

to be considered by the Federal Power Commission under the new rules relating to recapture by the federal government. The license was made effective retroactive to September 1, 1968, and would terminate on August 31, 1993.

1971 Progress Report

BELOW: Asbury employees promote the safety mission in 1971.

BOTTOM: Don Burr's retirement party. Back to camera is John Cook. From left, Gayle Harvey, Gene Delano, Gary Hunter and Don Burr.

The Federal Power Commission determined that for the years beginning in 1962, Empire should pay the federal government for benefits resulting from regulation of stream flow by federal hydro projects upstream from the Ozark Beach hydro generating station. In 1965, a payment of \$123,110 was made to the US Government to cover the two years of 1962, and 1963. This matter became the subject of extended discussion between Empire, the staff

of the Federal Power Commission, and the Southwestern Power Administration. The issue was finally resolved in 1971 and a payment of \$181,113 was made to the United States government covering benefits assessed for all the years from 1964 through 1970. Annual payments were made thereafter based on the established formula. For 1971, the amount was \$39,000.

In 1971, a total of 2,850 new customers were added, amounting to a 3.6% increase over the previous year. This was the largest increase in Empire's history, and further indicated the potential for additional increased growth within the company's territory.



Explorer Pipeline Company and Northpark Mall

One year later, commercial revenues increased by 12.6% or \$825,000, resulting from a 14.4% gain in kilowatt-hour sales. The large increase was attributed to two new construction projects, a new pipeline and the completion of the newly constructed Northpark Mall.

At the beginning of 1972, Empire began to provide service to a newly constructed 24-inch petroleum pipeline which crossed over a part of the company's territory. The pipeline was owned by the Explorer Pipeline Company. Dur-

ing the summer, the largest new electric load added to the company's system occurred with the addition of Joplin's Northpark Mall. The 600,000 square-foot Northpark Mall contained sixty stores, restaurants, theaters, banks and service centers. At the time, the Northpark Mall required more electric load and usage than most of the smaller communities in the Empire service area. Both of these new installations resulted in additional revenues amounting to more than one-half million dollars annually.

Severe Ice Storm Hits Territory

The ravaging effect of a severe ice storm which struck the Empire territory on December 11, 1972, resulted in interruption of service to thousands of customers from one hour to three days. Continuous day and night work by Empire crews, as well as from fifty additional crews from neighboring utilities and contractors, were required to restore service in the face of constantly falling tree limbs which pulled down lines and further interrupted customer service. Empire's cost associated with the ice storm was estimated at \$350,000.

New Contract with Union

In 1973, Empire management and local union representatives negotiated a new contract. At the time, over 50% of Empire's work force belonged to a union. The new three-year contract provided for an increase in wages and benefits which were comparable to other neighboring utility companies. An increase in wages and benefits were also granted to all regular full-time hourly employees.

BELOW: Dee Burrow, left, and Bill Kenyon in the 1970s.





ABOVE: Stakeholders meeting in the 1960s.

New Rate Schedule Filed

On June 1, 1973, Empire filed a new rate schedule with the Missouri Public Service Commission. This request was the first general rate increase sought by the company in sixteen years. The hearing on the request was conducted on December 4, 1973. The Commission issued an order approving the full amount requested. The rate increase would generate an estimated additional \$1,900,000 annually.

New Shares Offered

On June 29, 1973, Empire declared a three-for-two split of its common stock. Following the stock split, Empire sold new shares of its common stock to the public for the first time in twenty-one years. This public sale of 210,000 new shares was completed on September 27, 1973. These new shares were equal to approximately 10 percent of the number of outstanding shares after the June stock split.

The initial public offering price of the new shares was \$16 per share. Empire realized \$15.30 per share from the sale for total gross proceeds of \$3,213,000. Expenses of the sale amounted to \$73,522. The net proceeds for the company were 15.5 % more than the book value per share at the time of the sale. During the previous year, the number of holders of the company's common stock with the company had increased nearly 20%.

Richard C. Allen Becomes President

Richard Carl Allen, formerly executive vice president, succeeded J. T. Jones as president on September 1, 1974. Allen, a graduate of Kansas State University with a Bachelor of Science degree in electrical engineering, began his career with Empire in 1946 as a load dispatcher. He progressed through various supervisory positions and was elected vice president of operations in 1962 and executive vice president in 1969. Allen had been a member of the Board of Directors since 1966.

Allen was also involved in his community. He served as vice president of the Boy Scouts of America, Mo-Kan Area Council; chairman of St. John's Regional Medical Center; president of the Joplin Chamber of Commerce; and, in 1981 received the Outstanding Citizen Award from the Joplin Chamber of Commerce.



Alternative Fuels Utilized at Riverton Plant

By 1975, the Riverton Plant continued to utilize alternative fuels. The plant operated by using 56.9% coal, 43% natural gas and the remaining 0.1% oil. In the past, the Riverton Plant was fueled primarily by natural gas with coal and oil as alternate fuels burned during infrequent gas supply interruptions. With natural gas availability declining and allotted under a curtailment plan, it was anticipated that by 1976 the Riverton Plant would generate about 67% of the kilowatt-hours on coal, 24% on gas and 9% on oil.

However, increasing the use of coal would necessitate emission control equipment on the coal-burning boilers to remove ash going through the chimney. Such emission control would require the installation of electrostatic precipitators costing approximately \$5 million. In addition, in order to burn coal and oil, modifications to the Riverton Plant would cost nearly \$2 million.

ABOVE: R. C. Allen, J. T. and Esther Jones.

BELOW: Early 1970s. J. T. Jones, Albert Fuchs, Vernon Corkle, Paul McInnes, Charlie Coats and Dora Gibbons at systems operations center.





ABOVE: Repairing the damage after a tornado hit Joplin in 1971. A devastating tornado struck the heart of Joplin, Missouri around dinner time on May 6, 1971. The twisting tornado followed a path of destruction covering 37 blocks long, killing one man and injuring 60 residents. City damages were totaled at \$7 million. Two years later on May 11 another deadly storm hit Joplin as three people were killed and 100 injured. Termed a tornadic cyclone, the hurricane-like winds damaged buildings throughout the city and uprooted more than 1,000 trees. Total damages for the area amounted to \$12,800,000 and President Nixon proclaimed Jasper and Newton Counties disaster areas.

The mid 1970s were characteristic of higher fuel costs and a decrease in purchased power. Operation and energy costs increased due to escalating fuel prices. For 1976, total operating and maintenance expenses rose 36.6%. Ninety percent of the total \$8,026,000 was caused by higher fuel and purchased power costs.

1977 Construction Expenditures

Construction expenditures for the utility plants were \$25,573,000 in 1977, compared to \$11,175,000 in 1976. During the year, expenditures of \$18,138,000 were made for additions to existing generating facilities and the construction of new generating facilities. \$2,931,000 was spent at the Riverton Plant for electrostatic precipitators and for completion of boiler modification required to burn coal all of the time. At the Asbury Plant, expenditures of \$1,712,000 were made for additional emission control equipment. These expenditures for environmental control facilities

were required to comply with state and federal particulate discharge regulations. During 1977, approximately \$13,495,000 was spent for the installation of a 90 megawatt combustion turbine-generator unit at the new Empire Energy Center and for related transmission facilities.

Total residential revenues increased \$5,114,000, or 23.7%. This marked residential revenues exceeding \$25 million annually for the first time.

