543,362
Contractual Deposits	8,272,401	8,483,301
Regulatory Assets	26,960,708	30,613,130
Total Other Assets	55,552,151	59,700,742
CURRENT ASSETS		
Cash and Cash Equivalents	41,168,155	35,482,452
Investments	5,580,988	7,528,689
Accounts Receivable, Net	16,307,802	15,782,621
Prepaid Expenses	3,582,327	4,237,602
Fuel Stock and Material Inventory	10,764,973	10,534,945
Restricted Assets:		
Bond Accounts, Current Portion	46,272,263	55,360,272
Total Current Assets	123,676,508	128,926,581
Total Assets	1,537,956,202	1,538,607,349
DEFERRED OUTFLOWS OF RESOURCES	38,230,479	39,187,572
Total Assets and Deferred Outflows of Resources	$ 1,576,186,681	$ 1,577,794,921

Continued on next page

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF NET POSITION
December 31, 2017 and 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2017	2016
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Maturities	$ 1,381,720,679	$ 1,387,355,420
Net Pension Liability	656,460	903,727
Other Long-Term Liabilities	684,950	-
Unearned Revenue	10,730,721	10,730,721
Total Noncurrent Liabilities	1,393,792,810	1,398,989,868
CURRENT LIABILITIES		
Accounts Payable	19,477,773	21,929,453
Accrued Payroll and Payroll Taxes	329,648	272,933
Unearned Revenue	4,699,404	2,605,060
Current Maturities, Long-Term Debt	33,336,000	42,145,000
Payable From Restricted Assets:		
Accrued Interest Payable on Debt	22,444,934	23,795,630
Total Current Liabilities	80,287,759	90,748,076
Total Liabilities	1,474,080,569	1,489,737,944
DEFERRED INFLOWS OF RESOURCES	38,739,372	34,363,467
Net Position		
Net Investment in Capital Assets	(77,996,354)	(92,394,746)
Restricted	49,939,311	56,557,149
Unrestricted	91,423,783	89,531,107
Total Net Position	63,366,740	53,693,510
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,576,186,681	$ 1,577,794,921

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Power Sales and Related Charges	$ 321,837,345	$ 322,401,937
Transmission	17,124,886	16,960,869
Energy Services	195,564	104,071
Transfers From MAMU and MGCM	112,511	105,448
Conferences and Member Training	572,427	554,825
Other	309,371	309,667
Total Operating Revenues	340,152,104	340,436,817
OPERATING EXPENSES		
Pool and Project Expenses		
Power Purchases	107,481,986	107,202,771
Member Capacity and Generation Credits	9,838,349	10,209,217
Power Generation	81,309,597	82,400,169
Transmission	17,104,145	16,939,815
Personnel Services and Staff Support	2,445,842	2,281,056
Professional Services	881,804	1,068,330
Rental and Maintenance	249,410	146,343
SCADA Communications	375,743	298,385
Energy Services	12,863	15,727
Depreciation	38,814,587	36,457,575
Net Costs Recoverable in Future Years	8,629,588	13,598,722
Other Operating Expenses	554,119	533,324
Conferences and Member Training	284,576	259,783
Administrative and General	3,189,946	2,903,151
Total Operating Expenses	271,172,555	274,314,368
Operating Income	68,979,549	66,122,449
NONOPERATING REVENUES (EXPENSES)		
Investment Return	2,387,953	2,491,662
Bond Interest Subsidy	7,017,026	7,104,102
Return of Equity to Members	(958,845)	(1,211,745)
Gain (Loss) on Disposal of Capital Assets	(3,643,774)	188,155
Interest and Fees Expense	(64,108,679)	(65,628,223)
Net Nonoperating Expenses	(59,306,319)	(57,056,049)
Increase in Net Position	9,673,230	9,066,400
Net Position, Beginning of Period	53,693,510	44,627,110
Net Position, End of Period	$ 63,366,740	$ 53,693,510

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING ACTIVITIES		
Receipts from Power and Transmission Sales	$ 342,458,597	$ 334,972,999
Receipts from Other Revenue Sources	1,647,510	860,340
Payments for Power Purchases and Other Goods and Services	(223,403,406)	(212,907,226)
Payments to Employees for Services and Benefits	(3,738,046)	(3,233,264)
Net Cash Provided by Operating Activities	116,964,655	119,692,849
CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	72,386,488	281,751,850
Bond Interest Subsidy Received	7,017,026	7,104,102
Proceeds from Disposal of Capital Assets	87,400	-
Payment of Bond Issuance Costs	(1,848,840)	(1,566,418)
Payment of Bond Advance Refunding Costs	(1,471,041)	(9,765,256)
Principal Payments on Long-Term Debt	(79,130,000)	(306,869,000)
Payments of Interest and Fees on Debt	(69,621,777)	(75,385,755)
Return of Net Position to Members	(958,845)	(1,211,745)
Acquisition and Construction of capital Assets	(17,750,786)	(18,627,702)
Net Cash Used by Capital and Related Financing Activities	(91,290,375)	(124,569,924)
INVESTING ACTIVITIES		
Purchases of Restricted Cash and Investments	(189,568,318)	(138,697,275)
Proceeds from Sales and Maturities of Restricted Cash and Investments	165,553,021	141,322,202
Investment Income Received	4,026,720	3,581,285
Net Cash Provided (Used) by Investing Activities	(19,988,577)	6,206,212
Net Increase in Cash and Cash Equivalents	5,685,703	1,329,137
Cash and Cash Equivalents at Beginning of Year	35,482,452	32,324,490
Cash and Cash Equivalents at End of Year	$ 41,168,155	$ 33,653,627

	2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ 68,979,549	$ 66,122,449
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	39,086,183	36,713,303
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:		
Accounts Receivable	(525,181)	(672,228)
Prepaid Expenses	723,646	274,207
Fuel Stock and Material Inventory	(230,028)	2,782,959
Contractual Deposits	210,900	105,000
Regulatory Assets	5,501,262	3,823,478
Accounts Payable	(2,451,680)	3,390,887
Accrued Payroll and Payroll Taxes	56,715	34,717
Unearned Revenue	2,094,344	(5,966,318)
Net Pension Liability	(247,267)	899,236
Deferred Outflows of Resources	407,449	(738,250)
Deferred Inflows of Resources	2,858,763	12,923,409
Net Cash Provided by Operating Activities	$ 116,464,655	$ 119,692,849

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF NET POSITION
December 31, 2017

	Full Requirements Pools		Generation Funds						
	MoPEP 1 Pool Fund	MMMPEP 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	$ 50,672,368	$ -	$ 242,940,108	$ 228,487,824	$ 680,644,919	$ 1,479,377	$ 1,204,224,596	$ -	$ 1,204,224,596
Construction Work in Progress	62,469	-	713,144	3,262,771	2,558,223	-	6,596,607	-	6,596,607
Total Capital Assets, Net	50,734,837	-	243,653,252	231,750,595	683,203,142	1,479,377	1,210,821,203	-	1,210,821,203
RESTRICTED ASSETS									
Bond Accounts Cash and Investments	3,979,204	-	24,705,626	19,293,599	82,842,916	-	130,821,345	-	130,821,345
Other Cash, Cash Equivalents, and Investments	-	-	7,160,710	4,631,326	5,292,959	-	17,084,995	-	17,084,995
Total Restricted Assets	3,979,204	-	31,866,336	23,924,925	88,135,875	-	147,906,340	-	147,906,340
OTHER ASSETS									
Investments	18,092,899	-	-	-	1,751,152	-	19,844,051	-	19,844,051
Prepaid Expenses	-	-	-	446,036	28,955	-	474,991	-	474,991
Contractual Deposits	1,605,849	-	2,704,053	879,999	3,082,500	-	8,272,401	-	8,272,401
Regulatory Assets	883,270	-	14,211,788	3,310,053	8,555,597	-	26,960,708	-	26,960,708
Total Other Assets	20,582,018	-	16,915,841	4,636,088	13,418,204	-	55,552,151	-	55,552,151
CURRENT ASSETS									
Cash and Cash Equivalents	21,206,226	2,313,868	5,395,917	3,464,678	7,173,367	1,614,099	41,168,155	-	41,168,155
Investments	4,834,896	-	-	465,806	280,286	-	5,580,988	-	5,580,988
Accounts Receivable, Net	13,194,298	2,980,810	-	-	-	132,694	16,307,802	-	16,307,802
Due from Other Funds	2,571,636	-	13,733	-	-	269,543	2,854,912	(2,854,912)	-
Prepaid Expenses	127,000	-	2,535,872	278,023	569,286	72,146	3,582,327	-	3,582,327
Fuel Stock and Material Inventory	-	-	2,864,126	2,155,625	5,745,222	-	10,764,973	-	10,764,973
Restricted Assets:							-		
Bond Accounts, Current Portion	1,251,047	-	14,945,945	11,444,065	18,631,206	-	46,272,263	-	46,272,263
Total Current Assets	43,185,103	5,294,678	25,755,593	17,808,197	32,399,367	2,088,482	126,531,420	(2,854,912)	123,676,508
Total Assets	118,481,162	5,294,678	318,191,022	278,119,805	817,156,588	3,567,859	1,540,811,114	(2,854,912)	1,537,956,202
DEFERRED OUTFLOWS OF RESOURCES	1,568,278	-	5,499,617	13,933,713	16,411,142	817,729	38,230,479	-	38,230,479
Total Assets and Deferred Outflows of Resources	$ 120,049,440	$ 5,294,678	$ 323,690,639	$ 292,053,518	$ 833,567,730	$ 4,385,588	$ 1,579,041,593	$ (2,854,912)	$ 1,576,186,681
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION									
NONCURRENT LIABILITIES									
Long-Term Debt, Net of Current Maturities	$ 47,001,405	$ -	$ 293,333,735	$ 254,981,979	$ 785,344,560	$ 1,059,000	$ 1,381,720,679	$ -	$ 1,381,720,679
Other Long-term Liabilities	-	-	-	-	184,950	500,000	684,950	-	684,950
Net Pension Liability	-	-	-	-	-	656,460	656,460	-	656,460
Unearned Revenue	5,928,146	2,098,522	2,704,053	-	-	-	10,730,721	-	10,730,721
Total Noncurrent Liabilities	52,929,551	2,098,522	296,037,788	254,981,979	785,529,510	2,215,460	1,393,792,810	-	1,393,792,810
CURRENT LIABILITIES									
Accounts Payable	8,971,266	2,808,295	2,602,181	850,771	4,093,594	151,666	19,477,773	-	19,477,773
Accrued Payroll and Payroll Taxes	193,665	10,302	10,174	6,541	13,134	95,832	329,648	-	329,648
Due to Other Funds	13,733	129,953	755,965	379,371	1,575,890	-	2,854,912	(2,854,912)	-
Unearned Revenue	-	-	2,497,911	1,339,451	862,042	-	4,699,404	-	4,699,404
Current Maturities, Long-Term Debt	2,403,000	-	7,215,000	7,225,000	16,445,000	48,000	33,336,000	-	33,336,000
Payable From Restricted Assets:									
Accrued Interest Payable on Debt	148,165	-	7,431,979	4,151,768	10,711,494	1,528	22,444,934	-	22,444,934
Total Current Liabilities	11,729,829	2,948,550	20,513,210	13,952,902	33,701,154	297,026	83,142,671	(2,854,912)	80,287,759
Total Liabilities	64,659,380	5,047,072	316,550,998	268,934,881	819,230,664	2,512,486	1,476,935,481	(2,854,912)	1,474,080,569
DEFERRED INFLOWS OF RESOURCES	9,084,717	-	1,074,439	19,087,776	9,492,440	-	38,739,372	-	38,739,372
Net Position									
Net Investment in Capital Assets	4,923,720	-	(29,168,467)	(9,324,357)	(44,799,627)	372,377	(77,996,354)	-	(77,996,354)
Restricted	1,488,798	-	15,641,412	12,585,195	20,223,906	-	49,939,311	-	49,939,311
Unrestricted	39,892,825	247,606	19,592,257	770,023	29,420,347	1,500,725	91,423,783	-	91,423,783
Total Net Position	46,305,343	247,606	6,065,202	4,030,861	4,844,626	1,873,102	63,366,740	-	63,366,740
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 120,049,440	$ 5,294,678	$ 323,690,639	$ 292,053,518	$ 833,567,730	$ 4,385,588	$ 1,579,041,593	$ (2,854,912)	$ 1,576,186,681

