THE EMPIRE DISTRICT ELECTRIC COMPANY							
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D. Missouri Commercial and Industrial Facility Rebate Program

APPLICATION:

The Missouri Commercial and Industrial Facility Rebate Program (Program) is designed to encourage more effective utilization of electric energy through energy efficiency improvements in the building shell or through the replacement of inefficient electrical equipment with efficient electrical equipment, by providing a rebate for a portion of the costs of the improvements and for energy audit and the related upgrades that improve efficient use of electricity. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the Funds allocated for that purpose and approved by the Customer Program Collaborative (CPC) pursuant to the Stipulation and Agreement approved by the Missouri Public Service Commission (Commission) in Case. No EO-2005-0263.

DEFINITIONS:

Administrator – The Company will administer the program.

Funds – The Company has allotted funds annually to fulfill a portion of audit costs and both prescriptive rebates and custom rebates.

Participant – Electric customer in rate schedules CB, SH, GP, PFM, and TEB being served by the Company in its Missouri electric service territory that elects to purchase energy auditing services and electrical energy efficiency upgrades through the Program.

Energy Audit Firm – Any vendor which provides commercial energy auditing services that has agreed to perform these services through the Program. The auditor must be a Certified Energy Manager, licensed Professional Engineer, or equivalent.

Energy Audit Rebate – Rebate offered of up to 50% of the cost of the energy audit to customers implementing at least one of the audit recommendations that qualify for a rebate. The energy audit rebate offered will be up to 50% of the audit cost up to \$300 for customers with facilities less than 25,000 square feet and up to \$500 for customers with facilities over 25,000 square feet. Customers with multiple buildings will be eligible for multiple audit rebates.

Prescriptive Rebates -- Certain rebates which have a set rebate amount and that do not have to meet the custom rebate calculation criteria. Only customers in the CB (Small Commercial Building Service) or SH (Small Commercial Total Electric Service) schedules will be eligible for prescriptive rebates.

Custom Rebates – Custom rebates wil be available to all Commercial and Industrial customers listed as Participants. Each potential rebate will be individually determined and analyzed to ensure that it passes the Societal Benefit/Cost Test (defined as a test result of 1.05 or higher). The amount of the custom rebate will be calculated as the lesser of the following:

A buydown to a two-year payback

50% of the incremental cost

50% of lifecycle avoided demand and energy costs

The Avoided Energy Cost will be the same as the amount in Empire's Cogeneration Purchase Rate Schedule CP tariff. The amount used in the above calculation will be updated as the tariff is updated each odd numbered year.

AVAILABILITY:

The Program is voluntary and available on a first-come, first-served basis to any commercial or industrial facility located in Missouri that is receiving electric service under rate schedules CB, SH, GP, PFM, or TEB from the Company until funds for that year have been expended. Customers with multiple buildings will be eligible for multiple audit rebates. A customer is still eligible for custom rebates if they qualify for prescriptive rebates. Additionally, one customer may submit multiple rebate applications for different measures, each of which will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. However, no customer, including those with multiple facilities or buildings, may receive more than \$20,000 in incentives for any program year.

TERMS & CONDITIONS:

This Program will provide rebates to Participants that install, replace or retrofit qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. Rebates are also available for energy audits. Terms of the rebate are:

1. Prescriptive Rebates for lighting, cooling, and motors are available to small commercial customers, those in rate schedules CB and SH. A listing of the Prescriptive Rebates may be found on the Company's website, www.empiredistrict.com. If a measure is eligible for a Prescriptive Rebate, it is not eligible for a Custom Rebate on the same measure. A customer may apply for the prescriptive rebates by accessing the application on the Company's website and forwarding the application along with the invoice, if the items have been purchased, to Kelly Chenoweth at Empire District Electric Company, P. O. Box 127, Joplin, MO 64802, or faxing the forms to Kelly Chenoweth at 417-625-5169.

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ISSUED BY Kelly S.	Walters, Vice President, Joplin, MO			