

CITY OF GALENA, KANSAS

MINUTES

On the 20th day of December, 2004, Council met in regular session with Mayor Pro Tem, Marion Davies presiding and the following Councilmen being present and responding to the roll call:

Dale Oglesby

Lynne Hardman

Darrell Shoemaker

Also present was Deborah Kitch, City Clerk, and with the following absent:

Mayor, Scott Donaldson

Among other proceedings the following was had, and is evidenced by the minutes of said session of the Council:

Mr. Rick Hendricks, appeared on behalf of The Empire District Electric Company and discussed proposed franchise continuation to render electric service to the City of Galena, Kansas, and its inhabitants. After considerable discussion of the matter, and ordinance was introduced entitled: "An Ordinance granting THE EMPIRE DISTRICT ELECTRIC COMPANY, a corporation, its successors and assigns, the right to use the streets, alleys and public grounds for the purpose of erecting and maintaining an electric distribution system, with the necessary poles, wires and other apparatus, equipment and appliances therefor, and to string wires above ground or carry same thereunder; and the right to do all things necessary and proper for the purpose of generating or otherwise procuring electric energy, or any part thereof, and distributing same throughout the City of Galena, Kansas, and of supplying and selling electric energy for light, power, heat and any other purposes to the said City and the inhabitants thereof, and fixing the terms and conditions upon which such rights may be granted and exercised."

This Ordinance was given Number 05-08.

Mr. Rick Hendricks, of The Empire District Electric Company, who was present at the meeting on behalf of Empire, advised the Council that pursuant to the rules of the Corporation Commission of Kansas, on December 1, 2004, Empire published in the official newspaper of the City notice that negotiations had commenced on the aforementioned Franchise Ordinance and that the Council would first consider the Franchise Ordinance on December 20, 2004. **Mr. Hendricks** further informed the Council that the Franchise Ordinance could not be passed on final reading until notice of the proposed franchise is published in full in the official newspaper of the City for twenty (20) days.

It was then moved by Councilman Oglesby, seconded by Councilman Hardman, that Franchise Ordinance Number 05-08 be read, and the same was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

The Ordinance was read, and a motion was then made by Councilman Oglesby that this reading be constituted as the first reading of Franchise Ordinance Number 05-08. It was seconded by Councilman Hardman and was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

Councilman Oglesby then moved that Franchise Ordinance Number 05-08 be placed on second reading, and that it be read and voted upon, section by section. This motion was duly seconded by Councilman Hardman, and it was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

Thereupon, Section One (1) was read, and a motion was made by Councilman Oglesby, that Section One (1) be adopted as read. This was duly seconded by Councilman Hardman, and was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

Sections Two (2), Three (3), Four (4), Five (5), Six (6) and Seven (7) were read and adopted by the Council by the same vote and procedure.

Then Councilman Oglesby moved that Franchise Ordinance Number 05-08 be placed on third reading. This motion was duly seconded by Councilman Hardman, and it was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

The Ordinance was read, and a motion was then made by Councilman Oglesby that Franchise Ordinance Number 05-08 be adopted by a roll call vote, and being duly seconded by Councilman Hardman, Franchise Ordinance Number 05-08 was duly passed by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

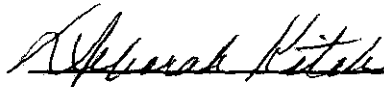
The Mayor Pro Tem thereupon declared Franchise Ordinance Number 05-08 passed, and held for a future meeting for final approval and signing.



CERTIFICATION

I, Deborah Kitch, Clerk of the City of Galena, Kansas, do hereby certify that the above and foregoing is a true and correct copy of a part of the minutes of the meeting of the City Council held December 20, 2004; being that part regarding Ordinance Number 05-08, passed by the Council, and held for a future meeting for final approval and signing.

In testimony whereof, I have here unto set me hand as said City Clerk, and affixed the Seal of said City, at my office in Galena, Kansas, this 20th day of December, 2004.