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2017

	Full Requirements Pools		Generation Funds						
	MoPEP 1 Pool Fund	MMMPEP Pool Fund	Plum Point Project Fund	Iatan 2 Project Fund	Prairie State Project Fund	Non-Major Funds	Total	Eliminations	Combined Total
OPERATING REVENUES									
Power Sales and Related Charges	$ 170,738,373	$ 27,000,861	$ 51,419,788	$ 39,358,455	$ 93,654,888	$ -	$ 382,172,365	$ (60,335,020)	$ 321,837,345
Transmission	10,511,138	5,630,041	-	-	-	983,707	17,124,886	-	17,124,886
Energy Services	-	-	-	-	-	195,564	195,564	-	195,564
Transfers from MAMU and MGCM	-	-	-	-	-	112,511	112,511	-	112,511
Conferences and Member Training	-	-	-	-	-	572,427	572,427	-	572,427
Other	580	3,000	95,121	-	24,974	185,696	309,371	-	309,371
Total Operating Revenues	181,250,091	32,633,902	51,514,909	39,358,455	93,679,862	2,049,905	400,487,124	(60,335,020)	340,152,104
OPERATING EXPENSES									
Power Purchases	141,670,313	26,146,693	-	-	-	-	167,817,006	(60,335,020)	107,481,986
Member Capacity and Generation Credits	9,838,349	-	-	-	-	-	9,838,349	-	9,838,349
Power Generation	7,068,519	-	24,846,215	14,270,701	35,124,162	-	81,309,597	-	81,309,597
Transmission	10,511,138	5,630,041	-	429	-	962,537	17,104,145	-	17,104,145
Personnel Services and Staff Support	966,541	365,531	380,785	247,019	485,966	1,509,101	3,954,943	-	3,954,943
Professional Services	227,961	35,972	216,436	143,777	257,658	749,762	1,631,566	-	1,631,566
Rental and Maintenance	157,679	39,611	22,933	6,254	22,933	121,068	370,478	-	370,478
Utilities	-	-	-	-	-	58,536	58,536	-	58,536
Utilities - SCADA Communications	333,681	42,062	-	-	-	-	375,743	-	375,743
Energy Services	-	-	-	-	-	12,863	12,863	-	12,863
Conferences and Member Training	-	-	-	-	-	284,576	284,576	-	284,576
Depreciation	2,728,277	-	8,625,375	6,700,092	20,760,843	148,740	38,963,327	-	38,963,327
Net Costs Recoverable in Future Years	(3,897,893)	-	3,612,578	5,101,783	3,813,120	-	8,629,588	-	8,629,588
Other Operating Expenses	266,633	18,898	106,619	66,388	95,581	602,739	1,156,858	-	1,156,858
Total Operating Expenses	169,871,198	32,278,808	37,810,941	26,536,443	60,560,263	4,449,922	331,507,575	(60,335,020)	271,172,555
Operating Income	11,378,893	355,094	13,703,968	12,822,012	33,119,599	(2,400,017)	68,979,549	-	68,979,549
NONOPERATING REVENUES (EXPENSES)									
Investment Return	323,633	16,368	484,898	290,685	1,220,985	51,384	2,387,953	-	2,387,953
Bond Interest Subsidy	-	-	1,226,119	-	5,790,907	-	7,017,026	-	7,017,026
Return of Equity to Members	(958,845)	-	-	-	-	-	(958,845)	-	(958,845)
Loss on Disposal of Capital Assets	-	-	(914,872)	(1,949,909)	(778,993)	-	(3,643,774)	-	(3,643,774)
Interest and Fees Expense	(2,064,512)	-	(13,649,279)	(10,617,463)	(37,642,646)	(134,779)	(64,108,679)	-	(64,108,679)
Net Nonoperating Revenues (Expenses)	(2,699,724)	16,368	(12,853,134)	(12,276,687)	(31,409,747)	(83,395)	(59,306,319)	-	(59,306,319)
OTHER FINANCING SOURCES (USES)									
Interfund Operating Transfers	(961,834)	(274,457)	(365,942)	(257,148)	(496,989)	2,356,370	-	-	-
Increase in Net Position	7,717,335	97,005	484,892	288,177	1,212,863	(127,042)	9,673,230	-	9,673,230
Net Position, Beginning of Period	38,588,008	150,601	5,580,310	3,742,684	3,631,763	2,000,144	53,693,510		53,693,510
Net Position, End of Period	$ 46,305,343	$ 247,606	$ 6,065,202	$ 4,030,861	$ 4,844,626	$ 1,873,102	$ 63,366,740	$ -	$ 63,366,740

See accompanying notes to financial statements.

