

THE EMPIRE DISTRICT ELECTRIC COMPANY d.b.a. LIBERTY

P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 26b

Canceling P.S.C. Mo. No. _____ Sec. _____ Original Sheet No. _____

For ALL TERRITORY

SECURITIZED UTILITY TARIFF CHARGE RIDER SUTC

DEFINITIONS:

For the purposes of this schedule the following terms shall have the following meanings:

COMPANY - Liberty and its successors and assigns that provide [transmission or distribution service directly to customers taking service at facilities, premises, or loads located within the Service Area.]

FINANCING ORDER - the Financing Order issued by the Missouri Public Service Commission (Commission) in Case No. [] under the Missouri Electricity Bill Reduction Act, RSMo Section 393.1700 of providing for the issuance by the Special Purpose Entity (SPE) of Securitized Utility Tariff Bonds to securitize the amount of Securitized Utility Tariff Costs and financing costs (Financing Costs) determined by the Commission in such order.

SERVICE AREA - the Company's [service area, the service area previously served by Liberty Central Company, as it existed on the date of approval of the Financing Order in Case No. []].

SERVICER - on the effective date of this tariff, the Company shall act as Servicer. However, the SPE may select another party to function as Servicer or the Company may resign as Servicer in accordance with terms of the Servicing Agreement and Financing Order issued in Case No. []. A Servicer selected under these conditions shall assume the obligations of the Company as Servicer under this schedule. As used in this schedule, the term Servicer includes any successor Servicer.

SPECIAL PURPOSE ENTITY (SPE) - the owner of Securitized Utility Tariff Property, on behalf of whom the SUTCs are collected.

SECURITIZED UTILITY TARIFF CHARGE (SUTC) - a non-bypassable charge computed on the basis of [individual end-use retail customer consumption,] except for customers receiving electrical service under special contracts as of August 28, 2021, even if a retail customer elects to purchase electricity from an alternative electricity supplier following a fundamental change in regulation of public utilities in Missouri.

APPLICABILITY:

This schedule, along with Rider SUTC, sets out the rates, terms and conditions under which SUTCs shall be billed and collected by the Company, any successor Servicer(s), and other entity on behalf of the owner of Securitized Utility Tariff Property pursuant to the terms of the Financing Order. This schedule is applicable to [energy consumption and demands of retail customers taking transmission and distribution service from the Company and to facilities, premises and loads of such retail customers.]

Individual end-use customers are responsible for paying SUTCs billed to them in accordance with the terms of this schedule. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Financing Order, which entity may be the Company, a successor Servicer or other entity which, under the terms of the Financing Order or the Securitization Statute, may be obligated to pay or collect the SUTCs. Another entity which, under the terms of the Financing Order or the Securitization Statute, is obligated to pay or collect the SUTCs will pay the SUTCs to the Servicer. The Servicer will remit collections to the SPE in accordance with the terms of the Servicing Agreement.]

TERM:

This schedule shall remain in effect until SUTCs have been collected and remitted to the SPE which are sufficient in amount to satisfy all obligations of the SPE in regard to paying principal and interest on the Securitized Utility Tariff Bonds together with all other financing costs as provided in the Securitization Statute. However, in no event shall the

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SUTCs provided for in this schedule be collected for service rendered after 15 years from issuance of the Securitized Utility Tariff Bonds. SUTCs for service rendered during the 15-year period following issuance of the Securitized Utility Tariff Bonds pursuant to the Financing Order, but not collected during that 15-year period, may be collected after the 15-year period. This schedule is irrevocable and non-bypassable for the full term during which it applies.

RATE CLASSES:

For the purposes of billing SUTCs, each retail end-use customer shall be designated as a customer in one of the following 12 customer classes. A new customer shall be assigned to the appropriate customer class based on anticipated usage characteristics.

- Residential
- Commercial
- Small Heating
- General Power
- Transmission
- Total Electric Building
- Feed Mill
- Large Power
- Misc. Service
- Street Lighting
- Private Lighting
- Special Lighting

PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS:

The following Periodic Billing Requirement Allocation Factors (PBR AF) to be used in the calculation of the SUTC Rates are calculated using the methods approved by the Commission in the Financing Order. The PBR AFs shall be the percentage of cost responsibility for each Securitized Utility Tariff Charge customer class.

