

THE EMPIRE DISTRICT ELECTRIC COMPANYSCHEDULE AERR

(Name of Issuing Utility)

Replacing Schedule AECR Sheet 12ALL TERRITORY

(Territory to which schedule is applicable)

which was filed April 14, 2015ASBURY ENVIRONMENTAL AND RIVERTON  
RIDER - AERRSheet 1 of 2 Sheets

## APPLICATION:

To all bills rendered by the Company for utility service, permitting the recovery of such cost.

## TERM:

This rider will have a term beginning with the effective date of a Commission Order approving this rider and ending with the rate effective date of the next general rate case, unless extended by the State Corporation Commission of Kansas ("Commission").

## BASIS OF ADJUSTMENT:

Company will collect from customers as an adjustment to the aforementioned bills, an additional charge equal to the annual capital investment-related revenue requirements associated with the Asbury Environmental Retrofit and Riverton 12 Project (AERR) undertaken by Company. The calculation of such revenue requirements will be made in conformity with the formula stated in this Rider, and will not change absent Commission approval.

Company shall provide periodic reports to the Commission of its collections including a calculation of the total collected under this Rider.

## METHOD OF BILLING:

The additional charge shall be collected by applying the following factor and adding the charge to each applicable customer's bill. The billing method shall include:

1. A per kilowatt hour (kWh) charge determined by dividing the AERR revenue requirements by the annual applicable kWh sales.

## BASIS FOR DETERMINING THE AERR:

The monthly charge shall reflect the recovery of the AERR revenue requirement as approved by the Commission. The AERR charge shall be implemented on an interim basis subject to refund, and shall remain fixed until otherwise ordered by the Commission.

## ANNUAL TRUE-UP:

The revenue collected pursuant to the application of this Rider shall be compared to the estimated revenue approved for collection by the Commission on an annualized basis. The amount of any over (under) recovery shall be included in any refund calculation that may result from the re-calculation of the revenue requirement to take place during Empire's next rate case.

## INTERIM SUBJECT TO REFUND:

The revenue collected pursuant to this rider, as approved by the Commission, shall be collected on an interim basis, subject to refund. For purposes of determining whether a refund is necessary, each component of the AERR revenue requirement will be determined by the Commission during Empire's next general rate case. The AERR revenue requirement will then be compared against the AERR revenue requirement approved by the Commission. If the AERR revenue requirement calculated by the Commission in Empire's next general rate case is less than the AERR revenue requirement approved by the Commission, then Empire shall refund the difference through a bill credit. The refund rates (bill credits) shall be distributed to customers in the same fashion as the original AERR rates

Commission File Number \_\_\_\_\_

Issued	<u>January</u>	<u>06</u>	<u>2017</u>
	Month	Day	Year
Effective	<u>July</u>	<u>01</u>	<u>2017</u>
	Month	Day	Year
By	<u>/s/ Chris Krygier</u>		
	Signature	Director, Rates and Regulatory Affairs	
		Title	

THE EMPIRE DISTRICT ELECTRIC COMPANY**SCHEDULE** AERR

(Name of Issuing Utility)

Replacing Schedule AECR Sheet 12ALL TERRITORY

(Territory to which schedule is applicable)

which was filed April 14, 2015ASBURY ENVIRONMENTAL COST RECOVERY  
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contained in this tariff. The components of the AERR revenue requirement to be determined in the next general rate case shall include the following:

Revenue requirements for AERR = (RB x r) + D

RB = the rate base investment associated with the AERR. Rate base will consist of all prudently incurred gross plant investment associated with the AERR, less Accumulated Depreciation associated with the AERR, less any applicable Accumulated Deferred Income Taxes directly associated with the AERR.

r = the pretax rate of return approved by the Commission in Docket No. 16-EPDE-410-ACQ, unless otherwise agreed to by the parties and the Commission.

D = the Depreciation Expense, calculated using Commission approved depreciation rates, and the Commission approved Gross Plant component of A- Rate Base described above.

**BILLING ADJUSTMENT FACTORS:**

The following charges are applied to a customer's monthly energy of each rate schedule as indicated. The amount determined by the application of such unit adjustment shall become a part of the total bill for electric service furnished and will be itemized separately on customer's bill.

<u>Rate Schedule</u>	<u>\$ per kWh</u>
Residential Service – Schedule RG	\$0.00798
Residential Total Electric Service – Schedule RH	\$0.00798
Commercial Service – Schedule CB	\$0.00798
Small Heating Service – Schedule SH	\$0.00798
General Power Service – Schedule GP	\$0.00798
Transmission Service – Schedule PT	\$0.00798
Total Electric Building Service – Schedule TEB	\$0.00798
Mobile Home Park Service – Schedule MHP	\$0.00798
Municipal Street Lighting Service – Schedule SPL	\$0.00798
Private Lighting Service – Schedule PL	\$0.00798
Special Lighting Service – Schedule LS	\$0.00798
Miscellaneous Service – Schedule MS	\$0.00798
Church and School Service – Rider SC	\$0.00798
General Municipal Service – Rider M	\$0.00798

**DEFINITIONS AND CONDITIONS:**

Company for the purposes of this rate schedule or rider is defined as The Empire District Electric Company.

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