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

	Full Requirements Pools		Generation Funds						
	MoPEP 1 Pool Fund	MMMPEP 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	$ 178,629,496	$ 32,710,358	$ 45,543,924	$ 27,306,494	$ 57,346,402	$ 921,923	$ 342,458,597	$ -	$ 342,458,597
Receipts from other Funds for Power and Transmission Sales	328,662	-	7,027,000	11,862,207	40,390,259	-	59,608,128	(59,608,128)	-
Receipts from other Revenue Sources	580	3,000	95,121	-	24,974	1,523,835	1,647,510	-	1,647,510
Payments for Power Purchases and Other Goods and Services	(110,802,640)	(31,831,839)	(25,471,841)	(15,607,078)	(37,173,643)	(2,516,365)	(223,403,406)	-	(223,403,406)
Payments to other Funds for Power Purchases	(59,279,466)	(328,662)	-	-	-	-	(59,608,128)	59,608,128	-
Payments to Employees for Services and Benefits	(921,679)	(364,375)	(379,654)	(245,881)	(483,415)	(1,343,042)	(3,738,046)	-	(3,738,046)
Net Cash Provided (Used) by Operating Activities	7,954,953	188,482	26,814,550	23,315,742	60,104,577	(1,413,649)	116,964,655	-	116,964,655
NONCAPITAL FINANCING ACTIVITIES									
Interfund Operating Transfers	(961,834)	(274,457)	(365,942)	(257,148)	(496,989)	2,356,370	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(961,834)	(274,457)	(365,942)	(257,148)	(496,989)	2,356,370	-	-	-
CAPITAL AND RELATED FINANCING ACTIVITIES									
Proceeds from Long-Term Debt	40,382,182	-	-	-	32,004,306	-	72,386,488	-	72,386,488
Bond Interest Subsidy Received	-	-	1,226,119	-	5,790,907	-	7,017,026	-	7,017,026
Payment of Bond Issuance Costs	(282,422)	-	-	-	(1,566,418)	-	(1,848,840)	-	(1,848,840)
Payment of Advance Refunding Costs	(1,471,041)	-	-	-	-	-	(1,471,041)	-	(1,471,041)
Principal Payments on Long-Term Debt	(39,282,000)	-	(6,865,000)	(6,940,000)	(25,995,000)	(48,000)	(79,130,000)	-	(79,130,000)
Payments of Interest and Fees on Debt	(2,790,428)	-	(15,035,209)	(11,507,581)	(40,153,717)	(134,842)	(69,621,777)	-	(69,621,777)
Return of Net Position to Members	(958,845)	-	-	-	-	-	(958,845)	-	(958,845)
Proceeds from Disposal of Capital Assets	-	-	87,400	-	-	-	87,400	-	87,400
Acquisition and Construction of capital Assets	(263,373)	-	(6,126,147)	(4,122,326)	(7,196,097)	(42,843)	(17,750,786)	-	(17,750,786)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,665,927)	-	(26,712,837)	(22,569,907)	(37,116,019)	(225,685)	(91,290,375)	-	(91,290,375)
INVESTING ACTIVITIES									
Purchases of Investments	(15,909,588)	-	(38,467,719)	(29,291,117)	(105,899,894)	-	(189,568,318)	-	(189,568,318)
Proceeds from Sales and Maturities of Investments	15,909,654	-	37,417,243	28,349,475	83,876,649	-	165,553,021	-	165,553,021
Investment Income	354,272	16,368	890,586	879,701	1,834,409	51,384	4,026,720	-	4,026,720
Net Cash Provided (Used) by Investing Activities	354,338	16,368	(159,890)	(61,941)	(20,188,836)	51,384	(19,988,577)	-	(19,988,577)
Net Increase (Decrease) in Cash and Cash Equivalents	2,681,530	(69,607)	(424,119)	426,746	2,302,733	768,420	5,685,703	-	5,685,703
Cash and Cash Equivalents at Beginning of Year	18,524,696	2,383,475	5,820,036	3,037,932	4,870,634	845,679	35,482,452	-	35,482,452
Cash and Cash Equivalents at End of Year	$ 21,206,226 (	$ 2,313,868	$ 5,395,917	$ 3,464,678	$ 7,173,367	$ 1,614,099	$ 41,168,155	$ -	$ 41,168,155
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES									
Operating Income	$ 11,378,893	$ 355,094	$ 13,703,968	$ 12,822,012	$ 33,119,599	$ (2,400,017)	$ 68,979,549	$ -	$ 68,979,549
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:									
Depreciation	2,728,277	-	8,625,375	6,700,092	20,883,699	$ 148,740	39,086,183	-	39,086,183
Adjustments for (Increases) Decreases in Assets and Increases (Decreases) in Liabilities:									
Accounts Receivable	(723,076)	79,456	-	-	193,453	(75,014)	(525,181)	-	(525,181)
Due from Other Funds	(713,159)	-	(13,733)	-	1,035,768	475,436	784,312	(784,312)	-
Prepaid Expenses	536,189	-	(157,203)	71,812	246,613	26,235	723,646	-	723,646
Fuel Stock and Material Inventory	-	-	1,191,639	(126,458)	(1,295,209)	-	(230,028)	-	(230,028)
Contractual Deposits	-	-	-	(159,000)	369,900	-	210,900	-	210,900
Regulatory Assets	41,447	-	3,612,578	183,155	1,664,082	-	5,501,262	-	5,501,262
Accounts Payable	1,191,172	(54,907)	(1,314,074)	(905,883)	(1,117,469)	(250,519)	(2,451,680)	-	(2,451,680)
Accrued Payroll and Payroll Taxes	44,862	1,156	1,131	1,138	2,551	5,877	56,715	-	56,715
Deposits Held	-	-	-	-	-	500,000	500,000	-	500,000
Due to Other Funds	(1,022,035)	(192,317)	(133,256)	(128,499)	691,795		(784,312)	784,312	-
Unearned Revenue	-	-	1,298,125	(61,254)	862,042	(4,569)	2,094,344	-	2,094,344
Net Pension Liability	-	-	-	-	-	(247,267)	(247,267)	-	(247,267)
Deferred Outflows of Resources	-	-	-	-	-	407,449	407,449	-	407,449
Deferred Inflows of Resources	(5,507,617)	-	-	4,918,627	3,447,753	-	2,858,763	-	2,858,763
Net Cash Provided (Used) by Operating Activities	$ 7,954,953	$ 188,482	$ 26,814,550	$ 23,315,742	$ 60,104,577	$ (1,413,649)	$ 116,964,655	$ -	$ 116,964,655

See accompanying notes to financial statements.

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APPENDIX B

CERTAIN INFORMATION REGARDING
THE LARGE POOL POWER PURCHASERS

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Large Pool Power Purchasers
General Information Summary

	City of Lebanon	City of Farmington	City of Jackson	City of Marshall	Rolla Municipal Utilities
General					
Year Established	1853	1891	1905	1914	1945
Service Area (sq. Miles)	19	5.2	10.7	10.5	11.6
Fiscal Year End	June 30	Sept 30	Dec 31	Sept 30	Sept 30
Peak Load (in MW) & Energy Sales (in MWh)					
Fiscal Year 2017					
Peak Load – MW	57.5	49	37.4	37.2	67
Residential Sales	74,781	76,745	71,506	46,684	92,153
Commercial Sales	52,992	37,828	45,718	56,541	132,824
Industrial Sales	115,128	105,387	22,800	65,443	54,651
Other Sales	0	0	0	0	0
Total Sales	242,901	219,960	140,024	168,668	279,628
Fiscal Year 2016					
Peak Load – MW	62.5	49	37.5	38.6	64
Residential Sales	77,586	78,107	72,756	48,439	95,465
Commercial Sales	64,423	39,596	47,389	54,626	130,526
Industrial Sales	118,253	111,744	23,556	67,898	55,441
Other Sales	0	0	0	0	0
Total Sales	260,262	229,447	143,701	170,963	281,432
Fiscal Year 2015					
Peak Load – MW	65.5	49	37	38	67
Residential Sales	79,917	82,259	72,624	48,121	103,558
Commercial Sales	63,904	32,437	47,423	54,973	129,933
Industrial Sales	117,232	117,317	26,074	70,222	56,815
Other Sales	0	0	0	0	0
Total Sales	261,053	232,013	146,121	173,316	290,306
Customer Revenues (in 000's)					
Fiscal Year 2017					
Residential Sales	$ 9,760	$ 7,687	$8,564	$ 5,730	$ 9,760
Commercial Sales	12,068	3,752	5,244	6,526	12,068
Industrial Sales	4,249	9,554	2,338	5,881	4,249
Other Sales	331	345	0	420	331
Total Sales	$26,408	$21,338	$16,146	$18,557	$26,408
Fiscal Year 2016					
Residential Sales	$ 7,642	$ 7,788	$ 8,632	$ 5,922	$ 10,199
Commercial Sales	5,908	3,926	5,398	6,146	12,301
Industrial Sales	10,137	10,025	2,369	6,351	4,495
Other Sales	0	105	0	0	347
Total Sales	$23,687	$21,884	$16,399	$18,419	$27,342
Fiscal Year 2015					
Residential Sales	$ 7,244	$ 8,108	$ 8,540	$ 5,539	$ 10,759
Commercial Sales	5,466	4,035	5,315	6,016	12,226
Industrial Sales	9,364	10,081	2,561	5,939	4,600
Other Sales	0	11	0	0	349
Total Sales	$22,074	$22,235	$16,416	$17,494	$27,934

(1) Other category includes City services
* MoPEP Large Pool Participants are Cities with at least 5% of the total MoPEP peak load level for 2016.

Large Pool Power Purchasers
Balance Sheet Summary (in ‘000s)

	City of Lebanon	City of Farmington	City of Jackson	City of Marshall	Rolla Municipal Utilities
Fiscal Year End	**Oct 31**	**Sept 30**	**Unaudited Dec 31**	**Sept 30**	**Sept 30**
Fiscal Year 2017					
Assets:					
Utility Plant, Net	$ 1,320	$15,599	$18,138	$18,126	$38,577
Cash and Investments	11,016	7,851	9,600	24,499	25,587
Other Assets	3,234	4,851	0	7,103	6,168
Total Assets	15,570	28,274	27,738	49,728	70,332
Deferred Outflows of Resources	152	207	0	947	806
Total Assets & Deferred Outflows	$15,722	$28,481	$27,738	$50,675	$71,138
Liabilities, Deferred Inflows & Equity:					
Equity	$14,558	$23,795	$27,402	$47,150	$55,238
Bonds/Leases Payable, Noncurrent	-	1,810	0	-	10,247
Other Liabilities	1,083	2,737	336	3,170	5,249
Deferred Inflows of Resources	81	139	0	355	404
Total Liabilities, Deferred Inflows & Equity	$15,722	$28,481	$27,738	$50,675	$71,138
Fiscal Year 2016					
Assets:					
Utility Plant, Net	$ 871	$15,606	$14,543	$17,555	$38,117
Cash and Investments	9,610	8,270	11,784	23,264	26,339
Other Assets	3,800	4,455	441	7,746	4,767
Total Assets	14,281	28,331	26,768	48,565	69,223
Deferred Outflows of Resources	283	495	0	0	2,084
Total Assets & Deferred Outflows	$14,564	$28,826	$26,768	$48,565	$71,307
Liabilities, Deferred Inflows & Equity:					
Equity	$13,337	$22,507	$26,432	$46,317	$54,321
Bonds/Leases Payable, Noncurrent	-	2,873		-	11,129
Other Liabilities	1,170	3,356	336	1,777	5,429
Deferred Inflows of Resources	57	90	0	471	428
Total Liabilities, Deferred Inflows & Equity	$14,564	$28,826	$26,768	$48,565	$71,307
Fiscal Year 2015					
Assets:					
Utility Plant, Net	$ 594	$14,976	$13,979	$18,083	$39,705
Cash and Investments	8,500	6,528	10,362	20,733	24,846
Other Assets	5,281	4,788	175	8,188	4,010
Total Assets	17,481	26,292	24,516	47,004	68,561
Deferred Outflows of Resources	87	196	0	738	0
Total Assets & Deferred Outflows	$14,462	$26,488	$24,516	$47,742	$68,561
Liabilities, Deferred Inflows & Equity:					
Equity	$14,132	$21,045	$24,159	$44,332	$52,292
Bonds/Leases Payable, Noncurrent	0	2,640	0	0	11,978
Other Liabilities	268	2,747	357	3,175	4,291
Deferred Inflows of Resources	62	56	0	235	0
Total Liabilities, Deferred Inflows & Equity	$14,462	$26,488	$24,516	$47,742	$68,561