City Clerk

(SEAL)

Thereupon, Councilman Oglesby introduced an Ordinance directing the City Clerk of the City of Galena, Kansas, to forthwith cause to be published in full in the official newspaper of said City notice of the proposition to grant THE EMPIRE DISTRICT ELECTRIC COMPANY, a corporation, a franchise from the City of Galena, Kansas, by which THE EMPIRE DISTRICT ELECTRIC COMPANY, its successors and assigns, shall have the right to use the streets, alleys and public grounds for the purpose of erecting and maintaining an electric distribution system, and to do all things necessary for the purpose of generating or otherwise procuring electric energy, and distributing the same throughout the City of Galena, Kansas, and supplying and selling electric energy for light, power, heat and any other purposes, to the said City, and the inhabitants thereof, and fixing the terms and conditions upon which such rights may be granted and exercised.

BE IT ORDAINED by the Governing Body of the City of Galena, Kansas, as follows:

That the City Clerk of said City be and is hereby ordered and directed forthwith to cause to be published in full in the official newspaper of said City a notice for twenty (20) days of the proposition to grant THE EMPIRE DISTRICT ELECTRIC COMPANY, a corporation operating a system for the transmission of electric current between two (2) or more incorporated cities in the State of Kansas, a franchise for public utility purposes for which it is incorporated, upon the terms and conditions set forth in said Franchise Ordinance, which said notice shall read substantially as follows:

NOTICE

Notice is hereby given, pursuant to K.S.A., Section 12-824, of the proposition to grant to THE EMPIRE DISTRICT ELECTRIC COMPANY, a corporation, operating a system for the transmission of electric current between two (2) or more incorporated cities in the State of Kansas, a franchise by the incorporated City of Galena, of the State of Kansas, for the purposes set forth in said franchise, which said franchise contract is contained in an ordinance the Governing body of the City of Galena has adopted and will duly pass, and is substantially as follows:

PROPOSED ORDINANCE 2004-1

An Ordinance granting THE EMPIRE DISTRICT ELECTRIC COMPANY, a corporation, its successors and assigns, the right to use the streets, alleys and public grounds for the purpose of erecting and maintaining an electric distribution system, with the necessary poles, wires and other apparatus, equipment and appliances therefor, and to string wires above ground or carry same thereunder; and the right to do all things necessary and proper for the purpose of generating or otherwise procuring electric energy, or any part thereof, and distributing same through the City of Galena, Kansas, and of supplying and selling electric energy for light, power, heat and any other purposes to the said City and the inhabitants

thereof, and fixing the terms and conditions upon which such rights may be granted and exercised.

BE IT ORDAINED by the Governing Body of the City of Galena, Kansas, as follows:

SECTION 1. That THE EMPIRE DISTRICT ELECTRIC COMPANY, hereinafter called the COMPANY, its successors and assigns, are hereby authorized and empowered to use the streets, avenues, lanes, alleys and other public grounds and ways in the City of Galena, Kansas, as its limits now exist or may be altered, for the purpose of erecting and maintaining an electric distribution system, with the poles, wires (above ground or thereunder) and other apparatus, equipment and appliances necessary therefor; and for the purpose of conducting, supplying and selling electric energy to the City and the inhabitants thereof for light, power, heat and any other purposes; and for the purpose of erecting and maintaining a plant or plants in said City for the generating of such electric energy, or any part thereof, with the right in said COMPANY also to generate or procure said electric energy, or any part thereof, at other points and carry same into and through said City and there distribute and sell same.

SECTION 2. Said COMPANY shall use every reasonable precaution to avoid damage or injury to person or property, and agrees to indemnify and save harmless the said City from damage, injury, suits, actions, loss or expense arising from any negligent construction, reconstruction, repair, maintenance or operation of its said electrical system.

SECTION 3. The COMPANY agrees that it will furnish continuous and uninterrupted electric service from the beginning of such service to the end of the franchise period, except for interruptions caused by strikes, riots, Governmental interference or regulation, acts of Providence, or accidents beyond the control of the COMPANY.

SECTION 4. All rates established and charges made by the COMPANY for electric energy distributed and sold hereunder shall be subject to the present and future valid and lawful orders of the Corporation Commission of the State of Kansas, or other competent authority having jurisdiction. All terms, provisions and conditions of this ordinance, the distribution and sale of electric energy are subject to and shall be governed by any present and future valid and lawful supervision, review, change, amendment and modification by a competent authority having jurisdiction, and all present and future valid and lawful orders of said authority.

SECTION 5. All the terms and provisions of this Ordinance shall be binding upon the parties hereto, and upon their respective successors and assigns.