Honor Student Conference Continues

Over the previous eighteen years, (since 1959), Empire sponsored an Honor Student Conference at its corporate office in Joplin, Missouri. During February 1977, meetings were held to honor outstanding students selected by area schools for their academic achievement. Each year nearly 400 students, representing 66 high schools and five colleges, were invited to be guests of the company. The one-day conference included a tour of company facilities and various presentations by Empire employees on topics of current interest. At the noon luncheon, students were honored individually for their personal achievements in the areas of scholarship, leadership and citizenship.



Energy Center Goes On Line

ABOVE: Empire Energy Center.

Another historic day for the company occurred on February 24, 1978, when a new 90 megawatt combustion turbine-generator unit, which cost \$15 million, was placed in commercial operation at the Empire Energy Center. The Energy Center, located approximately 25 miles east of Joplin, near Sarcoxie, was fueled by light oil supplied from a major pipeline owned and operated by the Explorer Pipeline Company in Tulsa, Oklahoma. The pipeline originated in Lake Charles, Louisiana and Port Arthur, Texas, extended through Texas, Oklahoma, Missouri and Illinois, and terminated at Hammond, Indiana. The company's 125,000-barrel fuel tank was connected to the pipeline in November 1977. Light oil was received for the first time on February 15, 1978. This light oil-burning unit had the ability to start quickly and would be normally held in reserve for operation only during periods of maximum customer loads or emergencies.

The company was planning to add another 90-megawatt combustion turbine peaking unit at the Empire Energy Center in the near future. However, an opportunity to purchase 12% of the 650-megawatt Iatan coal-fired, steam-turbine generating station postponed the addition of adding a second unit at the Empire Energy Center.



ABOVE: Drive-through window in the early 1970s at the corporate headquarters.

Additional Generation Added

Empire's need to expand into additional generating plants led to the largest construction program to date in 1978 when \$44.1 million was spent for new facilities. Of the \$44.1 million, \$30.3 million was attributed to the purchase of a 12% interest in Unit No. 1 at the Iatan Generating Station which was being constructed jointly by the Kansas City Power & Light Company and the St. Joseph Light & Power Company. \$2.1 million was spent to build Unit No. 1 a 90-megawatt unit at the Empire Energy Center. This Unit was scheduled to begin commercial operation in April 1980. When completed, it was expected to provide 78 megawatts of base load generating capacity for Empire's customers. The Iatan Station would be operated by the Kansas City Power & Light Company and fueled by western coal. The plant would eventually provide 80 megawatts of capacity available to the Empire system.

Energy Audit Offered

Energy conservation in existing homes was encouraged in 1978 with the Do-It-Yourself Energy Audit. The audit was an extension of the Energy Conserving Home program. A special audit form was prepared to make it easy for any customer to check electrical appliances and equipment for proper use, condition, and efficiency; insulation for thermal effectiveness; and windows, doors, and exterior joints where air can enter for tightness of fit, condition of caulking, and condition of storm-sash and doors. By using a scoring system for these factors, Empire customers could see how their individual

energy conservation compared and where they could best improve their energy-conserving efforts.

Construction Continues in Four-State Region

Construction in the Empire territory continued as a \$1.6 million addition to the College Union at Missouri Southern State College was finished during the year. Georgia Pacific Corporation completed their \$2 million distribution center. Located in the western part of Joplin, the manufacturing plant covered ten acres and supplied wholesale building materials to retail dealers and lumber yards in the four-state region.

A new 38,000 square-foot Dan Stanley Ford dealership, located on a nine-acre site on South Range Line in Joplin, was constructed. The dealership utilized electric heating and cooling in the showrooms and office areas while electric heating was installed for the service, parts and shop areas.

Also, a total-electric corporate headquarters of Leggett & Platt, Inc. was completed. Located west of Carthage, the fast growing company with more than sixty plants throughout the nation produced sales of nearly \$200 million. Leggett & Platt had a long established relationship with the region. In 1883, Joseph P. Leggett developed and patented the first spiral steel coil bedspring. He formed a business partnership with a blacksmith, Cornelius B. Platt. They opened a bedspring manufacturing company in Carthage, Missouri. In 1976, Leggett and Platt exceeded \$100 million in sales. Three years later the company was listed on the New York Stock Exchange.

Decade Closes

At the close of the decade, Empire was reaping the benefits from continued regional growth. To meet the demand, two new plants were providing additional power and another one was near completion. By the 1980s, Empire had established itself as an efficient Midwestern utility providing good service with dedicated personnel. Empire's product was reasonably priced, offering electric rates among the lowest in the nation (15% nationally) and the lowest in the four states. The company and employees were good corporate citizens too, as they were involved in the community improving the quality of life in the region. Over the past seventy years, Empire had progressed quite well from a relatively small company to a medium-size corporation.



ABOVE: Bucky Wright, Shirley Edwards and Carl Longenecker in the 1970s.

BELOW: Employees displaying a safety banner.



CHAPTER EIGHT

1980s

Natural Gas Fuel Supply

The company applied for and received from the Economic Regulatory Administration of the Department of Energy a public interest exemption to burn natural gas at the Empire Energy Center. The natural gas fuel supply would provide for a dual-fuel capability (gas and light oil) for the Energy Center turbines. Having the option of dual-fuel capabilities would enable the company to use a more cost-efficient fuel.

Iatan On Line

During 1980, Iatan Generating Unit No. 1, constructed jointly by the Kansas City Power & Light, St. Joseph Light & Power and Empire, was declared operational at a capacity of 670 megawatts. The company's 12% share

BELOW: Iatan Plant, 1983.



amounted to 80 megawatts of new coal-fired capacity. This additional generation brought the company's total generating capacity to 539 megawatts.

Energy Center Gets Second Turbine

A second combustion turbine went on line at the Energy Center in 1981. With the additional generation of 90 megawatts, the company's total reached 629 megawatts of generating capacity.

Operating Revenues Exceed \$100 Million

Operating revenues exceeded \$100 million in 1982 for the first time. The revenues of \$105,378,000 represented an increase of 14.7% over the preceding year. Residential revenues increased 16.1% and commercial revenues rose 15.7% while industrial revenues increased 9.9%.

Fuel costs remained high and continued to represent 53% of the budgeted operating costs in 1982. The company's power plants generated 82% of the electricity for its service territory. The remaining 18% was purchased from neighboring utilities.

Robert L. Lamb Becomes President

Following the Annual Meeting of Stockholders in April, 1982, Richard C. Allen was re-elected president until his retirement on May 31, 1982. Allen retired after 36 years of service with the company. Robert L. Lamb, formerly executive vice president, with 27 years of experience with the company, was elected president effective June 1, 1982.

Management Efficiency

In July 1983, the Missouri Public Service Commission granted the company a rate increase of \$1.65 million. As part of its order, the Commission authorized an upward adjustment in the return on equity of 4/10ths of 1% for management efficiency. This was the first case in which the Missouri Commission rewarded a utility for management efficiency.

Highlights from the portion of the order dealing with the management efficiency adjustment included:

"Empire has managed to achieve rates among the lowest in Missouri despite the fact that it operates in an essentially suburban and rural service area of lower-than-average customer density.

Empire, by diligent management, has increased its customers served per employee by over 4% during the last seven years.

The company maintained excellent customer relations, which is evidenced by Empire's leadership in customer-oriented programs, such as Project Help, and Empire's low level of service complaints.

The company has maintained a relatively low embedded cost of long-term debt and embedded cost of preferred stock in light of the fact that Empire nearly doubled its capitalization during the years 1977 to 1981.

Empire took advantage of changing market conditions to negotiate a new coal contract to reduce its already reasonable coal prices."



ABOVE: Robert L. Lamb.

Good Corporate Citizens

Empire and its employees continued to be good corporate citizens by giving back financially and in kind gifts. In some areas, Empire became one of the leaders in the region by creating and offering special support programs for the elderly and financially disadvantaged.