Income Sheet Summary (in '000s)

Fiscal Year End	City of Lebanon Oct 31	City of Farmington Sept 30	City of Jackson Dec 31 Unaudited	City of Marshall Sept 30	Rolla Municipal Utilities Sept 30
Fiscal Year 2017					
Customer Revenues	$24,773	$21,338	$16,182	$21,487	$29,256
Other Revenues	284	3,458	66	420	580
Total Revenues	25,057	24,796	16,248	21,907	29,836
Purchased Power Expense	21,053	17,225	11,887	11,541	20,903
Other Operating Expense	2,753	5,394	1,418	5,744	4,890
Total Operating Expenses	23,806	22,619	13,305	17,285	25,793
Net Revenues	1,251	2,177	2,943	4,622	4,043
Depreciation, Amortization	78	951	657	2,024	2,729
Transfers Out/(In)	0	-	944	1,788	-
Other non-Operating Expenses		(211)	0	-	437
Extraordinary Item	(31)	-	0	(23)	(8)
Net Income	$1,204	$1,437	$1,342	$833	$ 885
Debt Service/Capital Lease	$ -	$ 1,341	$ 0	$ -	$ -
Debt Service Coverage	0.00	1.62	0.0	0.00	0.00
Fiscal Year 2016					
Customer Revenues	$23,012	$21,844	$16,815	$21,294	$30,223
Other Revenues	291	3,422	66	327	1,054
Total Revenues	23,303	25,266	16,881	21,621	31,277
Purchased Power Expense	21,106	17,311	12,160	10,673	20,878
Other Operating Expense	2,388	5,522	1,418	5,583	5,626
Total Operating Expenses	23,494	22,833	13,578	16,256	26,504
Net Revenues	(191)	2,433	3,303	5,365	4,773
Depreciation, Amortization	49	922	662	1,579	2,935
Transfers Out/(In)	0	-	944	1,802	-
Other non-Operating Expenses	1	49	0	-	564
Extraordinary Item	-	-	(575)	-	-
Net Income	$(241)	$1,462	$2,272	$1,984	$ 1,274
Debt Service/Capital Lease	$ -	$ 627	$ 0	$ -	$ -
Debt Service Coverage	0.00	3.88	0.0	0.00	0.00
Fiscal Year 2015					
Customer Revenues	$23,198	$22,235	$16,813	$20,413	$30,902
Other Revenues	345	3,027	69	311	544
Total Revenues	$23,543	$25,262	$16,882	$20,724	$31,446
Purchased Power Expense	$23,720	$20,627	$12,590	$13,390	$21,910
Other Operating Expense	1,152	2,069	1,726	5,193	5,288
Total Operating Expenses	24,872	22,696	14,316	18,583	27,198
Net Revenues	$(1,329)	$ 2,566	$ 2,566	$ 2,141	$ 4,248
Depreciation, Amortization	0	$924	$ 646	$ 1,600	$2,851
Transfers Out/(In)	81	0	760	0	0
Other non-Operating Expenses	0	(157)	0	0	498
Extraordinary Item	0	0	0	0	0
Net Income	$(1,410)	$1,799	$1,160	$ 541	$899
Debt Service/Capital Lease	0	$504	$0	0	0
Debt Service Coverage	0	5.09	0.0	0	0

(1) Combined utility (electric and water)

Large Pool Power Purchasers
Top Ten Customers by Revenue for 2017

Customer	Industry	% of Revenues
Farmington		
SR Automotive Products	Automotive	10.7%
BJC Health Group	Medical Center/Health Services	4.9
US Tool Grinding Inc	Manufacturing – Tool	3.0
Farmington R-7 Schools	Education	2.7
Wal-Mart Supercenter	Retail	1.6
Schnuck’s Market	Retail	1.0
Menard’s	Retail	0.9
Country Mart	Retail	0.9
The Molding Company-Forte	Manufacturing – Plastics	0.8
Lowes Home Center	Retail	0.8
Jackson		
Jackson R-2 Schools*	Education	6.5%
Rubbermaid	Closet Organization Products	6.4
American Rail Car*	Railroad car industry	2.7
Mondi Jackson Inc.	Flexible packaging manufacturer	2.4
Midwest Sterilization	Processing	1.6
Cape Girardeau County*	Government	1.5
Wal-Mart	Retail	1.5
NLC, Inc.	Manufacturer electrical	1.2
Country Mart	Grocery Retail	1.1
Signature Packaging	Manufacturer Corrugated Packaging	0.8
Marshall		
Con Agra	Food Packaging Mfg	17.8%
Cargill	Food Packaging Mfg	5.8
Fitzgibbon Hospital	Hospital	2.2
Americold Logistics	Refrigeration Plant	2.2
Wal-Mart	Retail	1.8
CMAS	Grain Facility	1.7
MMU Wastewater	Government	1.6
MMU Water	Government	1.3
Marshal Public Schools	Schools 9-12	0.8
Marshall Egg Products	Agriculture-Dry Edd Production	0.8

* Multiple locations

Large Pool Power Purchasers
Top Ten Customers by Revenue for 2017 (continued)

Customer	Industry	% of Revenues
Rolla		
MS&T – Physical Facilities	Educational	13.7%
Phelps County Regional Medical Center	Medical	6.4
Brewer Science, Inc.	Research & Development	3.3
MS&T- Student Affairs	Educational	2.7
Rolla Public Schools	Educational	2.3
City of Rolla	Government	2.1
Mercy Clinic	Medical	1.6
Wal-Mart Stores Inc.	Retail	1.6
Rolla Municipal Utilities	Local Government	1.3
T&C/Price Chopper	Retail Supermarket	0.9
Lebanon		
Copeland	Manufacturer AC Compressors	13.1%
Independent Stave Company	Manufacturer Oak Barrels	8.2
Mercy Hospital	Healthcare	2.2
Detroit Tool Metal Products	Manufacturer Metal Stamper	2.1
Marathon Electric	Manufacturer Electric Motors	1.8
Wal-Mart	Retail	1.8
Tracker Marine Plastics	Manufacturing Plastic Kayaks	1.3
Detroit Tool & Engineering	Manufacturing Tool & Die	1.2
Marine Electric	Manufacturing Marine Electrical	1.1
Tracker Marine LLC	Manufacturer Aluminum Boats	1.0

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE ESCROW TRUST AGREEMENT

SUMMARY OF CERTAIN PROVISIONS

OF THE INDENTURE

The following is a summary of certain provisions of the Indenture and Escrow Trust Agreement. This summary is not to be considered a full statement of the terms of the Indenture or the Escrow Trust 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 Indenture and the Escrow Trust Agreement.

Definitions

"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.

"Adjusted Aggregate Debt Service" for any period means, as of any date of calculation, the Aggregate Debt Service for such period adjusted as follows:

(i) Excluded Principal Installments shall be excluded, and

(ii) Assumed Principal Amortization shall be included.

"Adjusted Net Revenues" means for any period, as of the date of calculation the sum of Net Revenues for such period plus Non-Power Supply System Pool Aggregate Debt Service for such period.

"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 MJMEUC and approved and adopted by the Board of Directors of MJMEUC, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Indenture, and which shall incorporate the Annual MoPEP Budget.

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

"Assumed Principal Amortization" means an assumed amortization of principal amount of Bonds which shall have been designated Excluded Principal Installments, determined as follows:

Either —

(i) for a period extending from the due date of such installment through the later of the 40th anniversary of the issuance of such Series of Bonds or the 10th anniversary of the due date of such installment, payable in each Fiscal Year or other regular 12-month periods on a level debt service basis assuming an expected rate of interest as set forth in an Officer's Certificate; or

(ii) for any such other period and basis as shall be declared reasonable in an Officer's Certificate, taking into account, among other factors, the useful life of assets financed or refinanced, availability of capitalized interest, expected rates of inflation, and the payment of other obligations by MJMEUC.

"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 incurred and Outstanding under the Indenture and which are payable ratably and equally with each other, from the Debt Service Account.

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

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange or the Securities Depository is closed.

"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 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; 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 that 2%) of said Series, or (iii) 125% of average annual debt service on said Series.