<u>Securitized Utility Tariff Charge Class</u>	<u>PBR AF</u>
Residential	44.38%
Commercial	8.93%
Small Heating	2.01%
General Power	18.30%
Transmission	1.13%
Total Electric Building	7.69%
Feed Mill	0.02%
Large Power	16.21%
Misc. Service	0%
Street Lighting	0.62%
Private Lighting	0.70%
Special Lighting	0.02%

DETERMINATION OF SECURITIZED UTILITY TARIFF CHARGE (SUTC) RATES:

SUTC Rates will be adjusted no less frequently than annually in order to ensure that the expected collection of SUTCs is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the Securitized Utility Tariff Bonds and pay on a timely basis other Financing Costs. The SUTC Rates shall be computed by multiplying the PBR AFs times the Periodic Billing Requirement (PBR) for the projected period in which the

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adjusted SUTC Rates are expected to be in effect (SUTC Period), and dividing such amount by the billing units of the SUTC customer class, as shown in the following formula:

$$SUTC_c = [(PBR * PBRAF_c) + P_c] / FBU_c$$

where,

- SUTC_c = Securitized Utility Tariff Charge Rate applicable to a SUTC rate class during the SRC Period;
- PBR = Periodic Billing Requirement for the SUTC Period;
- PBRAFC_c = The Periodic Billing Requirement Allocation Factor for such class in effect at such time;
- P_c = Prior period over-funder-recovery for such class;
- FBU_c = Forecasted Billing Units (i.e., class-specific energy or demand billing units) currently forecast for a class for the SUTC period.

TRUE-UP ADJUSTMENT PROCEDURE:

Not less than 60 days prior to the first billing cycle for the Company's [month] billing month, and no less frequently than annually, the Servicer shall file a revised Rider SUTC setting forth the upcoming SUTC period's SUTC Rates, complete with all supporting materials. The adjusted SUTC Rates will become effective on the first billing cycle of the Company's [month] billing month. The Commission will have 30 days after the date of the true-up filing in which to confirm the accuracy of the of the Servicer's adjustment. Any necessary corrections to the adjusted SUTC Rates, due to mathematical errors in the calculation of such rates shall be refiled.

In addition, optional interim true-up adjustments may be made more frequently by the Servicer at any time during the term of the Securitized Utility Tariff Bonds to correct any undercollection or overcollection, as provided for in the Financing Order, in order to assure timely payment of the Securitized Utility Tariff Bonds based on rating agency and bondholder considerations. Further, the Servicer must make mandatory interim true-up adjustments semi-annually (or quarterly beginning 12 months prior to the final scheduled payment date of the last tranche of the Securitized Utility Tariff Bonds) if the Servicer forecasts that Securitized Utility Tariff Charge collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the Securitized Utility Tariff Bonds on a timely basis during the current or next succeeding payment period and/or or to replenish any draws upon the capital subaccount. In the event an interim true-up (whether mandatory or optional) is necessary, the interim true-up adjustment must use the methodology utilized in the most recent annual true-up and be filed not less than 60 days prior to the following month's first billing cycle for implementation. Filing with and review by the Commission will be accomplished for the interim true-up adjustment in the manner as for the annual true-up adjustment set forth above. In no event will a mandatory interim true-up adjustment occur more frequently than every six months provided, however, that mandatory interim true-up adjustments beginning 12 months prior to the final scheduled payment date of the last tranche of the Securitized Utility Tariff Bonds shall occur quarterly.

The true-up shall be conducted in the following manner. The Servicer shall:

- (a) allocate the upcoming period's Periodic Billing Requirement based on the PBRAFs approved in the Financing Order;