SECTION 6. The franchise granted herein shall continue and remain in full force and effect for a period of twenty (20) years from and after the effective date of this Ordinance, providing written acceptance is made in writing by the COMPANY, signed by its proper officers and filed with the City clerk within a period of thirty (30) days from and after said effective date.

SECTION 7. This Ordinance shall take effect and be in force, and the franchise herein granted shall be and become effective on February 7, 2005 and the City Clerk of said City is hereby directed and empowered to cause this Ordinance to be published in full in the official

newspaper of said City for one (1) publication after its final adoption and passage, and in accordance with the provisions of K.S.A., Section 12-824.

Passed this ___ day of _____, 20 ____.

Approved and signed this _____ day of _____, 20 _____.

MAYOR

(S E A L)

CITY CLERK

This Ordinance was given Number "Proposed Ordinance 2004-1"

It was then moved by Councilman Oglesby, seconded by Councilman Hardman, that Notice Ordinance Number "Proposed Ordinance 2004-1" be read, and the same was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye
Lynne Hardman, Aye
Marion Davies, Aye
Darrell Shoemaker, Aye
Nay, None

The Ordinance was read, and a motion was then made by Councilman Oglesby that this reading be constituted as the first reading of Proposed Ordinance 2004-1. It was seconded by Councilman Hardman and was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye
Lynne Hardman, Aye
Marion Davies, Aye
Darrell Shoemaker, Aye
Nay, None

Councilman Oglesby then moved that Proposed Ordinance 2004-1 be placed on second reading, and that it be read and voted upon, section by section. This motion was duly seconded by Councilman Hardman, and it was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye
Lynne Hardman, Aye
Marion Davies, Aye
Darrell Shoemaker, Aye
Nay, None

Thereupon, Section One (1) was read, and a motion was made by Councilman Oglesby, that Section One (1) be adopted as read. This was duly seconded by Councilman Hardman, and was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye
Lynne Hardman, Aye
Marion Davies, Aye
Darrell Shoemaker, Aye

Nay, None

Sections Two (2), Three (3), Four (4), Five (5), Six (6) and Seven (7) were read and adopted by the Council by the same vote and procedure.

Then Councilman Oglesby moved that Proposed Ordinance 2004-1 be placed on third reading. This motion was duly seconded by Councilman Hardman, and it was so ordered by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

The Ordinance was read, and a motion was then made by Councilman Oglesby that Notice Proposed Ordinance 2004-1 be adopted by a roll call vote, and being duly seconded by Councilman Hardman, Proposed Notice Ordinance Number 2004-1 was duly passed by vote of the Council, the vote thereon being:

Dale Oglesby, Aye

Lynne Hardman, Aye

Marion Davies, Aye

Darrell Shoemaker, Aye

Nay, None

The Mayor Pro Tem thereupon declared Proposed Notice Ordinance Number 2004-1 passed, signed and sealed by the City Clerk on this 20th day of December, 2004.

CERTIFICATION

I, Deborah Kitch, Clerk of the City of Galena, Kansas, do hereby certify that the above and foregoing is a true and correct copy of a part of the minutes of the meeting of the City Council held December 20, 2004; being that part regarding the approval and passage of Proposed Ordinance Number 2004-1, as same appears in the records of said City.

In testimony whereof, I have here unto set my hand as said City Clerk, and affixed the Seal of said City, at my office in Galena, Kansas, this 20th day of December, 2004.


CITY CLERK

(S E A L)

CITY OF GALENA, KANSAS

MINUTES

On the 7th day of February, 2005, Council met in regular session with Mayor, Scott Donaldson presiding and the following Councilmen being present and responding to the roll call:

Dale Oglesby

Lynne Hardman

Marion Davies

Darrell Shoemaker

Absent: None

Also present was Deborah Kitch, City Clerk

Among other proceedings the following was had, and is evidenced by the minutes of said session of the Council:

Mr. Rick Hendricks, appeared on behalf of The Empire District Electric Company and filed proof of publication for twenty (20) days in The Galena Sentinel-Times, official newspaper of said City, and being a newspaper in general circulation in the City of Galena, Kansas, of the proposition to grant The Empire District Electric Company, a corporation, a franchise for public utilities purposes for which it is incorporated.