"Costs of Acquisition and Construction" with respect to the Power Supply System, means all costs of MJMEUC properly attributable to the acquisition, construction and placing in service of any part of the Power Supply System and all expenses preliminary and incidental thereto incurred by MJMEUC in connection therewith and in the issuance of the Bonds, including payment to MJMEUC of any amounts, if necessary, to reimburse advances and payments previously made or incurred for any item of Costs of Acquisition and Construction, including but not limited to:

(a) all amounts payable or reimbursable by MJMEUC in connection with the siting and construction of any part of the Power Supply System, and all costs and expenses incurred by MJMEUC in connection with the development of any part of the Power Supply System;

(b) all costs of acquiring, constructing, improving and equipping any part of the Power Supply System and necessary working capital or contingency reserves, including fuel costs, fuel transportation cost or any prepayment therefore, and any prepayment of Operating and Maintenance Expenses;

(c) planning and development costs, engineering fees, contractors' fees, costs of obtaining governmental or regulatory permits, licenses and approvals, costs of real property, labor, materials, equipment, supplies, training and testing costs, insurance and surety bond costs, legal and financing costs, audit fees and record maintenance expenses, costs of any necessary litigation, administrative and general costs;

(d) costs and expenses in connection with the authorization, sale and issuance of a Series of Bonds including legal, accounting, engineering, consulting, financing, technical, fiscal agent and underwriting costs, fees and expenses, premiums, credit enhancement costs or expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Indenture and Supplemental Indenture pursuant to which a Series of Bonds will be issued;

(e) interest on the Bonds during the period of the acquisition, construction and placing in service of any part of the Power Supply System and for such period thereafter as may be permitted by law;

(f) the amounts, if any, required by the Supplemental Indenture authorizing a Series of Bonds to be deposited into a Series Debt Service Account in the Debt Service Fund or the Common Debt Service Reserve Account or a Series Debt Service Reserve Account in the Debt Service Reserve Fund,;

(g) legally required or permitted federal, state and local taxes and payments in lieu of taxes incurred in connection with the acquisition and construction period of any part of the Power Supply System;

(h) any other costs and expenses during the acquisition and construction period of any part of the Power Supply system, including fees and expenses of the Trustee and of professional services to comply with the requirements of the Internal Revenue Code;

(i) the costs of paying and redeeming any Bonds that were issued in anticipation of the issuance of long-term Bonds; and

(j) all other costs incurred in connection with, and properly chargeable to, the acquisition and construction of any part of the Power Supply system and placing the same in operation.

"Covered Bond" or ***"Covered Bonds"*** means all Series of Bonds with respect to which MJMEUC 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.:

(1) <u>U.S. Export-Import Bank</u> (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership

(2) <u>Farmers Home Administration</u> (FmHA) Certificates of beneficial ownership

(3) <u>Federal Financing Bank</u>

(4) <u>General Services Administration</u> Participation certificates

(5) <u>U.S. Maritime Administration</u> Guaranteed Title XI financing

(6) <u>U.S. Department of Housing and Urban Development</u> (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.

"Excluded Principal Installment" shall mean any Principal Installment for any Series of Bonds which MJMEUC intends to pay with moneys which are not Revenues, provided that such intent shall have been expressed in the Supplemental Indenture authorizing such Series of Bonds and provided further that such Principal Installment shall be an Excluded Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as MJMEUC, as expressed in a Officer's Certificate filed with the Trustee, no longer intends to pay such Principal Installment with moneys which are not Revenues.

"Fiscal Year" means the annual 12-month accounting period of MJMEUC 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.

"General Reserve Fund" means the General Reserve Fund established in the Indenture.

"Investment Securities" means and includes any of the following securities which are at the time legal for investment of MJMEUC's funds under applicable law and the investment policies adopted by the Board of Directors of MJMEUC:

(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 MJMEUC 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 MJMEUC, 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 MJMEUC 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 MJMEUC, 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 MJMEUC:

(A) Repo meets guidelines under state law for legal investment of public funds.

(1) 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 Adjusted Aggregate Debt Service as computed for the then current or any succeeding Fiscal Year.

"Net Revenues" means, for any period of calculation, the total Revenues, determined on an accrual basis, during such period plus (x) the amounts, if any, paid or to be paid from the Rate Stabilization Fund during such period (excluding from (x) amounts included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the

Indenture) and minus (y) the sum of (a) Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues and (b) the amounts, if any, paid or to be paid from the Revenue Fund into the Rate Stabilization Fund during such period.

"***Non-Power Supply System Facilities***" means any properties or interest in properties of MJMEUC which MJMEUC uses only in part to provide electric service pursuant to the Pool Power Purchase Agreements and which were or will be financed pursuant to Non-Power Supply System Indentures.

"Non-Power Supply System Indentures" means (i) the Trust Indenture between MJMEUC and The Bank of New York Mellon Trust Company dated as of May 1, 2006, as amended and supplemented from time to time, authorizing the issuance of Missouri Joint Municipal Electric Utility Commission Power Project Revenue Bonds (Plum Point Project), (ii) the Trust Indenture between MJMEUC and The Bank of New York Mellon Trust Company dated as of August 1, 2006, as amended and supplemented from time to time, authorizing the issuance of Missouri Joint Municipal Electric Utility Commission Power Project Revenue Bonds (Iatan 2 Project), (iii) the Trust Indenture between MJMEUC and The Bank of New York Mellon Trust Company dated as of September 1, 2007, as amended and supplemented from time to time, authorizing the issuance of Missouri Joint Municipal Electric Utility Commission Power Project Revenue Bonds (Prairie State Project), and (iv) and any other indenture between MJMEUC and a trustee that requires MJMEUC to transfer Non-Power Supply System Pool Revenues to the trustee a security for bonds or other evidence of indebtedness.

"Non-Power Supply System Pool Aggregate Debt Service" means for any period, the aggregate debt service that MJMEUC has allocated to MoPEP for all bonds or outstanding under Non-Power Supply System Indentures.

"Non-Power Supply System Pool Revenues" means the portion of the revenues received by MJMEUC from the Pool Power Purchase Agreement that are allocable to the budgeted costs of the Non-Power Supply System Facilities.

"Officer's Certificate" means a written certificate, written order or written request of MJMEUC signed on behalf of MJMEUC by an authorized officer, which certificate shall be deemed to constitute a representation of, and shall be binding upon, MJMEUC 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.

"Operation and Maintenance Expenses" means all of MJMEUC's costs and expenses related to the operation and maintenance of the Power Supply System or the satisfaction of MJMEUC's obligations under the Pool Power Purchase Agreement incurred in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but excluding all costs and expenses related to Non-Power Supply System Facilities, 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, and including, without limiting the generability of the foregoing:

(a) costs of purchased power including transmission expenses incurred to meet obligations of the Pool Power Purchase Agreement, salaries and wages, fuel costs, costs of materials and supplies, costs of transmission service, generating capacity reserve service, regulation, or other interchange and coordination services, rents, administrative and general expenses, engineering expenses, legal, accounting and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, insurance costs (including premiums paid and amounts paid into a reserve fund for self-insurance programs);

(b) any taxes or payments in lieu of taxes and other governmental charges pursuant to law, and costs and expenses by reason of claims against MJMEUC resulting from, arising out of or connected with the, operation and maintenance of the Power Supply System, whether caused wholly or partially by the negligence (other than gross negligence) of MJMEUC, or its directors, officers, employees or agents;

(c) the costs of maintaining, protecting and defending all licenses, permits and approvals necessary for the continuing operation of the Power Supply System;

(d) periodic costs of any credit enhancement with respect to Bonds; fiduciaries' fees and expenses; and other agents' fees and expenses; and fees and expenses of other consulting and technical services; training of personnel; and

(e) costs, and any other current expenses or obligations required to be paid by MJMEUC under the provisions of the Indenture or by law, all to the extent properly allocable to the Power Supply System.

Operation and Maintenance Expenses shall not include items that are capitalized pursuant to the then existing accounting practices of MJMEUC and shall not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of Bonds (including Subordinated Indebtedness), or costs, or charges made therefor; costs or charges for capital improvements to or retirements from the Power Supply System which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the Power Supply System.

"Operation and Maintenance Fund" means the Fund by that name established pursuant to the Indenture.

"Opinion of Bond Counsel" means a written opinion of Gilmore & Bell, P.C., or other legal counsel selected by MJMEUC who is nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

"Other Indebtedness" means all bonds, notes or other evidence of indebtedness including Subordinated Bonds and capital leases (or the allocable portion thereof) issued or incurred by MJMEUC and on which MJMEUC intends to make payments with payments due to MJMEUC pursuant to the Pool Power Purchase Agreement but not including Bonds or indebtedness issued pursuant to a Non-Power Supply System 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.

"Pool Power Purchase Agreement" means the Amended and Restated Missouri Public Energy Pool #1 Agreement among MJMEUC and the Pool Power Purchasers, as hereafter from time to time amended and supplemented in accordance with its terms and the terms of the Indenture.

"Power Supply System Agreements" means any agreements regarding the joint ownership and/or operation of any part of the Power Supply System.

"Power Supply System" means all properties and interests in properties of MJMEUC, 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 MJMEUC in connection with its obligation to deliver full requirements power and energy pursuant to the Pool Power Purchase Agreement. Notwithstanding the foregoing definition, the term Power Supply System shall not include any properties or interest in properties of MJMEUC which are Non-Power Supply System Facilities.

"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" means any facility or other capital assets, prepayments or other costs related to the Power Supply System which are to be financed in whole or in part from the proceeds of Bonds as described in any Supplemental Indenture authorizing such Bonds.

"Project Fund" means the Project Fund established in the Indenture, and within such Fund a separate Series Project Account for each Project established pursuant to the Indenture and the any Supplemental Indenture authorizing a 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 MJMEUC and a swap counterparty who is a member of the International Swap Dealers Association, pursuant to which MJMEUC 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 MJMEUC (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 (i) 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.

"Rate Stabilization Fund" means the Rate Stabilization Fund established in the Indenture.

"Record Date" means, with respect to the Series 2010 Bonds, the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding an interest payment date on the Series 2010 Bonds.

"Reimbursement Obligation" means any amounts payable by MJMEUC 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 MJMEUC 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.

"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 MJMEUC from or attributable to or relating to the Power Supply System or to the payment of the costs thereof, including all revenues received or to be received by MJMEUC under the Pool Power Purchase Agreement or under any other arrangement by MJMEUC with respect to the sale or use of the Power Supply System or any portion thereof or the capacity or energy thereof; ,provided however that Revenues shall not include Non-Power Supply System Pool Revenues.