In 1982, Empire initiated Project Help, a customer aid program designed to assist the disabled and the elderly in the service territory. Under Project Help, Empire customers were given the opportunity to add one dollar to their monthly payment for electric service. Donations were forwarded to the local Red Cross Chapter who administered the program in the 20-county area served by Empire. Project Help assisted the elderly and disabled to pay for all or part of their energy needs, to make emergency repairs and to perform minor weatherization work on homes. Project Help was well received with 228 families taking advantage of the program during the first year. Empire was among the first to initiate a program of this nature. From the success of the program, a number of other utilities began to sponsor similar programs.

One year later, the White House Office of Private Sector Initiatives commended Empire for initiating Project Help. Since the program began, over \$50,000 had been provided by voluntary contributions from the company's customers, employees and shareholders. The program had helped more than 800 people with energy or energy-related bills. By 1989, Empire customers and company employees had raised over \$328,645, benefiting more than 3,788 people since the program was established.

Following the success of the Project Help program, Empire announced a new customer program called E*A*S*E* or Empire's Action to Support the Elderly. This new program encouraged voluntary registration of elderly and disabled customers, making them eligible for special considerations. Because some of the billing cycles did not coincide with the receipt of Social Security and pension checks, which were needed by the elderly to pay their bills, the new program offered customers age 62 and over, or disabled people, to be



exempt from deposit requirements and late payment penalties.

Warm Wishes gift certificates were made available for sale at all Empire outlets in 1984 as a new customer service program. These certificates were redeemed as credit on electric bills or as payment of an electric service deposit. Nearly 500 certificates were sold during the Christmas season alone. In most cases, they were purchased to assist a specific person with electric service cost or as a gift to a relative or friend.

On the afternoon of Christmas Eve in 1987, Empire opened its doors and invited senior citizens to use the company telephones to make long-distance calls to family and friends. About 100 local citizens took advantage of the offer. They made about 250 calls. The project was the idea of Joplin office employees who absorbed the cost of the calls.

Another new Empire sponsored program began in 1989. Empire's Gatekeeper Program was designed to assist the frail, elderly and homebound senior citizens of the region. The program recognized the problem areas concerning these senior citizens. Empire became the first investor-owned company in Missouri to initiate such a program. Empire employees initiated and assisted other companies, municipalities and cooperatives in the four-state area to establish their own Gatekeeper outreach programs.

The Over 60 Olympics was another Empire sponsored program which provided an opportunity to support seniors who are active and healthy. Empire was the major sponsor of the 1989 event and helped attract 350 competitors from 36 communities. More than 60 Empire employees organized, promoted and worked at the friendly competition.

Another group that continued to give back to the community was Empire's retired employees. In 1989, these men and women officially organized as the Empire Retirees and Spouses Association. Almost two-thirds of the eligible members immediately became active participants in the association.



Gift certificates... for holiday giving... from Empire District. What better way to touch the heart of someone dear than with a gift of warmth.

Send a bundle of warm wishes to someone you know with an Empire gift certificate. You choose the dollar amount; Empire will provide the certificate, along with an attractive envelope suitable for presenting or mailing.

Empire "Warm Wishes" gift certificates are redeemable for credit on Empire electric accounts... a gift welcomed and appreciated by anyone.

Isn't there someone you'd like to send a bundle of warm wishes to this holiday season? Shopping for this gift is as easy as stopping by your Empire office.

Warm wishes!

OPPOSITE: Empire employee volunteers coordinated events for Over 60 Olympics. At the free-throw competition are staff members, Larry Baker, far left, John Woods, center, and Debbie Brill, far right.

Proposition B Defeated

A challenge to the Missouri electric utility industry was met in November 1984, when Missouri voters overwhelmingly rejected a ballot issue titled Proposition B. The proposition would have prohibited inclusion of any portion of a nuclear plant in Missouri until the federal government had identified and approved for the disposal of high-level nuclear waste. Proposition B, which ran more than 2,000 words, would have also imposed arbitrary lids on rate increases and precluded the Missouri Public Service Commission from considering changes in the economy and energy use trends, as well as improved energy technology and rate setting.

Interconnection with Southwest Electric Power Company

In 1984, the final construction phase of the 161 kV line from Empire's Neosho South Substation to Southwest Electric Power Company's Flint Creek Generating Station was concluded. This construction program was completed with an expenditure of \$3,519,000 and included \$4,900,000 for extensions and services to new residential and commercial customers. This new network connected at fourteen points with eight different utility companies in the region. These interconnections provided Empire with the opportunities to buy power from and sell power to other utilities when it was economically advantageous.

BELOW: System Operations in the 1980s. Included in the photo, standing, Keith Kropf and Vernon Corkle, seated, Dora Dean Gibbons, John Shetley, John Stephenson, and Bobby Hallam.



Add-On Heat Pump

One of the principal marketing efforts in 1984 was the promotion of an add-on heat pump program. By adding a state-of-the-art heat pump to an existing furnace and replacing a less-efficient central air conditioner, the summer peak for the customer was reduced. Since the equipment was also used for heating during much of the winter, the annual kilowatt-hour sales increased.

The promotion of zone electric heating was another successful business development program. Zone heating involved setting back central thermostats in the home and heating rooms or zones to comfort level only as they were being used. This allowed the customer to significantly reduce their winter heating costs.

The acceptance of total electric homes and businesses continued as more than 75% of all new residential and commercial buildings constructed in Empire's service territory were total electric.

Empire Receives Forbes Award

In 1985, *Forbes* magazine rated Empire as one of the top 200 best small companies in America. Of those 200 selected, only three electric companies made the list which was chosen from over 4,000 companies with sales between \$1 million and \$300 million. *Forbes'* other criteria required the company to have a reasonable return on equity, relatively low debt and show consistency in earnings growth. Following the *Forbes* publication, president Bob Lamb remarked, "This type of recognition is a tribute to all our employees."

Coinciding with the *Forbes'* evaluation, Empire customers were experiencing some of the lowest energy retail rates of any electric companies in the United States. At the time, 90% of all the electric companies in the country had higher residential, commercial and industrial rates. The average rate that Empire customers were paying for electrical service was 40% lower than the national average rate.