Mr. Hendricks, further informed the Council that after passage on final reading, a copy of Ordinance No. 05-08 will be sent by Empire to the Corporation Commission of the State of Kansas together with published notice that negotiations had commenced between Empire and the City regarding the Franchise.

After considerable discussion of the terms and conditions of said franchise, and the Mayor stating that no Petition of Protest of proper form and/or of sufficient signers has been presented to the Clerk as allowed by law, it was moved by Councilman Oglesby, and seconded by Councilman Hardman, that Ordinance No. 05-08, granting The Empire District Electric Company, a corporation, a franchise for public utilities purposes for which it is incorporated, to render services thereof and thereupon, be finally read section by section, and Mayor Scott Donaldson asked after each section:

"Are there any amendments or corrections?" There being none after the ordinance was fully read, the Clerk asked, "Shall the ordinance pass?", and the same was duly passed by a vote of the Council, the vote thereon being:

Oglesby, Aye

Donaldson, Aye

Hardman, Aye

Davies, Aye

Shoemaker, Aye

Nay, None

The Mayor thereupon declared the Ordinance approved, signed the same, and it was duly sealed and attested by the City Clerk.

CERTIFICATION

I, Deborah Kitch, Clerk of the City of Galena, Kansas, do hereby certify that the above and foregoing is a true and correct copy of a part of the minutes of the meeting of the City Council held February 7, 2005; being that part regarding the approval and passage of Ordinance Number 05-08 as same appears in the records of said City.

In testimony whereof, I have here unto set my hand as said City Clerk, and affixed the Seal of said City, at my office in Galena, Kansas, this 7th day of February, 2005.


CITY CLERK

(S E A L)

February 8, 2005

To the **Mayor** and City Council
of the City of Galena, Kansas:

THE EMPIRE DISTRICT ELECTRIC COMPANY hereby accepts the terms and
provisions of Ordinance No. 05-08, passed by your Honorable Body on
February, 7, 2005.

By Michael E. Palmer
Michael E. Palmer
Vice President

(SEAL)

ATTEST:

J. S. Watson
J. S. Watson
Secretary

**THE EMPIRE DISTRICT ELECTRIC COMPANY
MUNICIPAL ELECTRIC SERVICE AGREEMENT**

Bill No.

Ordinance No. 05-09

AN ORDINANCE authorizing and providing a contract between the City of Galena, Kansas (hereinafter sometimes called the CITY) and The Empire District Electric Company (hereinafter sometimes called the COMPANY), its successors or assigns, for electric service and equipment to light the CITY's streets, alleys and public ways, electric service for light and power for the CITY's parks, other properties and public places, for a term of years, and specifying the prices to be paid for such lighting and power service, and the terms and conditions of such contract; and providing for discounts from rates, and for a payment by the COMPANY, and acceptance by the CITY of such discounts and such payment as full payment by the COMPANY of any Occupation Tax, Franchise Tax, License Tax or any similar tax or charge by the CITY for the establishment, operation and maintenance of the COMPANY's facilities within the CITY; and providing further that said discounts and said payment shall not be taken in lieu of the CITY's right to collect motor vehicle license fees and any ad valorem tax on the COMPANY's real estate and personal property.

BE IT ORDAINED by the governing body of the City of Galena, Kansas as follows:

ARTICLE 1: That said City of Galena, Kansas is hereby authorized and does contract with The Empire District Electric Company, a corporation, its successors or assigns for electric service and equipment to light the CITY's streets, alleys and public ways; and electric service for light and power for the CITY's parks, other properties and public places.

ARTICLE 2: The CITY and the COMPANY mutually agree that this ordinance will constitute a contract and that all of its terms, conditions and provisions for payment shall be in effect for a period of one (1) year from February 8, 2005, provided that same has been executed as provided in Article 15, and shall be automatically extended for a further period of one (1) year from each successive expiration date unless one party shall notify the other in writing not less than sixty (60) days prior to any such expiration date of its desire to terminate this agreement; and further providing that this contract shall not be effective for a total period exceeding ten (10) years; and further provided that the terms of Article 5 are not limited by the terms of Article 2.