(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 Power Supply System; 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 Power Supply System (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 MJMEUC with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds except to the extent that MJMEUC specifies in a Supplemental Indenture that such interest and other investment income shall constitute Revenues; (4) amounts received by or on behalf of MJMEUC pursuant to any Qualified Swap Facility with respect to the Power Supply System except to the extent that MJMEUC specifies in a Supplemental Indenture that such amounts shall constitute Revenues; and (5) amounts received by or on behalf of MJMEUC pursuant to a Qualified Credit Facility with respect to the Power Supply System except to the extent that MJMEUC 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 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 to 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 MJMEUC and the Trustee pursuant to the Indenture.

"Trust Estate" means the property described as the Trust Estate in the Granting Clauses of the Indenture.

"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, MJMEUC hereby 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 MJMEUC 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 MJMEUC or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

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 therein.

Authorization of Bonds

MJMEUC 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 a 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 hereafter be provided in the Indenture or as may be limited by law.

Nothing contained in the Indenture will be construed to prevent MJMEUC 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 Power Supply System 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

MJMEUC may from time to time issue Subordinated Bonds for any purpose of MJMEUC in connection with the Power Supply System, including, without limitation, the financing of any part of the Costs of Acquisition and Construction of any 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 MJMEUC 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 MJMEUC 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 thereunder. 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 hereof.

MJMEUC may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Qualified Credit Facility as MJMEUC 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 MJMEUC 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 MJMEUC 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 herein as *"Reimbursement Obligations").*

Qualified Liquidity Facilities

The Supplemental Indenture providing for the issuance of a Series of Bonds may provide that MJMEUC 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 MJMEUC 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 herein 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, MJMEUC may obtain or enter into a Qualified Swap Facility providing for certain payments by MJMEUC and a swap counterparty, which payments are calculated by reference to fixed or variable rates and constituting a financial accommodation between MJMEUC and such swap counterparty if (a) MJMEUC determines that any such agreement (1) will assist MJMEUC 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) MJMEUC 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 MJMEUC enters into the Qualified Swap Facility.

MJMEUC may determine from time to time to enter into one or more Qualified Swap Facilities, provided that MJMEUC 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 MJMEUC, or by the Trustee for the account of MJMEUC, as a result of the termination of any Qualified Swap Facility or other fees) shall be made by MJMEUC (or by the Trustee for the account of MJMEUC) 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 MJMEUC 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 MJMEUC 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 MJMEUC 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 MJMEUC 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 MJMEUC shall be payable solely from amounts on deposit in the General Reserve Fund or an account or subaccount therein, or (2) received by MJMEUC 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 MJMEUC, 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:

(1) If MJMEUC 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 MJMEUC agrees in such Officer's Certificate that MJMEUC will deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between MJMEUC 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

(2) 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 MJMEUC 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 MJMEUC with respect to such Bonds and the net payments expected to be paid or received by MJMEUC 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 MJMEUC'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 MJMEUC 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, each of which shall be held by the Trustee or MJMEUC 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 MJMEUC.

(c) Operation and Maintenance Fund, to be held by MJMEUC.

(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) Rate Stabilization Fund to be held by MJMEUC.

(i) General Reserve Fund to be held by MJMEUC.

MJMEUC may, by Supplemental Indenture, establish one or more additional funds, accounts or subaccounts. All moneys deposited with or paid to MJMEUC or the Trustee for the Funds and Accounts held by MJMEUC or the Trustee, respectively, under the Indenture shall be held and applied by MJMEUC or the Trustee, as applicable, only in accordance with the provisions of the Indenture and each applicable Supplemental Indenture. Until used or applied as therein provided, 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 hereof and shall not be commingled with any other funds and accounts of MJMEUC 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 MJMEUC, any moneys received for or in connection with the Project being financed 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 a Project or the costs of refunding any Bonds in the manner provided in this Section.

Subject to the provisions of any applicable Power Supply System Agreements, the proceeds of insurance, including the proceeds of any self-insurance fund, maintained pursuant to the Indenture against physical loss of or damage to a 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 any Project, pay from the Project Fund to MJMEUC, 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 MJMEUC 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 this Section otherwise provided.

Revenues and Revenue Fund

All Revenues shall be promptly deposited by MJMEUC 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, MJMEUC 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 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 MoPEP Budget or are not expected to be due but have accrued.

(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 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 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 Rate Stabilization Fund, the amount budgeted in the current Annual MoPEP Budget or the amount otherwise determined by MJMEUC to be so used.

(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 MJMEUC out of the amounts on deposit in the Operation and Maintenance Fund, from time to time as such costs become due and payable.

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 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 MJMEUC 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 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 MJMEUC 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 MJMEUC 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 MJMEUC 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, MJMEUC 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. MJMEUC 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 MJMEUC determines that a Series of Bonds shall not have a claim for payment on the Common Debt Service Reserve Account, MJMEUC 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, MJMEUC 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.

MJMEUC 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 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 MJMEUC, then MJMEUC 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, MJMEUC may request that the cash or Investment Securities held in such Account in excess of the required amount be transferred by the Trustee to MJMEUC 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 MJMEUC, 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 Rate Stabilization 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 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.

Rate Stabilization Fund

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 MJMEUC shall transfer moneys from the Rate Stabilization 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 Rate Stabilization 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 Rate Stabilization Fund if less than the amount necessary) to make up such deficiencies.

Any balance of moneys and securities in the Rate Stabilization Fund not required to meet any deficiencies in any Series Debt Service Account or any Debt Service Reserve Account may be transferred by MJMEUC to the Operation and Maintenance Fund, if and to the extent deemed desirable by MJMEUC,.

General Reserve Fund

MJMEUC shall transfer from the General Reserve Fund (from Accounts therein in such order as MJMEUC shall determine) 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 Account and (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.

Amounts in the General Reserve Fund not required to meet a deficiency as required in this Section shall, upon a determination of MJMEUC, be applied to or set aside for any one or more of the following:

(a) deposit to the Rate Stabilization Fund in an amount determined by MJMEUC;

(b) 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 MJMEUC to finance or refinance the Costs of Acquisition and Construction;

(c) the purchase or redemption of any Bonds and expenses in connection with the purchase or redemption of any Bonds;

(d) 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 evidences of indebtedness payable on a basis subordinate to the Bonds; and

(e) any other lawful purpose of MJMEUC related to the Power Supply System.

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 MJMEUC 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 MJMEUC 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 MJMEUC 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 MJMEUC in Investment Securities which mature within 12 months from the date of such investment and moneys in the Rate Stabilization Fund and the General Reserve Fund shall be invested by MJMEUC 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.

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.

Operation and Maintenance of Power Supply System

MJMEUC shall at all times use its best efforts to operate or cause to be operated the Power Supply System properly and in an efficient and economical manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Power Supply System may be properly and advantageously conducted; provided, however, if MJMEUC is a minority undivided interest owner, as a tenant in common, of properties of the Power Supply System with other electric utilities, MJMEUC may rely on the majority undivided interest owners' decision with respect to operation and maintenance of such properties as fulfilling the requirements of the Indenture.

MJMEUC shall at all times comply with all terms, covenants and provisions, express and implied, of the Power Supply System Agreements and all other contracts or agreements affecting or involving the Power Supply System or business of MJMEUC with respect thereto and will enforce the provisions thereof against the other parties thereto. MJMEUC shall not consent or agree to any rescission of or amendment to any such agreements or contracts which, in the judgment of MJMEUC or the Trustee, will materially and adversely affect its rights thereunder.

Pool Power Purchase Agreement; Enforcement and Amendment

MJMEUC is duly authorized under all applicable laws to execute the Pool Power Purchase Agreement and to sell the capacity and output of the Power Supply System to the Pool Power Purchasers upon the terms and conditions contained in the Pool Power Purchase Agreement. MJMEUC shall not consent to the transfer or assignment of any Pool Power Purchaser's interest under the Pool Power Purchase Agreement unless MJMEUC 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.

The Pool Power Purchase Agreement, a certified or executed copy (or a composite copy) of which have been filed with the Trustee, sets forth the covenants and obligations of MJMEUC and the Pool Power Purchasers and reference is hereby made to the Pool Power Purchase Agreement for a detailed statement of said covenants and obligations of the Pool Power Purchasers thereunder. A copy of any amendment to the Pool Power Purchase Agreement, certified by an Authorized Officer, shall be filed with the Trustee.

MJMEUC shall collect all amounts payable to it by the Pool Power Purchasers with respect to the Power Supply System pursuant to the Pool Power Purchase Agreement or pursuant to any other power sales contract for the use or the sale of the capacity or output of the Power Supply System or any part thereof and forthwith deposit all such revenues, with the exception of the Non-Power Supply System Revenues, in the

Revenue Fund. MJMEUC shall enforce the provisions of the Pool Power Purchase Agreement and duly perform its covenants and agreements thereunder. MJMEUC 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 Pool Power Purchase Agreement which will reduce the payments required thereunder with respect to the Power Supply System or which will in any manner materially impair or materially adversely affect the rights of MJMEUC thereunder or the rights or security of the Bondowners under the Indenture. So long as the Bonds are Outstanding, MJMEUC shall not establish a billing period with respect to the Power Supply System under the Pool Power Purchase Agreement that is longer than a month.

The Trustee shall notify MJMEUC and the Pool Power Purchasers within **7** days after the occurrence thereof of any Event of Default involving the payment of principal or interest on the Bonds pursuant to the Indenture. MJMEUC agrees that if an Event of Default exists and is continuing under the Indenture, the Trustee in its name or in the name of MJMEUC may enforce all rights of MJMEUC and all obligations of the Pool Power Purchasers and MJMEUC under and pursuant to the Pool Power Purchase Agreement for and on behalf of the Bondowners.

The failure of a Pool Power Purchaser to make to MJMEUC any of the payments for which provision is made in its Pool Power Purchase Agreement within thirty days after MJMEUC 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 Agreement. Upon the occurrence of such an event of default under the Pool Power Purchase Agreement, MJMEUC shall immediately take all actions authorized by the Pool Power Purchase Agreement against such Pool Power Purchaser pursuant to the terms of the Pool Power Purchase Agreement.