Company Directory									
Where they rank				5-year average ROE	Ticker	Company	City, State	Telephone	Market value (millions)
sales	profits	market value							
19	34	30	56	DYTC	Dynatech	Burlington, MA	(617) 272-3304	\$269.4	
142	117	127	29	EZEM	E-Z-EM	Westbury, NY	(516) 333-8231	68.4	
189	131	140	72	EAVN	Easton Vance	Boston, MA	(617) 482-8260	57.7	
176	160	161	140	ECC	Educational Computer	Orlando, FL	(305) 859-7410	40.4	
164	144	122	155	ELMG	Electromagnetic Sciences	Norcross, GA	(404) 448-5770	72.2	
66	38	100	187	ELDI	Empire District Electric	Joplin, MO	(417) 623-4700	107.0	
81	155	144	191	ENGH	Engraph	Atlanta, GA	(404) 329-0332	55.1	
142	74	108	79	FDGC	Federated Guaranty	Montgomery, AL	(205) 288-3900	90.5	
156	156	116	73	FFMC	First Financial Management	Atlanta, GA	(404) 225-9715	79.7	
75	13	15	62	FSL	FlightSafety Intl	Flushing, NY	(718) 565-4100	498.3	
183	166	98	94	FLOW	Flow Systems	Kent, WA	(206) 938-3569	108.3	
30	35	55	169	FKM	John Fluke Manufacturing	Everett, WA	(206) 847-6100	104.0	
166	127	73	171	FRX	Foran Laboratories	New York, NY	(212) 421-7850	145.3	
42	8	56	133	FORB	Forum Group	Indianapolis, IN	(317) 846-0700	188.4	
134	61	37	1	FRRI	Franklin Resources	San Mateo, CA	(415) 570-3000	232.4	
171	138	129	185	FEL	Frequency Electronics	Mitchel Field, NY	(516) 794-4500	86.0	
103	89	72	20	AJGC	Arthur J Gallagher & Co	Rolling Meadows, IL	(312) 640-8500	146.9	
125	152	149	43	GPHY	General Physics	Columbia, MD	(301) 964-6000	46.9	
17	133	159	141	GDX	Gearhouse Drug Stores	Melville, NY	(516) 420-1900	41.3	
31	19	25	153	GRB	Gerber Scientific	South Windsor, CT	(203) 644-1551	303.4	
74	139	119	71	GRPH	Graphic Industries	Atlanta, GA	(404) 874-3327	78.0	
5	8	11	113	GLE	Great Lakes Chemical	Lafayette, IN	(317) 463-2511	541.9	
49	45	68	199	GL	Great Lakes International	Oak Brook, IL	(312) 920-3000	149.7	
23	65	95	96	GREY	Gery Advertising	New York, NY	(212) 546-2000	109.7	
16	15	14	57	JH	John H Harland	Decatur, GA	(404) 981-9460	512.8	
149	141	176	36	HATH	Hatheway	Denver, CO	(303) 758-8301	27.5	
60	26	17	27	HBOC	HBO & Co	Atlanta, GA	(404) 893-6000	481.1	
39	57	61	174	HMY	Helig-Meyers	Richmond, VA	(804) 359-9171	178.8	
9	37	36	188	MTN	Houghton Mifflin	Boston, MA	(617) 725-5000	241.7	
76	85	80	114	HUN	Hunt Manufacturing	Philadelphia, PA	(215) 732-7700	134.0	
199	197	169	93	INEL	Inspirafarm East	Landover, MD	(301) 386-4100	30.2	
148	130	130	69	ISCX	Integrated Software Systems	San Diego, CA	(619) 453-0170	64.4	
137	142	138	149	INTB	Internece	Lynnwood, WA	(206) 948-2600	61.8	
53	96	59	168	ITCP	International Technology	Torrance, CA	(310) 578-9933	182.4	
129	195	171	5	ITRN	Intertrans	Irving, TX	(214) 258-4888	38.4	
105	132	120	182	ION	Ionics	Watertown, MA	(617) 926-2500	77.3	
57	42	92	58	JPG	Jelleries Group	Los Angeles, CA	(310) 624-3333	119.5	
70	118	109	49	JPI	JF Industries	Ann Arbor, MI	(313) 663-6749	86.7	
153	111	111	14	JLNO	Juno Lighting	Des Plaines, IL	(312) 827-9980	85.9	
116	79	24	195	KLAC	KLA Instruments	Santa Clara, CA	(408) 988-6100	307.8	
37	62	65	50	KNIL	Konif International CI A	New York, NY	(212) 826-2400	163.1	
4	40	52	80	KRIE	WA Krueger	Scottsdale, AZ	(602) 948-5650	196.1	
55	35	32	128	LWSE	Loiflaw Industries	Hinsdale, IL	(312) 897-8181	253.7	
97	24	117	197	LLIC	Lamar Life	Jackson, MS	(601) 949-3100	79.3	

Sources: William O'Neil & Co.; Forrester



BELOW: Corporate building on April 5, 1986, the interior of the building was gutted down to the support skeleton. The south wall was removed to make room for the new addition.



Corporate Office Receives Major Makeover

During 1985, Empire officials agreed to keep the home office in downtown Joplin. However, staying at that location would require a major renovation as well as an expansion plan to the existing building. Additional space was sorely needed. The original building was built to accommodate 60 employees. By the mid-80s, the corporate office was housing 125 employees. Before the renovation, personnel were housed in three locations throughout the Joplin area. This was the first major expansion of the corporate headquarters since 1927.

Black and Veatch Engineer-Architects of Kansas City created the design for the 70,000 square foot corporate headquarters. The new \$7 million building showcased an atrium which was open from the lobby to the roof, a 100-seat auditorium, and a bi-level parking garage.

Strong Economy in the Four-States

The economy in the Joplin area continued to grow. It was the strongest retail sales area in the region. Total employment increased by 11.2% in 1985. In addition, the Joplin area was fast becoming known as the Motor Freight Capital of America as it currently had 36 major trucking firms operating in the area with five corporate headquarters.

There were more than 200 manufacturers in the service region of Empire. They ranged from mining to food production to furniture. The largest employers (employing over 500 people) were Eagle Picher (diversified indus-

trial products), Leggett & Platt (furniture components), La-Z-Boy (furniture), Tyson Foods (poultry processing), Country Pride Foods (poultry processing), Schreiber Food (dairy and cheese processing) and Cardinal Scale (industrial and commercial weights). Other large manufacturers included Safeway Stores' Biscuit Plant, Vickers (gears) and Pillsbury (frozen pizza).

Joplin was also the home of three large medical complexes: the largest being St. John's Regional Medical Center with 367 beds, Freeman Hospital second with 175 beds and Oak Hill Hospital with 105 beds.

By 1986, building construction in Joplin had sky rocketed to new heights. The community's building construction and improvement costs jumped 77% over 1985's \$22.2 million. In addition, more single-family houses were built than in any year since 1965.

Local Expansion

Joplin's commercial business growth was even stronger. Northpark Mall spent \$3.5 million as it expanded to handle an additional 50 shops which included the \$2.4 million Famous Barr department store. The \$2.4 million Venture store was constructed. Wal-Mart built a replacement store for \$1.4 million. The John Q. Hammons Trade Center opened adjacent to the Holiday Inn and Freeman Hospital completed a \$12.5 million expansion. A two-story, 47,000 square-foot wing was added on the east side of the hospital. The addition increased the hospital capacity to a 175-bed facility.

The educational community was also growing at a rapid pace. Columbus, Kansas built a new high school in 1985.

Missouri Southern State College added a new wing to house the School of Business Administration. A 43,000 square-foot addition to Norval M. Matthews Hall was completed in 1986 at a cost of \$2,731,236. A major addition to Gene Taylor Hall was finished. The 11,000 square-foot addition offered computer labs, instruction media and child care facilities. A three-story addition to the L. R. Reynolds Science and Mathematics Hall was underway. In addition, Residence Apartments F and G (new apartment-style dormitories) were being built to house nearly a hundred students.

BELOW: Water crew Ed Lyon, Doyle Keller, George Thulleson and John Ozckus, August 5, 1985.

BOTTOM: Mid-1980s line crew working high voltage lines along Range Line.



The Environment

One of the greatest challenges facing American utility companies in the 1980s was addressing new regulations and laws relating to the environment. Emissions from power plants specifically dealing with sulfur dioxide became front page news. New legislation enacted by the states, as well as federal laws, forced the utility companies to address these issues. Perhaps the toughest obstacle for utilities of the day was dealing with these complex regulatory and legal issues, because they spilled over into the public opinion arena. In some cases, these issues resulted in an atmosphere of public mistrust regarding utilities.

By the mid 80s, the controversy surrounding acid rain was being hotly debated. Acid rain was receiving national attention by the media as a number of states and Canada claimed that lakes and other natural resources had been severely damaged by acidity levels caused by sulfur dioxide in the atmosphere. This sulfur dioxide was suspected as being the result of burning fossil fuels, primarily coal. The 1980 Acid Precipitation Act recognized these uncertainties and called for an intensive 10-year study of all aspects of acid rain - - causes, effects, control technology and energy policy implications.