ARTICLE 3: The COMPANY agrees to furnish and the CITY agrees to use and pay for the street lighting service described in SPL Street Lighting Data sheet, designated Exhibit A, attached hereto and made a part hereof, and for any and all additional street lighting service subsequently agreed upon under the terms of this contract or any amendment hereto, according to the rates and conditions set out in the Municipal Street Lighting Service Schedule SPL, attached hereto and made a part hereof.

ARTICLE 4: When, by agreement with the CITY, the COMPANY shall install, own, operate and maintain street lights charged for under Schedule SPL, or is required to provide special or excessive electric facilities to serve CITY owned street lighting systems served under Schedule SPL, there shall be charged, in addition to the rates hereinbefore set out, a Facilities Usage Charge, payable as herein provided, as mutually agreed upon by the parties.

ARTICLE 5: It is agreed that the Facilities Usage Charge shall be computed at the rate set forth in Municipal Street Lighting Service Schedule SPL as now or in the future approved by competent authority having jurisdiction. Said rate shall be applied to the investment in COMPANY owned street lights and special or excessive electric facilities to serve CITY owned street lights utilized by the CITY under Schedule SPL. The total of such investment by the COMPANY is \$48,042.72 and the total of the Facilities Usage Charge shall be \$8,647.69 until additional street lights are requested by the CITY and installed by the COMPANY and this contract amended by written agreement. Such Facilities Usage Charge shall be due and payable by the CITY of Galena, Kansas to the COMPANY so long as the street lights and/or special electric facilities herein referred to in Article 4 and its references shall be utilized by said CITY, but for a term of not less than ten (10) years from date hereof, and shall be payable as provided in said Schedule SPL.

ARTICLE 6: The COMPANY agrees to change the location of any street lamp in use upon written request of the CITY, provided the CITY shall pay the COMPANY the actual cost thereof.

ARTICLE 7: The COMPANY shall furnish and the CITY shall take and pay for all electric service for municipal use, other than street lighting service, as may be required from time to time by the CITY in its parks, buildings, properties and public places, according to the rates and provisions of the filed standard rate schedules of the COMPANY, subject to the provisions of Municipal-General Power and Lighting Service (Rider M), attached hereto and made a part hereof.

ARTICLE 8: The COMPANY agrees to pay to the CITY during the term of this contract and at such times as may be mutually agreed upon a sum equal to five (5) percent of the gross receipts collected by the COMPANY from the sale of all electric energy sold to all of COMPANY's customers within the present or future boundaries of the CITY of Galena, Kansas under rate schedules as now or in the future approved by the State Corporation Commission of Kansas for residential and commercial service to a maximum of twenty-five (25.00) per month of the charges for service to all customers, with schools and churches being exempt.

ARTICLE 9: The discounts provided in the attached Schedule and Rider, and in all applicable rates, rules and regulations of the COMPANY filed with competent authority having jurisdiction as now or hereafter promulgated, shall be allowed provided the CITY utilizes the COMPANY's service for its entire requirements for electric or power service and the COMPANY serves the CITY under the provisions of an electric franchise having an original term of not less than ten (10) years; and the amounts resulting from the above discounts and the payments made by the COMPANY to the CITY shall be accepted by the CITY as full payment of any Occupation Tax, Franchise Tax, License Tax or any similar tax or charge imposed upon the COMPANY by the CITY for the establishment, operation and maintenance of the COMPANY's facilities within the CITY; provided, however, that said discounts and said payment shall not be taken in lieu of the CITY's right to collect motor vehicle license fees or any ad valorem tax on the COMPANY's real estate and personal property.

ARTICLE 10: The COMPANY agrees to protect the CITY and save it harmless from any and all loss, damage or expense to persons or property which is caused by the negligence of the COMPANY in its use or maintenance of any and all equipment owned by it, and used to supply service under this contract.

The CITY agrees to protect the COMPANY and save it harmless from any and all loss, damage or expense to persons or property, which may arise due to the use or maintenance of any street lighting equipment owned by the CITY, unless such loss, damage or expense be the sole and proximate result of the COMPANY's negligence.

ARTICLE 11: The COMPANY agrees to exercise reasonable care in maintaining the facilities to be maintained by it and in rendering the service to be rendered by it in the performance of this contract, so that the said service and said facilities may be furnished and maintained in a satisfactory manner.