Rates, Fees and Charges

MJMEUC shall promptly collect all amounts payable under the Pool Power Purchase Agreements as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any Pool Power Purchaser who does not pay such charges when due as provided in the Indenture.

MJMEUC shall at all times fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services of the Power Supply System, as shall be required to provide Revenues at least sufficient in each Fiscal Year, together with available investment income, for the payment of the sum of:

(a) the amount required to be paid during such Fiscal Year into 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 amounts, if any, budgeted to be deposited in the Rate Stabilization Fund or the General Reserve Fund during such Fiscal Year; and

(f) 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.

MJMEUC shall include in the Annual MoPEP Budget the annual cost of the Power Supply System 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 Power Supply System will provide total Revenues as required by the Pool Power Purchase Agreement.

MJMEUC will not furnish or supply or cause to be furnished or supplied any capacity, output, use, or service of the Power Supply System, free of charge to any person, firm or corporation, public or private, and MJMEUC may to the extent permitted by law enforce the payment of any and all accounts owing to MJMEUC by reason of the operation of the Power Supply System 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, MJMEUC shall prepare and file with the Trustee for the ensuing Fiscal Year an Annual Budget approved by the Board of Directors of MJMEUC, which Annual Budget shall incorporate an Annual MoPEP Budget with respect to the Power Supply System. Such Annual MoPEP Budget shall incorporate any Non-Power Supply System Facilities budget and set forth in reasonable detail the Non-Power Supply System Pool Revenues and associated operations, maintenance and debt service expenses for Non-Power Supply System Facilities, the estimated Revenues, Operation and Maintenance Expenses and other expenditures with respect to the Power Supply System 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 Power Supply System Agreement, the Pool Power Purchase Agreement and the Joint Contract and may set forth such additional information as MJMEUC may determine. The Annual Budget shall incorporate an Annual MoPEP Budget established for the purpose of setting rates for services to Pool Purchasers as set forth in the Pool Power Purchase Agreement.

Following the end of each quarter of each Fiscal Year, MJMEUC shall review the Annual Budget and the Annual MoPEP Budget for such Fiscal Year, and in the event such review indicates that the Annual Budget or the Annual MoPEP 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 Budget or the Annual MoPEP Budget, MJMEUC shall take the actions provided for in the Pool Power Purchase Agreement. In the event the Annual Budget is amended or supplemented due to an amendment of the Annual MoPEP Budget, MJMEUC will file with the Trustee a revised Annual Budget and the revised Annual MoPEP Budget for the remainder of the then current Fiscal Year.

Accounts and Reports

MJMEUC 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 Power Supply System and each Fund and Account established under the Indenture and relating to costs and charges under the Pool Power Purchase Agreement and which, together with the Pool Power Purchase Agreement and all other books and papers of MJMEUC, including insurance policies, relating to the Power Supply System, 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

MJMEUC shall annually, within 150 days after the close of each Fiscal Year, cause to be filed with the Trustee, and otherwise as provided by law, a copy of MJMEUC's Annual Report for such Fiscal Year, accompanied by an Accountant's Certificate, which shall include information relating to the Power Supply System, 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, MJMEUC 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.

MJMEUC shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by MJMEUC of any covenant, agreement or condition contained in the Indenture, an Officer's Certificate specifying such Event of Default or default and (b) within **150** 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, MJMEUC 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 MJMEUC 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 any Power Supply System Agreements, 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 MJMEUC to that end has been and will be duly and validly taken.

MJMEUC 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. MJMEUC 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 MJMEUC 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 MJMEUC 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.

MJMEUC will not create, and will use its good faith efforts to prevent the creation of, any mortgage or lien upon the Power Supply System or any property essential to the proper operation of the Power Supply System or to the maintenance of the Revenues. MJMEUC 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.

No part of the Power Supply System shall be sold, leased, mortgaged or otherwise disposed of, except as follows:

(a) MJMEUC may sell or exchange at any time and from time to time any property or facilities constituting part of the Power Supply System only if (A) it shall determine that such property or facilities are not needed or useful in the operation of the Power Supply System, or (B) the cost to MJMEUC of property or facilities sold or exchanged, less depreciation, is not more than 5% of the cost to MJMEUC of the property and facilities of the Power Supply System, less depreciation or (C) MJMEUC shall file with the Trustee an Officer's Certificate stating that the sale or exchange of such property or facilities will not impair the ability of MJMEUC to comply during the current or any future Fiscal Year with the provisions of the Indenture and (D) MJMEUC shall file with the Trustee an Opinion of Bond Counsel to the effect that such sale or exchange will not by itself cause interest on any tax-exempt Series of Bonds Outstanding under the Indenture to become subject to federal income taxation. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the Power Supply System shall forthwith be deposited into the Revenue Fund; provided, however, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Indenture;

(b) MJMEUC may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the Power Supply System, provided that any such lease, contract, license, arrangement, easement or right (A) does not impede the operation by MJMEUC or its agents of the Power Supply System, (B) does not materially adversely affect the rights or security of the Bondowners under the Indenture and (C) subject to certain exceptions set forth in the Indenture, MJMEUC shall file with the Trustee an Opinion of Bond Counsel to the effect that such lease, contract, license arrangement, for the use of, or grant easements or other rights will not by itself cause interest on any tax-exempt Series of Bonds Outstanding under the Indenture to become subject to federal income taxation. Any payments received by MJMEUC under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the Power Supply System or any part thereof shall constitute Revenues;

(c) MJMEUC may at any time sell or otherwise dispose of any part of its ownership interest in any facility jointly owned by MJMEUC and others if and to the extent required by or pursuant to the terms of the Power Supply System Agreements pursuant to which MJMEUC acquired its ownership interest in such facility provided that MJMEUC shall file with the Trustee an Opinion of Bond Counsel to the effect that such sale or other disposition will not by itself cause interest on any tax-exempt Series of Bonds Outstanding under the Indenture to become subject to federal income taxation; or

(d) MJMEUC may at any time lease, (1) as lessor, any real or personal property which is unused or unimproved, or which has become obsolete, nonproductive or otherwise unusable to the advantage of MJMEUC, or which is being acquired as a part of a lease/purchase financing for the acquisition and/or improvement of such property; and/or (2) as lessee, with an option of MJMEUC to purchase, any real or personal property for the extension and improvement of the Power Supply System. Property being leased as lessor and/or lessee pursuant to this subparagraph (d)(9) shall not be treated as part of the System for purposes of the Indenture and may be mortgaged, pledged or otherwise encumbered.

Maintenance of Insurance

MJMEUC shall, at all times, insure (or cause to be insured) the Power Supply System 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 Power Supply System, and in such relative amounts as are usually obtained, to the extent available on commercially reasonable terms. MJMEUC 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 Power Supply System, to the extent available on commercially reasonable terms. Insurance maintained pursuant to any Power Supply System Agreements shall be deemed in compliance with this subsection (a) if such insurance otherwise complies with the requirements of the Indenture.

Reconstruction; Application of Insurance Proceeds

If any useful portion of the Power Supply System shall be damaged or destroyed, MJMEUC shall as expeditiously as possible, continuously and diligently pursue or cause to be pursued the repair, reconstruction or replacement thereof, unless MJMEUC in an Officer's Certificate filed with the Trustee shall state, in the judgment of MJMEUC, that such repair, reconstruction or replacement is not in the interest of MJMEUC and the Bondowners or unless it is determined under the provisions of any Power Supply System Agreement that such repair, reconstruction or replacement is not to be undertaken.

The proceeds of any insurance payable to MJMEUC and not required to be paid as provided in any Power Supply System 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 MJMEUC or the Trustee at the written direction of MJMEUC 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 MJMEUC or the Trustee to the costs of reconstruction, or which MJMEUC shall at any time notify the Trustee are not to be so applied, shall be deposited into the Revenue Fund; provided, however, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Indenture. Notwithstanding the foregoing, in the event that payments are made from the Rate Stabilization 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 Rate Stabilization 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 any Power Supply System Agreements.

Tax Covenants

MJMEUC shall not use or permit the use of any proceeds of any tax-exempt Bonds or any other funds of MJMEUC, 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. MJMEUC agrees that so long as any of the Bonds remain

Outstanding, it will comply with the tax compliance provisions applicable to MJMEUC under any Supplemental Indenture with respect to a Series of Bonds.

MJMEUC agrees that so long as any of the tax-exempt Bonds remain Outstanding, it will comply with the tax compliance provisions applicable to MJMEUC under any Supplemental Indenture with respect to a Series of Bonds issued as tax-exempt Bonds.

MJMEUC and the Trustee (to the extent within its control) 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.

Notwithstanding any provision of the Indenture or tax compliance agreement to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with, or for the purpose of complying with, Section 148 of the Internal Revenue Code, or any successor statute or any regulation, ruling or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid to the United States of America or the determination of the maximum amount which may be invested in non-purpose obligations having a yield higher than the yield on the Bonds, and the Trustee shall not be liable or responsible for monitoring the compliance by MJMEUC with any of the requirements of Section 148 of the Internal Revenue Code or any applicable regulation, ruling or other judicial or administrative interpretation thereof; it being acknowledged and agreed that the sole obligation of the Trustee with respect to the investment of monies held under any fund or account created under the Indenture shall be to invest such monies in accordance with instructions received by it as set forth in the Indenture.

The Trustee from time to time may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Trustee, on behalf of MJMEUC, with such information as the Trustee, on behalf of MJMEUC, may request in order to determine in a manner reasonably satisfactory to the Trustee, on behalf of MJMEUC, all matters relating to (a) the actuarial yields on the tax-exempt Bonds as the same may relate to any data or conclusions necessary to verify that the tax-exempt Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with the rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by MJMEUC from amounts on deposit in the Operation and Maintenance Fund.