In 1987, Empire became concerned that the high sulfur content in locally mined coal would not meet new or future Federal Clean Air performance standards. To address the environment and air emissions, Empire entered a new era of energy production in 1988 with a successful start-up of the Western fuel conversion project. Instead of using locally mined coal, Empire converted to using Western mined coal to fuel their generating plants. Because the Western coal's sulfur content was lower than the locally mined coal by a factor of 10 to 1, the switch to Western coal was a positive move to achieve existing and new stringent environmental, emission and performance standards.

The Western coal had two other significant benefits. First, it was less corrosive than local coal, which would decrease plant maintenance requirements and downtime. Secondly, the Western coal was more economical. It could be purchased and transported to plant sites for less than the cost of locally produced coal.

Two significant accomplishments were achieved in 1989, the signing of a long-term contract for Western coal from Wyoming's Powder River Basin and another contract with Burlington Northern Railroad to transport the coal. The new coal agreement would provide fuel for the Asbury and Riverton plants through 2004.



During 1989 approximately \$13 million was dedicated to new rail facilities, burner modifications and coal-handling equipment necessary at Asbury and Riverton for the fuel conversion. Included were funds to purchase 125 railcars to transport the coal from Wyoming.

The company anticipated Asbury's conversion to Western coal would be achieved in June 1990. Completion at Riverton, which would burn a 50:50 blend of Western coal, was slated for late 1990. At the time, Asbury burned an average of nearly 2,000 tons of coal a day, and Riverton burned about 400 tons daily.

Several Missouri legislative issues were resolved during 1988. Bills calling for unnecessary forecasting and the funding for public counsel by ratepayers were defeated. The "Air Free Bill" passed. This bill improved the process for obtaining air permits necessary for power plant operation. Legislation exempting utility landfills from Missouri's waste handling laws was enacted. The amendment allowed Empire to close its ash ponds without incurring extraordinary expenses such as leachate collection systems and post-closure monitoring services.

During 1989 President George Bush announced his proposed revisions to the Clean Air Act of 1977. Aimed at further reducing pollution, his bill called for cutting the nation's sulfur dioxide emissions in half -- from 20 million to 10 million tons per year -- by the year 2000.



ABOVE: Louie the Lightning Bug visits Jefferson Elementary School in Joplin.

Empire Receives Gold Award

Empire and its employees continued to support local communities by providing dollars and volunteer hours. For many years, Empire received the Gold Award as the top participant in the local United Way effort.

Empire began sponsoring Community Leaders Luncheons in the smaller communities of the service area. The district manager and corporate officers met with business leaders in informal sessions to keep them updated on company plans and activities.

For the previous 25 years, Empire sponsored an Honor Student Conference. Each year, nearly 400 students representing 68 high schools attended the conference which offered discussions on topics of current interest. The outstanding students were selected by area schools for their academic achievements.

Another successful community program was the Louie the Lightning Bug Safety Program. This program, especially for children from kindergarten through the sixth grade, offered a variety of activities and safety awareness games.

290 Acres Sold

In 1985, Empire sold 290 acres of undeveloped, non-utility land near Lake Taneycomo in Taney County, Missouri. This land was used to build an ex-

clusive planned community. Pointe Royale was designed to preserve the natural beauty of the Ozarks and included green belts, commercial sites, condominiums, patio homes, and an 18-hole championship golf course. A resort hotel complex with convention services and fine dining was also planned for the near future.

Employee Stock Purchase Plan

Empire's economic strength came from a base of local support with a large percentage of the company's shareholders living in the service area, of which many were employees. Empire employees owned almost 10% of the stock, and about 46% of them purchased stock in 1986 under the Employee Stock Purchase Plan.

Associated Electric Cooperative

Additional electrical capacity was needed with the continued commercial, residential and industrial growth in the Empire territory. During the 1980s, it was more feasible for Empire to purchase additional electricity rather than expand plant capacity. What also helped were other favorable conditions including a buyer's market climate with six neighboring utilities competing to supply a portion of area capacity needs over the next several years. In March 1987, Empire entered into a six-year agreement with Associated Electric Cooperative to purchase 35 megawatts beginning June 1, 1987. The purchase amounts would be adjusted annually ranging up to a maximum of 150 megawatts by 1990. In March 1988, the contract was extended until the year 2000 with purchase amounts ranging from 100 to 200 megawatts. The agreement allowed the company to add capacity without the burden of heavy expenditures associated with plant construction.



ABOVE: Union contract signing. Standing: Bill Howell, John Weitzel and Don Vice. Seated: Bob Lamb, Roger Puffett, and Hal VanDaGriff

BELOW: The newly renovated Neosho, Missouri office.





Smart Home

Nearly 65% of new construction in the district was total electric. To further introduce the convenient use of residential electricity, Empire designed a new Smart Home south of Joplin. The Smart Home was a push-button total electric house built by Empire.

By 1988 more than 12,000 people had toured the Smart Home since its completion in October a year earlier. A display model had been used at several area home shows. Home construction featured styrofoam insulation over the foundation, six-inch stud walls, plywood sheathing and cedar wood siding, shaker shingle roof and double glazed windows with low emissivity glass coated to reflect heat rays out in summer and back inside during winter. The sun space on the south side allowed the most advantageous use of solar gain, and the tile floor served as storage for solar gain. Water heating included a heat pump water heater, at-the-source water heaters and conventional storage water heating.

A central control computer system allowed for room-to-room energy management and security -- all programmable through a call-in system. The system was connected by modern outside services such as financial institutions and provided word processing and financial record-keeping. There were only about five such systems licensed in the nation. State-of-the-art appliances and equipment were installed, including an induction cook-top stove, an oven that switched from conventional to convection for faster baking, under-the-counter small appliances, a refrigerator with variable temperatures, central vacuum system, programmable whirlpool bath, built-in stereo system, program-controlled water sprinkler system and heated walk and driveways for easy snow removal.

BELOW: Bolivar Crew: Mark Randles, David Sikes, Dean McMillin and Keith Reser, August 5, 1985.





Ice Storm on Christmas Day

On Christmas Day 1987, a paralyzing ice storm crossed Empire's service district. Crews from nine other companies came to help. A total of 325 people from outside the service area temporarily moved in to help the Missouri cities of Aurora, Neosho and Bolivar. Before the storm had ended, nearly 50% of the company's customers had lost power. The area hardest hit was the community of Pierce City. Power was not restored for their community until December 30. The last storm of this caliber occurred in 1972. As a result of the 1987 storm, Empire incurred expenses of \$1.7 million.

Jim Hamilton, editor of the *Dallas County Courier*, stated, "Buffalo residents owe a tremendous debt to the handful of men who kept the lights burning. The Empire crews are to be commended for doing an exceptional job during the Christmas ice storm. As long as we remember the storm, let's remember the folks who work continuously to keep our homes bright and warm, even when it seemed the odds of doing so were insurmountable."

ABOVE: Randy Fletcher working on the lines after an ice storm, December 1985.



Richard C. Allen Retires

Richard C. Allen, who retired as company president in 1982, resigned from the Board of Directors on January 31, 1989. Allen served The Empire District Electric Company with distinction for over 43 years and was a respected member of the Board for 23 years. During his tenure as president, the company's capitalization more than doubled, the Empire Energy Center and the Iatan Generating Station were completed, and the company's financial integrity was strengthened.