ARTICLE 12: The CITY agrees for the term of this contract to utilize the COMPANY's service for the purpose herein set forth, and that the electric service rendered the City hereunder shall be for its use alone, and shall not be resold, and that it will utilize no electric or power service from a source other than the COMPANY.

ARTICLE 13: The rates and charges to be paid by the CITY herein are subject to change and amendment by application of the COMPANY to the State Corporation Commission of Kansas or other regulatory authority having jurisdiction. All terms, provisions and conditions of this Agreement, the distribution and sale of electric energy provided by the COMPANY hereunder, and the operating rules, regulations and practices of the COMPANY relating to such sale and distribution, are subject to and shall be governed by any valid and lawful present and future supervision, review, change, amendment, approval and modification by a competent regulatory authority having jurisdiction and all present and future valid and lawful orders or said authority. Should said authority make any order binding on the CITY with respect to any payments being made by the COMPANY to the CITY under this agreement which would preclude the COMPANY from recovering from its customers such cost, the parties hereto agree to renegotiate such provisions of this agreement in accordance with said ruling.

ARTICLE 14: This contract supersedes all prior representations of agreements, either verbal or written, concerning matters herein contained, and shall inure to the benefit of and be binding upon the respective legal representatives, successors and assigns of the parties hereto.

ARTICLE 15: Upon the passage and approval of this Ordinance, two copies thereof shall be prepared by the Clerk, and shall be signed in the name of the CITY by the Mayor with the seal of the CITY affixed, attested by the Clerk, and shall also be signed for THE EMPIRE DISTRICT ELECTRIC COMPANY by a proper officer, with the seal of the COMPANY affixed, attested by its Secretary, and thereupon same shall be a valid and binding contract between the said parties as of February 8, 2005. One counterpart shall be delivered to the Clerk, placed and kept in the records of the CITY, and the other counterpart shall be delivered to the COMPANY.

Approved this 7th day of February, 2005.

(CITY SEAL)

ATTEST:

Deborah Kitch
CLERK

CITY OF GALENA, KANSAS

M Scott Donaldson
MAYOR OR BOARD CHAIRMAN

The foregoing Ordinance having been duly passed and adopted, the City of Galena, Kansas and THE EMPIRE DISTRICT ELECTRIC COMPANY hereby execute this contract in their respective corporate names by their proper officers with their respective corporate seals hereto affixed, as and for their contract covering all the terms of said Ordinance.

Done this 7th day of February, 2005.

(CITY SEAL)

ATTEST:

Deborah Kitch
CLERK

CITY OF GALENA, KANSAS

By M Scott Donaldson
MAYOR OR BOARD CHAIRMAN

THE EMPIRE DISTRICT ELECTRIC COMPANY

By M E Palmer
VICE PRESIDENT

(COMPANY SEAL)

ATTEST:

J. Watson
SECRETARY

STATE OF KANSAS)
)
COUNTY OF CHEROKEE) SS.
)
CITY OF GALENA

I, Deborah Kitch, Clerk of the City of Galena, Kansas do hereby certify that the above and foregoing is a full, true and correct copy of Ordinance No. 05-09, duly passed by the Governing Body of said Municipality and the execution of the contract therein provided, as the same appears on the records of said Municipality.

Witness my hand and the seal of said City this 7th day February, 2005.

Deborah Kitch
CLERK

(CITY SEAL)

THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 3

THE EMPIRE DISTRICT ELECTRIC COMPANY
(Name of Issuing Utility)

SCHEDULE SPL

ALL TERRITORY

Replacing Schedule SPL Sheet 3

(Territory to which schedule is applicable)

which was filed 9-8-94

MUNICIPAL STREET LIGHTING SERVICE
SCHEDULE SPL

Sheet 1 of 2 Sheets

AVAILABILITY:

This schedule is available to municipalities served by the Company under the provisions of an Electric Franchise having an original term of not less than ten (10) years, for outdoor lighting for streets, alleys, parks and public places under the provisions of the Company's standard MUNICIPAL ELECTRIC SERVICE AGREEMENT, having an original term of not less than two (2) years.

ANNUAL STREET LIGHTING CHARGE:

The charges below shall apply for street lighting systems (1) owned by the Municipality, or (2) installed, owned, operated and maintained by the Company, in accordance with a Facilities Usage Charge as hereinafter set forth.

