

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. Mo. No. 5

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 4 2nd Revised Sheet No. 21
Canceling P.S.C. Mo. No. 5

For ALL TERRITORY

No supplement to this tariff will be issued except
for the purpose of canceling this tariff.Sec. 4 1st Revised Sheet No. 21
Which was issued 11-15-02ENERGY COST RECOVERY
SCHEDULE ECRDEFINITIONS

ACCUMULATION PERIOD:

The two six-month accumulation periods, the two six-month recovery periods and filing dates will be as follows:

<u>ACCUMULATION PERIOD</u>	<u>RECOVERY PERIOD</u>	<u>ACCUMULATION PERIOD</u>	<u>RECOVERY PERIOD</u>
September	June	March	December
October	July	April	January
November	August	May	February
December	September	June	March
January	October	July	April
February	November	August	May
Filing date: April 1 st		October 1 st	

RECOVERY PERIOD:

The billing months during which Cost Adjustment Factor (CAF) is applied to retail customer billings on a per kilowatt-hour (kWh) basis.

COSTS:

Costs eligible for Energy Cost Recovery (ECR) will be the Company's allocated Missouri Jurisdictional costs for fuel consumed in Company generating units, purchased power charges and emission allowance costs. Eligible costs do not include the purchased power demand costs associated with purchased power contracts with a term in excess of one (1) year.

APPLICATION

The price per kWh of electricity sold will be adjusted subject to application of the ECR mechanism and approval by the Public Service Commission. The price will reflect accumulation period Missouri Jurisdictional costs above or below base costs specified on Sheet No. ___ for:

1. Fuel consumed in Company electric generating plants, plus
2. purchased power (excluding demand¹), plus
3. emission allowance costs, plus or minus
4. an adjustment for recovery period sales variation. This is based on the difference between the value of the Energy Cost Recovery as adjusted minus actual ECR revenue during the recovery period. This amount will be collected during the next recovery period.
5. Interest-Deferred electric energy cost shall be determined monthly. The resulting amount, whether negative or positive will be accumulated during the accumulation period. In addition, interest at a rate equal to the interest rate paid on short-term debt will be applied to the deferred electric energy costs on an average monthly basis and will be accumulated during the accumulation period. The accumulated interest shall be included in the determination of the CAF.

¹ Contracts, the term of which exceed one (1) year.

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Sec. 4 Original Sheet No. 22
Canceling P.S.C. Mo. No. _____For ALL TERRITORYNo supplement to this tariff will be issued except
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Which was issued _____ENERGY COST RECOVERY
SCHEDULE ECR

The ECR will be the sum of (1), (2), (3) and (4). The Cost Adjustment Factor is the result of dividing the ECR by accumulation period billed kWh sales, rounded to the nearest \$.00000. The formula and components are displayed below.

$$ECR = F + P + E - B + C + I$$

The Cost Adjustment Factor (CAF) is as follows:

$$CAF = \frac{ECR}{S}$$

Where:

- F = Actual Missouri jurisdictional cost of fuel-FERC Accounts 501 & 547
- P = Actual Missouri jurisdictional cost of purchased energy-FERC Account 555
- E = Actual Missouri jurisdictional Emission allowance cost-FERC Account 509
- B = Base cost of fuel and purchased power energy = S x \$0.02999
- C = Under/Over recovery from prior accumulation period¹
- S = Missouri jurisdictional sales (kWh)
- I = Interest

¹ C-The correction factor may also be adjusted to reflect any modifications made due to the annual prudence reviews.

APPLICABLE BASE COST

Company generated energy and purchased energy per kWh sold, \$0.02999. (Or amount approved in ratecase)

MISSOURI JURISDICTIONAL COST

Fuel, Purchased Power Emission costs (501,547,555 and 509) shall be allocated to the Missouri retail jurisdiction based upon the following ratio each month of the accumulation period.

$$\frac{\text{Missouri kWh sales}}{\text{System kWh sales}} = \text{Missouri Energy Ratio}$$

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Sec. 4 Revised Sheet No. 23
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for the purpose of canceling this tariff.Sec. _____ Revised Sheet No. _____
Which was issued _____ENERGY COST RECOVERY
SCHEDULE ECRACCUMULATION PERIOD ENDING, 00-00-0000

1.	Total energy cost	\$xxx,xxx,xxx
2.	Base energy cost	\$xxx,xxx,xxx
3.	Energy Cost Recovery	\$xxx,xxx,xxx
4.	Adjustment for Over/Under recovery for the test period ending 00-00-0000	\$xxx,xxx,xxx
5.	Energy Cost Recovery as Adjusted	\$xxx,xxx,xxx
6.	Estimated recovery period sales kWh	x,xxx,xxx,xxx
7.	Cost adjustment factor to be applied to bills beginning 00-00-0000	\$o.xxxxx