345,000 Volt Transmission Line Connected

In December 1988, a 345,000 volt transmission line was completed. It extended from Oklahoma to north of Springfield, Missouri. The joint project with five neighboring utilities represented a \$4 million investment for Empire. The transmission line provided a new interconnection opportunity and increased the system's capabilities.

All Time Winter Peak

On December 22, 1988, temperatures plunging to 15 degrees below zero with a wind chill index of minus 50 degrees had customers throughout the service area struggling to keep warm. The cold wave raised Empire system peak

ABOVE: Richard C. Allen.

BELOW: A fifteen-year contract was signed for the purchase of low sulfur Wyoming coal on February 17, 1989. Coal delivery would begin in 1990. Present for the signing were: (seated) Terry O'Connor, Peabody Holding Company; Jess Reed EDE; Bob Lamb EDE; Henry Kost EDE; and Joseph F. Lake, Jr., Rochelle Coal Company. (standing) Richard J. Whyte, Peabody; John Weitzel EDE; James C. Campbell, Jr., Peabody; and Thomas S. Helton, Peabody.



Robert L. Lamb

Robert L. Lamb began working for Empire in 1955 in the Engineering Department. He held several positions in that department before being elected vice president - Customer Services in 1974. He was elected executive vice president in 1978 and later that year was elected a director of the company. He was elected president of Empire in 1982.

Lamb was born in Goodland, Kansas. He graduated in 1955 from the University of Kansas with a Bachelor of Science degree in Electrical Engineering. He has been recognized for outstanding scholastic achievement by his election to the Honorary Engineering Fraternities of Tau Beta Pi and Sigma Tau and Honorary Electrical Fraternity of Eta Kappa Nu. He also was honored with the Professional Degree of Management Engineer from the University of Missouri at the Rolla, Missouri, campus.

He completed a three-year tour of duty with the United States Air Force in research and development. At the time of his discharge he held the rank of Captain.

An active community leader, Lamb served in various capacities of many local, state and national organizations. Locally these include the Joplin Area Chamber of Commerce, Joplin United Way, City of Joplin Personnel Board, Joplin Rotary Club, Junior Achievement of Jasper County, Joplin Industrial Corporation, Joplin Southern Corporation, Joplin Industrial Development Authority, and Joplin Business and Industrial Development Corporation. He also served on the Boards of the Missouri Chamber of Commerce, St. John's Regional Medical Center, Missouri Southern Foundation, Mercy Regional Health Foundation and the Board of Regents of Missouri Southern State College. He was recognized as Joplin's Outstanding Citizen in 1987 and named Outstanding Community Economic Leader of 1991 for the State of Missouri.



load to a new all-time high of 638 megawatts and marked the first time since the widespread use of air conditioning that a winter peak exceeded the summer one.

The company also established a new 24-hour energy production record on December 22. The record net system input of 13,599 megawatt-hours was a 19.7% increase over the previous winter production high. The new records were attributed to commercial and residential electric heating, as well as heavy use of portable electric heaters and furnace motors.

Favorable Opinions

Results of a customer survey administered in December 1988 by an independent marketing firm confirmed that Empire customers had favorable opinions of the company by an extremely one-sided margin of 97% to 3%.

Virginia McKenzie

Virginia McKenzie spent 44 years at Empire. During her distinguished career she became the first female district manager and the first woman to lobby for the company in Jefferson City.

After graduating from Neosho High School, Virginia joined Empire in 1946 as a meter order clerk in the Neosho Customer Service Office earning \$100 a month. She moved to sales consultant in Neosho in 1975 and was named staff specialist of governmental affairs in 1978. In 1982 she returned to Neosho as assistant district manager and in 1986 was named district manager.

Reflecting back on her career Virginia stated, “We lobbyists were there to inform, educate and help make the decisions so important to both our company and our customers and to Missouri citizens. During this time, I made many friends throughout Missouri and learned much about the legislative process. - - - To say I was in the right place at the right time is an understatement. - - - I’m only thankful I was there and able to participate. Empire District Electric Company has been my friend and companion for many years and I consider myself fortunate that Mr. Fred Rouse came to my parents and asked them to encourage me to come to work for them.”

Virginia retired as the Neosho district manager in 1991.



Average Payment Plan

The Average Payment Plan (APP) program was redesigned in 1989 to provide more customer choices. APP allowed qualified residential and commercial customers to pay a fixed amount each month, based on their expected annual usage — avoiding the extreme highs and lows of peak heating and cooling months. During an eight-week campaign at year end, over 5,000 additional customers were added to the APP program. Another 600 enrolled in the new electronic payment plan.

Empire District Academic Challenge

Empire began funding the Empire District Academic Challenge in 1989, a program much like the General Electric College Bowl of the 1960s. The local half-hour television show enabled students from 29 high schools in three states to participate in a single-elimination tournament testing academic skills and knowledge. Scholarships for the winning teams were provided by Missouri Southern State College.



ABOVE: Bob Lamb with the 1989 United Way Presidential Award winners: Donna Simmons, Jeneane Chartier, Twyla Chapman, Vivian Robertson, Bill Eichman, Gene McMeen, Shelly Olson, Michael Rouse and Greg Sweet.

1990s

Iatan - Nation's Eighth Lowest-Cost Producer

The *Cogeneration* magazine named the Iatan Plant as the nation's eighth lowest-cost producer based on the 1990 average production cost of \$11.92 per net megawatt hour. *Power Engineering* also honored the plant during the year, listing it as the ninth lowest-cost producer in the country. The recognition was based on the plant's \$12 per net megawatt hour average during the five-year period from 1986 through 1990. The Iatan Plant also burned low-sulfur Western coal.

Courtesy Docks at Ozark Beach

During the summer of 1990, a joint venture between Empire and the For-syth, Missouri, American Legion Post 592 resulted in the construction of two new courtesy docks at the Ozark Beach Powersite Dam Park. The American Legion provided the materials and Empire's Ozark Beach personnel constructed the docks. The units were designed with handrails and extra-wide ramps to accommodate the needs of disabled persons. One year later, Empire employees built a nature trail at the same site.

Sulfur Emissions

In 1990, Congress passed clean air legislation which had serious ramifications for the utility industry. According to the legislation's standards for Phase II limits, sulfur emissions could not exceed 1.2 pounds per billion BTU beginning in the year 2000. Empire's recent conversion to Western coal, however, left them well-positioned to meet the Clean Air Act amendments. Empire anticipated earning compliance credits for the years 1995 through 2000 after reducing emissions at the Asbury Plant.

OPPOSITE: Line work in the 1990s.

BELOW LEFT: The rotary car dumper unloads Western coal at Asbury.

BELOW RIGHT RIGHT: A celebratory ribbon-breaking is held as the first load of Western coal arrives from Wyoming.



Branson Blooming

The Branson area continued to grow at a tremendous rate. One particular area of growth was the development of the entertainment industry. The entertainment boom in Branson was so phenomenal that it had gained national attention. In 1991, Branson's amenities attracted four million tourists, 5% more than in 1990. The significant growth throughout Branson was a challenge for Empire as the area's needs dramatically increased from 7.5 megawatts installed capacity in 1960 to 117.6 megawatts in 1991.

By 1994, developers spent another \$89.8 million on construction in Branson. Empire's transmission and distribution crews were put to the test. As many as 14 crews were dispatched at any given time to install transmission and distribution lines in the Branson area, while the company crews connected power to more than 4,787 new customers during the year.