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- (b) calculate undercollections or overcollections from the preceding period in each class by subtracting the previous period's Securitized Utility Tariff Charge revenues collected from each class from the Periodic Billing Requirement determined for that class for the same period;
- (c) sum the amounts allocated to each customer class in steps (a) and (b) above to determine an adjusted Periodic Billing Requirement for each customer class;
- (d) divide the Periodic Billing Requirement for each customer class by the maximum of the forecasted billing units or the threshold billing units for that class, to determine the threshold rate;
- (e) multiply the threshold rate by the forecasted billing units for each class to determine the expected collections under the threshold rate;
- (f) allocate the difference in the adjusted Periodic Billing Requirement and the expected collections calculated in step (e) among the Securitized Utility Tariff Charge customer classes using the PBRAFs approved in this Financing Order;
- (g) add the amount allocated to each class in step (f) above to the expected collection amount by class calculated in step (e) above to determine the final Periodic Billing Requirement for each class; and
- (h) divide the final Periodic Billing Requirement for each class by the forecasted billing units to determine the Securitized Utility Tariff Charge rate by class for the upcoming period. The final Periodic Billing Requirement class percentage of the total Periodic Billing Requirement equals the adjusted PBRAFs.

OTHER TERMS AND CONDITIONS:

If the customer or other entity which, under the terms of the Financing Order or the Act, may be obligated to pay or collect the SUTCs, pays only a portion of its bill, a pro-rata share amount of Securitized Utility Tariff Charge revenues shall be deemed to be collected. In the event of any such shortfall, the amount paid will be allocated to the securitized utility tariff charges in the same proportion that such charges bear to the total bill. The first dollars collected would be attributed to past due balances, if any. If cash collections are not sufficient to pay a customer's current bill once those balances are paid in full then the cash would be prorated between the different components of the bill.

The Company shall cause to be prepared and included on each electric bill a statement stating, in effect, that the Securitized Utility Tariff Property and the Securitized Utility Tariff Charges are owned by the SPE and not the Company. On each customer's bill, the securitized utility tariff charge shall be a separate line item and include both the rate and the amount of the charge.

AVAILABILITY:

This schedule is applicable to billed energy consumption and demands of retail customers taking service from the Company during the term that this schedule is in effect, and to the facilities, premises, and loads of all other retail customers obligated to pay Rider SUTC Charges as provided in Schedule SUTC, Section 6.1.1.6.3. Terms defined in Schedule SUTC that are used herein shall have the same meaning as set forth in Schedule SUTC.

RATE CLASSES:

For purposes of billing Securitized Utility Tariff Charge Rates (SUTC Rates), each retail customer will be designated as a customer belonging to one of 12 classes as identified by Schedule SUTC.

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SECURITIZED UTILITY TARIFF CHARGE RATES:

<u>Securitized Utility Tariff Charge Customer Class</u>	<u>SUTC Rates</u>	
Residential	\$0.00505	per kWh
Commercial	\$0.00540	per kWh
Small Heating	\$0.00480	per kWh
General Power	\$0.00416	per kWh
Transmission	\$0.00308	per kWh
Total Electric Building	\$0.00430	per kWh
Feed Mill	\$0.00648	per kWh
Large Power	\$0.00353	per kWh
Misc. Service	\$0.00435	per kWh
Street Lighting	\$0.00665	per kWh
Private Lighting	\$0.01064	per kWh
Special Lighting	\$0.00724	per kWh

The SUTC Rates are multiplied by the kWh or kW, as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.

SECURITIZED UTILITY TARIFF CHARGE TRUE-UP:¹

The Securitized Utility Tariff Charge Rates shall be determined in accordance with and are subject to the provisions set forth in the Financing Order and Schedule SUTC. Not less than 30 days prior to the first billing cycle for the Company's [month] billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a revision to Rider SUTC setting forth the adjusted SUTC Rates to be effective for the upcoming period. If made as a result of the annual true-up adjustment in Schedule SUTC, the adjusted SUTC Rates will become effective on the first billing cycle of the Company's [month] billing month. In accordance with Schedule SUTC, an interim true-up is mandatory semi-annually (or quarterly beginning 12 months prior to the final scheduled payment date of the last tranche of the Securitized Utility Tariff Bonds) if the Servicer forecasts that Securitized Utility Tariff Charge collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the Securitized Utility Tariff Bonds on a timely basis during the current or next succeeding payment period and/or to replenish any draws upon the capital subaccount. Optional interim true-ups may also be made at any time as described in Schedule SUTC. If an interim true-up adjustment is made pursuant to Schedule SUTC, the Adjusted SUTC Rates will become effective on the first billing cycle of the Company's billing month that is not less than 30 days following the making of the interim true-up adjustment filing.

¹ NTD: To be updated as necessary.