Mercury-Vapor Lamp Sizes:

7,000 lumen.....	\$ 109.10
11,000 lumen.....	132.50
20,000 lumen.....	191.85
53,000 lumen.....	338.45

High-Pressure Sodium-Vapor Lamp Sizes (lucalox, etc.):

6,000 lumen.....	96.50
16,000 lumen.....	125.55
27,500 lumen.....	163.30
50,000 lumen.....	240.30
130,000 lumen.....	400.45

FACILITIES USAGE (INVESTMENT) CHARGE:

When, by agreement with the Municipality, the Company shall install, own, operate and maintain street lights served under this schedule or is required to provide special or excessive electric facilities to serve Municipality-owned street lighting systems served under this schedule, a separate agreement shall be executed by and between the Municipality and the Company setting forth the investment in such street lighting facilities and a Facilities Usage Charge in the amount of 1.5% per month of such investment. The Facilities Usage Charge shall be payable by the Municipality to the Company in the manner prescribed in the aforementioned separate agreement and in addition to the Street Lighting Charge as set forth herein.

DISCOUNT:

The total charges under this Schedule for Street Lighting and Facilities Usage shall be subject to a fifty percent (50%) discount plus an additional discount which shall be equal to one-half of one percent (0.5%) of the Annual Revenue received by the Company within the Municipality for a period of twelve (12) months ending December 31, from the Customers billed under Rate Schedules for Residential and Commercial service having a Billing Demand (Reserved Capacity) of 40 Kilowatts or less.

MINIMUM:

The total annual net amount of the Street Lighting Charge, plus the Investment Charge, shall not be less than an amount equal to twelve times the total of charges to the Municipality for street lighting service for the calendar month prior to the date of the contract.

Commission File Number _____

Issued	<u>June</u>	<u>24</u>	<u>2002</u>
	Month	Day	Year
Effective	<u>July</u>	<u>1</u>	<u>2002</u>
	Month	Day	Year
By	_____		Vice President
	Signature of Officer		Title

02-EPDE-488-RTS
APPROVED
Kansas Corporation Commission
June 27, 2002
/s/ Jeffrey S. Wagaman

THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 3

THE EMPIRE DISTRICT ELECTRIC COMPANY

(Name of Issuing Utility)

SCHEDULE SPL

ALL TERRITORY

(Territory to which schedule is applicable)

Replacing Schedule SPL Sheet 3

which was filed 9-8-94

MUNICIPAL STREET LIGHTING SERVICE
SCHEDULE SPL

Sheet 2 of 2 Sheets

PAYMENT:

All bills shall be rendered monthly at 1/12th the annual rates and shall be payable on or before the 25th day of each month succeeding the month during which service was rendered.

CONDITIONS OF SERVICE:

1. No new street lighting installation shall use Incandescent lamps.
2. No new individual lamp installation shall be less than 6,000 lumen.
3. All lamps shall burn every night from dusk to dawn, subject to a reasonable maintenance schedule.
4. The character of street lighting circuit (series or multiple) shall be determined by the Company.
5. If the Municipality owns the Street Lighting System, the Company will furnish electric energy, will inspect street lights, replace broken lamps or glassware, and repaint steel poles when necessary. However, replacement or repairs to poles, conduit, cable, overhead conductors or fixtures other than glassware shall be paid for by the Municipality.

Commission File Number _____

Issued June 24 2002
 Month Day Year

Effective July 1 2002
 Month Day Year

By _____ Vice President
 Signature of Officer Title

02-EPDE-488-RTS
 APPROVED
 Kansas Corporation Commission
 June 27, 2002
 /s/ Jeffrey S. Wagaman

FROM THE RECORDS OF THE CITY OF GALENA, KANSAS

The **COUNCIL** of the City of **Galena**, Kansas, met in regular session at City Hall, at 6 o'clock P.M. on Monday, February 7, 2005, with the following present:

Mayor, Scott Donaldson, Dale Oglesby Lynne Hardman
Marion Davies Darrell Shoemaker

and with the following absent: None

When and where the following, among other proceedings of the Council were had and made a matter of record, to-wit:

A bill was submitted for consideration, entitled: "An Ordinance authorizing and providing a contract between the City of **Galena**, Kansas, (hereinafter sometimes called the **CITY**) and The Empire District Electric Company (hereinafter sometimes called the **COMPANY**), its successors or assigns, for electric service and equipment to light the **CITY'S** streets, alleys, and public ways, electric service for light and power for the **CITY'S** parks, other properties and public places, for a term of years, and specifying the prices to be paid for such lighting and power service, and the terms and conditions of such contract; and providing for discounts from rates, and for a payment by the **COMPANY**, and acceptance by the **CITY** of such discounts and such payments as full payment by the **COMPANY** of any Occupation Tax, Franchise Tax, License Tax or any similar tax or charge by the **CITY** for the establishment, operation and maintenance of the **COMPANY'S** facilities within the **CITY**; and providing further that said discounts and said payment shall not be taken in lieu of the **CITY'S** right to collect motor vehicle license fees and any ad valorem tax on the **COMPANY'S** real estate and personal property."

Mr. Rick Hendricks of the Empire District Electric Company, who was present at the meeting on behalf of Empire advised the Council that pursuant to the rules of the Corporation Commission of Kansas on December 1, 2004, Empire published in the official newspaper of the City notice that negotiations had commenced on the aforementioned contract. Mr. Hendricks further informed the Council that after passage on final reading a copy of Ordinance No. 05-09 will be sent by Empire to the Corporation Commission of the State of Kansas together with published notice that negotiations had commenced between Empire and the City regarding the aforementioned contract.

After considerable discussion of the matter by the Council, a motion was made by Dale Oglesby, seconded by Lynne Hardman, that the bill be placed on its first reading; the same was publicly read in detail and passed on its first reading by the following vote:

Scott Donaldson, Aye Dale Oglesby, Aye Lynne Hardman, Aye
Marion Davies, Aye Darrell Shoemaker, Aye
Nay, None.

It was moved by Dale Oglesby, seconded by Lynne Hardman, that any rules contrary thereto be suspended and the bill be placed on its second reading; was read and passed on its second reading by the following vote:

Scott Donaldson, Aye Dale Oglesby, Aye Lynne Hardman, Aye
Marion Davies, Aye Darrell Shoemaker, Aye
Nay, None.

It was moved by Dale Oglesby, seconded by Lynne Hardman, that any rules contrary thereto be suspended and the bill be placed on its third and final reading; was read and passed on its third reading by the following vote:

Scott Donaldson, Aye Dale Oglesby, Aye Lynne Hardman, Aye
Marion Davies, Aye Darrell Shoemaker, Aye
Nay, None.

It was moved by Dale Oglesby, seconded by Lynne Hardman, that the bill be given the title of Ordinance No. 05-09 and be adopted and the same was adopted by the following vote:

Scott Donaldson, Aye Dale Oglesby, Aye Lynne Hardman, Aye
Marion Davies, Aye Darrell Shoemaker, Aye
Nay, None.

Said instrument was then signed by the Mayor and attested by the Clerk, and being so passed and adopted, was made a part of the records of the City Council.

I, Deborah Kitch, Clerk of the City of **Galena**, Kansas, do hereby certify that the above and foregoing is a true and correct copy of a part of the minutes of the meeting of the City Council held on February 7, 2005, being that part regarding the passage of Ordinance No. 05-09, as same appears in the records of said City.

In testimony hereof, I have hereunto set my hand as said City Clerk, and affixed the seal of said City, at my office in **Galena**, Kansas, this 7th day of February, 2005.



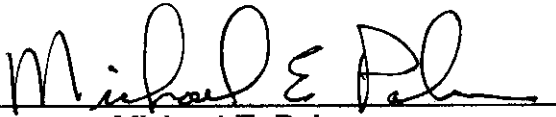
CITY CLERK

(SEAL)

February 8, 2005

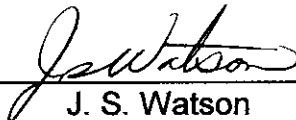
To the **Mayor** and City Council
of the City of **Galena**, Kansas:

THE EMPIRE DISTRICT ELECTRIC COMPANY hereby accepts the terms and
provisions of Ordinance No. 05-09, passed by your Honorable Body on
February 7, 2005.

By 
Michael E. Palmer
Vice President

(SEAL)

ATTEST:


J. S. Watson
Secretary