Thermal energy storage was a new Empire program that offered customers an opportunity to substantially lower their demand and reduce their cost by using ice storage systems. The systems made and stored ice during the night, and then used the ice to produce chilled water for air conditioning operations during peak periods. Two new theaters that opened in Branson during 1994 – the Mel Tillis Theater and the Welk Champagne Theater – installed ice storage systems as part of their cooling package. They provided Empire with a demand savings of 309 and 169 kilowatts, respectively, during the year. The Springfield Chapter of the American Society of Heating, Refrigeration and Air Conditioning Engineers presented the Mel Tillis Theater its 1994 Energy Conservation Award for its innovative conservation efforts.



Empire Recognized for Growth

The July 1993 issue of *Electric Light and Power*, a national trade journal, recognized Empire as the seventh fastest growing utility in the nation in 1992, based on the 2.8% increase in customers served. In 1993, the company's growth rate rose even further to hit 3.2%.



ABOVE: Dispatchers, Jim Johnston (right) and Paul Butler (left) on duty in the newly expanded System Operations Center.

After two years of negotiations, major construction and an investment of \$30 million, Empire's conversion to low-sulfur Western coal became a reality. On July 28, 1990, the first train consisting of Empire's own railroad cars brought coal from the Rochelle Mine in Campbell County, Wyoming to the Asbury Plant. The new train schedule made one round trip approximately every four and a half days.

Before the end of the year the new source of fuel had improved plant availability, provided for better boiler performance and significantly reduced particulate matter and sulfur emissions. The Wyoming coal contained less than one half of 1% sulfur compared with 6% in the coal previously used.

The Environmental Protection Agency granted the Asbury Plant a five-year Phase I Acid Rain Permit, effective January 1, 1995. Under the permit, Asbury received 15,764 allowances for each year of the permit. Empire used approximately half of the allowances each year.

System Operations Center

A major step in improving operations took place during 1990 with the expansion of the company's System Operations Center and implementation of a new Energy Management System. The new system integrated critical data and automated generation control to better manage purchase and production decisions to ensure the lowest cost.

Service by Telephone

Service by telephone was introduced in 1990 to save customers from traveling to an Empire office. With the new service, residential customers were able to telephone their request for a service connect, final bill or service transfer. In most cases, customers were not required to pay a security deposit when they applied for service.

Shareholder Rights Plan

A Shareholder Rights Plan was adopted by the Empire Board of Directors on July 26, 1990, to protect against unfair or coercive takeover strategies that could be directed at Empire. Designed to discourage takeover bids that do not offer terms which are fair to all shareholders, the plan provided protection against acquisitions of control without payment of a control premium to all shareholders.

Southwest Power Pool Celebrates Fifty Years

The Southwest Power Pool, of which Empire was one of the eleven founding members, celebrated its 50th anniversary in 1991. This pool ensured the

Fact:

In 1992, Empire continued to offer some of the lowest electric rates in the nation. Over the previous ten years, inflation had risen over 40% yet the cost of electricity in the region had increased slightly over 3%.

reliability of electric service to customers in a 500,000 square-mile region. At the time, forty-four electric utilities in Arkansas, Louisiana, Mississippi, Missouri, Kansas, Oklahoma, Texas and New Mexico participated in the pool.

Florida Business Recovery Service

Empire entered into an agreement with IBM in 1991 for the use of its Florida Business Recovery Service Center. This precautionary plan protected Empire and its customers by allowing company administrative systems to function from the recovery site if the company's computer center was damaged or destroyed.

Operation Green Tree

In 1991, a team of Empire volunteers planted 350 white pine saplings along a railroad right-of-way leading into the Asbury plant. This new program, called Operation Green Tree, was part of a beautification program to enhance the environment around Empire's facilities. The following year the company purchased tree saplings and employees planted them after hours. In all, more than 800 trees were planted to upgrade facilities located around the Asbury and Riverton Plants.



ABOVE: Operation Green Tree members prepare to plant saplings at Asbury. From left: H.R. Colgin, Harold Colgin, Bruce Baker, John Weitzel, Jack DeGraffenreid, Jess Reed, Jack Smallwood, Bob Bromley and Bill Howell.

BELOW: Crews gathered at Joplin T&D to discuss the route to Newton, Kansas, June 1992, before leaving to assist with storm damage cleanup.



Choices Offered

One bright point of 1991 involved Empire employees participating in the Choices program. As a Choices franchise, Empire sent trained company volunteers to area high schools where they presented seminars on motivation

and time management, while covering academic and career consequences. These well-received programs provided students with guidelines that would help increase their options concerning personal and vocational goals.

Integrated Resource Planning


Substantial progress was made during the year toward developing a far-reaching, demand-side management (DSM) program. DSM was intended to enable participating customers to better control their energy use and reduce the cost of their electric bills. At the same time, it would lower the growth

Dennis Weaver Promotes Project Help

Hollywood actor and former Joplin resident Dennis Weaver starred in an Empire advertisement for Project Help. In the ad, he referred to his dad working for Empire.

**“Support Project Help.
Your neighbors are
counting on you.”**

“My dad used to talk about his early days with Empire District Electric and how neighbors always counted on neighbors. To help build a barn. Or to bring in the crops.
“Well, today folks can pitch in to help their neighbors through Project Help. It’s an emergency fund for elderly or handicapped folks in this area who can’t pay their energy bills.
“All you have to do is add a dollar or more each month to your Empire District bill. Call Empire today and pledge your support to Project Help. Your neighbors are counting on you.”

**Project
HELP**
your electric company 

Dennis Weaver



of the peak demand and allow the company to serve more customers while deferring costly capacity additions.

ABOVE: Ozark Beach Dam.

30-Year License Granted to Ozark Beach Powersite Dam

A 30-year license was granted to Empire on March 31, 1992, for the operation of the Ozark Beach Powersite Dam hydroelectric plant. This source of low-cost power, which had been in operation since 1913, provided 3% of Empire's 1992 generation.

Thousand Points of Light

On April 8, 1992, Empire was notified of being selected for special recognition as one of President George Bush's Thousand Points of Light. This honor was for the numerous programs Empire sponsored which benefited senior citizens.

National Energy Policy Act

In 1992, major legislation was passed in favor of deregulating the electrical utility companies. The National Energy Policy Act opened the door for wholesale transmission wheeling.

Empire's Service Excellence Awards

Jane Ann Blazic, Curtis Wilson, Ray Aschbacher and Gary Hammett were honored in June as the first recipients of Empire's Service Excellence Award. Honored for their outstanding customer service, these employees exemplified the company's commitment to be customer driven and as efficient as possible in all service activities. In January 1994, six more employees were added to Empire's Service Excellence honor roll. Awards were presented to Chris Baker, Tom Ball, Ralph Gunlock, Rick Field, Pete Peterson and Rich Crow.

Outstanding Rural School Business Partner

The Missouri Association of Rural Educators named Empire the Outstanding Rural School Business Partner for the 1992-1993 school year. The award specifically recognized Aurora Empire employees for the support, time and resources they provided to the Aurora Elementary School.

Flood Waters Damage Riverton Plant

Empire was forced to take the Riverton Plant out of service on September 25, 1993, due to severe flooding along the Spring River. The flooding caused damage to the plant's generating units, associated equipment and controls. Cleanup and repairs began on September 27. The two baseload, coal-fired steam units totaling 91 megawatts of capacity were brought back on-line on October 7 and 8.

BELOW & OPPOSITE: 1993 flood at Riverton.





RIGHT: The original Joplin Call Center group celebrates their opening with a cake and special t-shirts designed by Lynda Thompson. Front row: Lynda Thompson, Terry Oliver, Joyce Thomas. Back row: Donna Ferguson, Ann Butts, Janet Carr and Anna Lee Alumbaugh

BELOW: Ron Richard and Richard Russell packing boxes for the Christmas Elf Program.