Notwithstanding any provision of this Section, if MJMEUC provides to the Trustee an Opinion of Bond Counsel to the effect that any action required under this Section is no longer required, or to the effect that some other or further action is required, to maintain the exclusion of interest on any tax-exempt Bonds from federal gross income, MJMEUC and the Trustee may conclusively rely on such opinion in complying with the provisions of the Indenture, and the covenants under the Indenture shall be deemed to be modified to that extent..

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 MJMEUC 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 Section), and continuance of such default or breach for a period of 60 days after there has been given to MJMEUC by the Trustee or to MJMEUC 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 MJMEUC 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 MJMEUC, or adjudging MJMEUC a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of MJMEUC 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 MJMEUC 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 MJMEUC, 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 the Indenture, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice to MJMEUC 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 MJMEUC 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 the Indenture 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 MJMEUC 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:

(1) such direction shall not be in conflict with any rule of law or the Indenture;

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

(3) 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 the Indenture (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys or any advances made by the Trustee), 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.

(2) 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

(3) 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 the Article, then, provided that no distribution has been made pursuant to the provisions of paragraph (2) of this subsection, the moneys shall be applied in accordance with the provisions of paragraph (1) of this subsection.

Fourth: To the payment of the remainder, if any, to MJMEUC 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, having a corporate trust office located in the State of Missouri. 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 MJMEUC, 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 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 Section, it shall resign immediately in the manner and with the effect specified in the Indenture.

Resignation and Removal of Trustee

The Trustee may resign at any time by giving written notice thereof to MJMEUC 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 MJMEUC and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. MJMEUC 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 MJMEUC and delivered to the Trustee. The foregoing notwithstanding, the Trustee may not be removed by MJMEUC 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 MJMEUC 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, MJMEUC 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, MJMEUC, 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 MJMEUC 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 MJMEUC 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 the Indenture 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 the Indenture.

Supplemental Indentures without Consent of Bondowners

Without the consent of the Owners of any Bonds, MJMEUC 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 MJMEUC 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 MJMEUC;

(g) to cure any ambiguity, to correct or supplement any provision in the Indenture which may be inconsistent with any other provision therein, 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 MJMEUC 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, MJMEUC 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 MJMEUC 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 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 hereto 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 MJMEUC 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 MJMEUC 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 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.

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 MJMEUC 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 MJMEUC, through MoPEP, to provide to each Pool Power Purchaser, and obligates each Pool Power Purchaser to purchase from MJMEUC, 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 MJMEUC 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 MJMEUC 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 MJMEUC 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, MJMEUC utilizes capacity and energy resources it acquires or develops on its own 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 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 MJMEUC in accordance with procedures established by the Pool Committee.

Operations and Planning

MJMEUC is responsible for coordinating, scheduling and dispatching all of the MoPEP resources. MJMEUC is required to utilize the MoPEP resources in accordance with the principles of economic dispatch and good utility practice.

In order to permit MJMEUC 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 MJMEUC 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, MJMEUC 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 MJMEUC'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 MJMEUC 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 MJMEUC 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

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 MJMEUC 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 MJMEUC. 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 MJMEUC.

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 MJMEUC (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 MJMEUC.

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 MJMEUC; (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 MJMEUC; (3) failure of MJMEUC to comply with any material obligation, which materially adversely affects MJMEUC'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 MJMEUC or a Pool Power Purchaser.

Upon the occurrence of an event of default by a Pool Power Purchaser, MJMEUC 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 MJMEUC 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 MJMEUC 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 MJMEUC or the Pool Power Purchaser.

MJMEUC may cancel the Pool Power Purchase Agreement as to a particular Pool Power Purchaser only for cause. As noted above, MJMEUC may terminate with respect to a defaulting Pool Power Purchaser upon at least 21 or five days' notice, as applicable. MJMEUC also has the right to terminate upon at least 60 days' notice if a Pool Power Purchaser fails to maintain its membership in MJMEUC.

Each Pool Power Purchaser has the option to terminate for cause in the event of default by MJMEUC, 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 of MJMEUC's financial, power-supply, fuel-supply, delivery-related and other obligations entered into by MJMEUC for MoPEP (the "*Resource Obligations*") 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 MJMEUC monthly charges designed to recover the Pool Power Purchaser's allocated share of MJMEUC's costs associated with each of the Resource Obligations incurred or acquired by MJMEUC prior to the Pool Power Purchaser's cancellation, including reasonable and customary charges relating to the administration of such resources. MJMEUC 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.

PROPOSED FORM OF
CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of May __, 2018 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by **MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY 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 $__________ **Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018** (the **"Bonds"**), pursuant to that certain Trust Indenture dated as of December 1, 2011 (the **"Original Indenture"**), and a Supplemental Trust Indenture No. 4, dated as of May 1, 2018 (**"Supplemental Indenture No. 4"**).

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 Large Pool Power Purchasers each are **"obligated persons"** 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. 3, 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 MJMEUC Financial Statements and the Audited Large Pool Power Purchaser Financial Statements, collectively.

"Audited Large Pool Power Purchaser Financial Statements" means the audited financial statements of each Large Pool 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 Large Pool Power Purchasers).

"Audited MJMEUC Financial Statements" means the audited financial statements of MJMEUC 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 MJMEUC).

"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 **$___________ Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018**, issued pursuant to that certain Trust Indenture dated as of December 1, 2011 (the **"Original Indenture"**), and a Supplemental Trust Indenture No. 4, dated as of May 1, 2018.

"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 MJMEUC, dated May __, 2018, relating to the Bonds, as the same may be amended or supplemented.

"Large Pool Power Purchaser" means, with respect to a particular Annual Report, each Pool Power Purchaser whose percentage of the combined coincident peak load of the Pool Power Purchasers during the year to which such Annual Report relates was in excess of five (5) percent.

"Listed Events" means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

"MoPEP 1" means the Missouri Public Energy Pool #1, a power pool created by contract between MJMEUC and certain MJMEUC 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 MJMEUC's members that receives full requirements service from MoPEP 1.

"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 Large Pool Power Purchaser Financial Statements", "Unaudited MJMEUC Financial Statements" and "Unaudited Financial Statements" mean the same as Audited Large Pool Power Purchaser Financial Statements, Audited MJMEUC Financial Statements and Audited Financial Statements, respectively, except that they shall not have been audited.

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 MJMEUC's fiscal year ending December 31, 2018, 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 Material 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.

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 Material 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 Material 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 Material 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 Material 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 arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original 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

By: ______________________________________
Title: General Manager 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 MJMEUC:

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 1 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 1 Loads and Resources": the MoPEP 1 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 1 energy requirements for the year to which the Annual Report relates.

2. the following with respect to Fredericktown Energy Center:

A. information with respect to the annual operations of the Fredericktown Energy Center, 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 MJMEUC Financial Statements or Unaudited MJMEUC Financial Statements, as applicable, included in such Annual Report, information with respect to the annual results of operations of the Power Supply System (as defined in the Final Official Statement), including MWh of electricity used in the Power Supply System from the Fredericktown Energy Center; and

C. the cost of capital improvements to the Fredericktown Energy Center constructed or acquired during that year and the sources of funding therefor.

3. the following with respect to Dogwood Generating Facility:

A. information with respect to the annual operations of the Dogwood Generating Facility, 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 MJMEUC Financial Statements or Unaudited MJMEUC Financial Statements, as applicable, included in such Annual Report, information with respect to the annual results of operations of the Power Supply System (as defined in the Final Official Statement), including MWh of electricity used in the Power Supply System from the Dogwood Generating Facility; and

C. the cost of capital improvements to the Dogwood Generating Facility constructed or acquired during that year and the sources of funding therefor.

(b) With respect to each Large Pool Power Purchaser, updated versions of the tables contained in Appendix B to the Final Official Statement with respect to such Large Pool Power Purchaser.

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PROPOSED FORM OF
OPINION OF BOND COUNSEL

________, 2018

Missouri Joint Municipal Electric Utility Commission
Columbia, Missouri

The Bank of New York Mellon Trust Company, N.A.
St. Louis, Missouri,
Trustee

Piper Jaffray & Co.
New York, New York,
Representative of the Underwriters

Re: $____________ Missouri Joint Municipal Electric Utility Commission, Power Supply System Revenue Bonds (MoPEP Facilities), Series 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Missouri Joint Municipal Electric Utility Commission (*"MJMEUC"*) of the above-captioned series of bonds (the *"Series 2018 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 December 1, 2011, as amended and supplemented from time to time including by Supplemental Trust Indenture No. 4 dated as of May 1, 2018, (collectively, the *"Indenture"*), between MJMEUC 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 MJMEUC 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 2018 Bonds have been duly authorized, executed and delivered by MJMEUC and are valid and legally binding special obligations of MJMEUC, payable solely out of the Net Revenues and other funds held by the Trustee and pledged under the Indenture. The Series 2018 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

2018 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 MJMEUC and is a valid and legally binding agreement of MJMEUC, enforceable against MJMEUC. The Series 2018 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 2018 Bonds, on a parity with any other Series of Bonds to be issued under the Indenture.

3. The interest on the Series 2018 Bonds [(including any original issue discount properly allocable to an owner thereof)] (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 MJMEUC complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2018 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. MJMEUC has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2018 Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2018 Bonds. The Series 2018 Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Except as set forth above, we express no opinion regarding other federal, state or local income tax consequences arising with respect to the Series 2018 Bonds.

The rights of the Owners of the Series 2018 Bonds and the enforceability of the Series 2018 Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

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,

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MPUA
Missouri Public Utility Alliance

MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION • POWER SUPPLY SYSTEM REVENUE BONDS (MoPEP FACILITIES), SERIES 2018

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