E Home Program

Empire's E Home Program was introduced for the first time in 1994. The program helped improve the energy efficiency and environmental quality for customers' homes.

Customer Call Center

To help ensure that customers get fast, consistent service when they call, Empire began building a Customer Service Call Center in January 1995. The Joplin Call Center provided better customer access through additional lines and extended hours. The original operation began with only six employees. By 2003, the 24-hour-a-day, 365-day-per-year operation had grown to two locations and 35 employees, with an average of 1,225 calls per day.

Christmas Elf Program

The Gatekeeper Christmas Elf Program created to help restore self-esteem to forgotten seniors during the holidays received national and state recognition. During the spring, the American Society on Aging (ASA) honored the program and presented Empire its 1994 ASA Business of the Year Award for companies with less than 1,000 employees. In November, Missouri Lieutenant Governor Roger B. Wilson presented Empire with the Missouri Community Business Award in recognition of the Christmas Elf Program.

State Line Power Plant Established, Other Plant Changes

In 1995, a new 101-megawatt combustion turbine marked the establishment of the State Line Power Plant located west of Joplin. The \$37 million generating unit was fueled by natural gas and fuel oil.

Also in that year, the Energy Center was converted from oil to dual-fuel





operation and Ozark Beach became fully automated and controlled from the System Operations Center in Joplin. Meanwhile at Riverton, the 30-megawatt Unit 6 was retired after 70 faithful years of service.

ABOVE: Cleaning up after a storm in the 1990s.

Company-wide Reorganization

As Empire faced the possibility of deregulation of the utility industry in 1995, the company undertook the Competitive Positioning Process (CPP). Using employee teams, each segment of the company was evaluated to ensure the most efficient, cost-effective, and competitive structure was in place. The company was reorganized into four segments, Commercial Operations, Energy Supply, Finance, and General Services. Once the structure was in place, staffing needs were evaluated and adjusted accordingly. An enhanced voluntary early retirement program was offered and 53 of Empire's 654 employees accepted the offer.

Fact:

In 1996, Congress introduced the legislation to deregulate the \$250 billion electric industry nationwide.

1996 Review

The year of 1996 was full of challenges. Fuel and purchased power prices were much higher than anticipated. In April, parts of the service territory experienced a storm carrying high winds and tornadoes leaving nearly 25,000 customers without power. At the end of the year, an early winter ice storm left nearly 33,000 customers without service. Also, an agreement was signed by the company management and the Union. Both parties signed a new three-year contract.

Myron McKinney Becomes President

Robert L. Lamb retired from Empire as president on March 31, 1996. Lamb continued to serve on Empire's Board of Directors. Myron W. McKinney became Empire's president and chief executive officer on April 1st.

Reflecting on president Bob Lamb, McKinney stated, "There has never been a time when he asked me or anyone else to work harder than he was working. Bob demanded excellence, trusted his staff with significant authority, he led by example."

Empire Provides New Solutions

In 1996, Empire provided a new solution when an established subdivision needed to have deteriorating underground cable replaced. The customers' desire was to minimize the damage to the landscape. This challenged the Empire management team to search for an alternative. Their solution was to use directional boring. This method left the landscape intact and reduced the company's cleanup costs. The process would be used, when possible, on other similar jobs.

Carmar, an industrial customer, had a unique problem for Empire to solve. The underground warehousing and storage facility was served primarily by surface-level facilities. Carmar requested that additional transformers be installed below ground to cover small-load needs. Empire developed and implemented standards to install conduit through 50 feet of limestone. Empire employees positioned primary distribution circuits, pedestals, transformers and three-phase primary lines in the underground facility.

BELOW: The company's new logo and marketing slogan, *Services You Count On*, was introduced in early 1997.



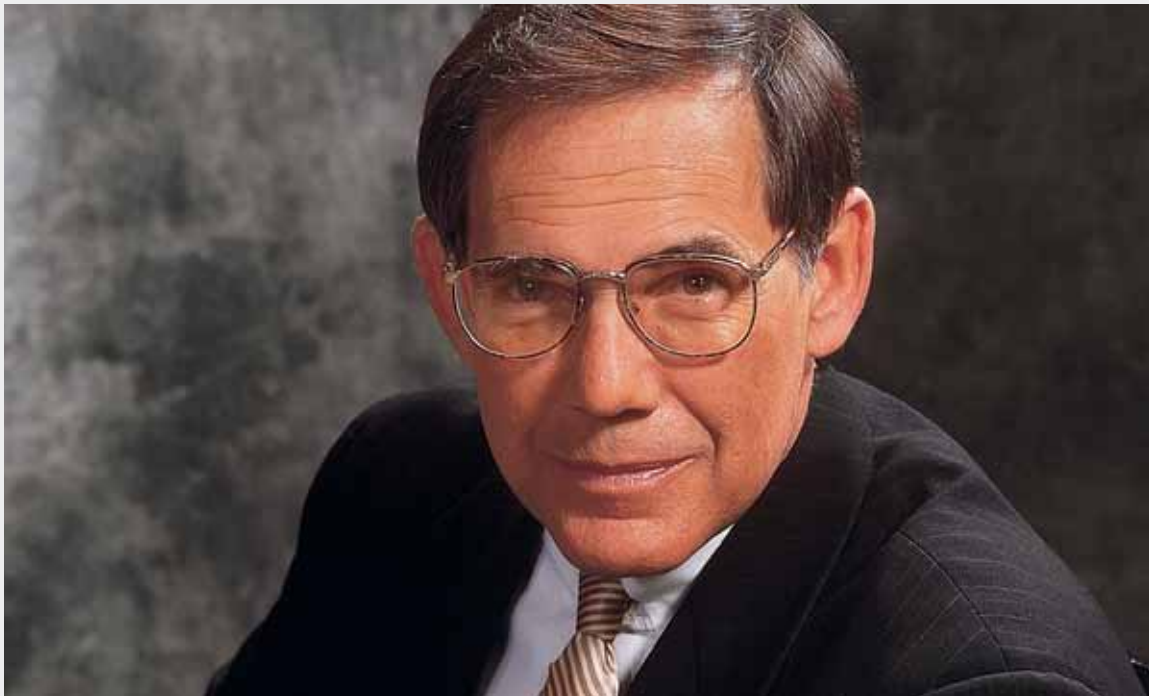
Myron W. McKinney

The Board of Directors elected Myron W. McKinney to serve as president and chief executive officer on April 1, 1997, following the retirement of Robert L. Lamb on March 31, 1997.

McKinney represented Empire's managerial culture by working his way up from an entry level sales position to president of the company.

After receiving a degree in Business Administration from Missouri Southern State University, McKinney went to work for Empire as a sales consultant. He was promoted to numerous positions, including manager of the Columbus office and director of customer relations, before being elected the vice president of Customer Service. At the time of his appointment, McKinney became the youngest vice president in the history of the company.

McKinney's impressive civic involvement included serving as Chairman of the Board of Ozarks Public Telecommunications and president of the Joplin Area Chamber of Commerce and United Way. In 1983 McKinney was campaign chairman for the United Way leading the annual drive to a record year.



He also served as a member of the Board of Directors of Freeman Hospital, the Joplin Family Y, Joplin Rotary Club and the Jasper County Association for Social Services.

He received numerous awards through the years for his extraordinary dedication and commitment to his community and business. In 1984, the Joplin Jaycees named him Boss of the Year. He was Bolivar High School Outstanding Alumnus in 1997 and Missouri Southern State University Outstanding Alumnus and Joplin's Outstanding Citizen in 1999.