

P.S.C. Mo. No. 5 Sec. 4 6<sup>th</sup> Revised Sheet No. 17Canceling P.S.C. Mo. No. 5 Sec. 4 5<sup>th</sup> Revised Sheet No. 17For ALL TERRITORYFUEL ADJUSTMENT CLAUSE  
SCHEDULE FACDEFINITIONS

## 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>ACCUMULATIO N 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
	April 1 <sup>st</sup>		October 1 <sup>st</sup>

Filing date:

The Accumulation period is the six calendar months during which the actual costs subject to this rider will be accumulated for purposes of determining the Cost Adjustment Factor.

## 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 Fuel Cost Adjustment (FAC) will be the Company's total book costs for fuel consumed in Company generating units, including the costs associated with the Company's fuel hedging program, purchased power charges, including applicable transmission fees and emission allowance costs during the Accumulation period. Eligible costs do not include the purchased power demand costs or the cost and revenue associated with off-system sales.

APPLICATION

The price per kWh of electricity sold will be adjusted subject to application of the FAC mechanism and approval by the Public Service Commission. The price will reflect 95 percent of the Accumulation period costs either above or below base costs specified on Sheet No.    for:

1. fuel consumed in Company electric generating plants, plus
2. purchased energy (excluding demand), plus
3. emission allowance costs, plus or minus
4. an adjustment for the prior recovery period sales variation. This is based on the difference between the value of  $\{[(F + P + E - (\text{base cost per kWh} \times \text{accumulation period jurisdictional sales})) \times .95] \text{ minus } [(CAF \times \text{Actual Recovery Period jurisdictional kWh sales}) \pm C]$  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 Company's short-term interest rate 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.

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

$$FAC = \{[(F + P + E - B) \cdot .95] \pm C^1\} \pm I$$

The Cost Adjustment Factor (CAF<sup>1</sup>) is as follows:

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

Where:

- F = Actual jurisdictional cost of fuel-FERC Accounts 501 & 547
- P = Actual jurisdictional cost of purchased energy-FERC Account 555
- E = Actual jurisdictional Emission allowance cost-FERC Account 509
- B = Base cost of fuel and purchased power energy = S x \$.03075
- C = Under/Over recovery from prior Recovery period as included in the deferred energy cost balancing account
- S = Missouri jurisdictional sales (kWh) for the Accumulation period
- I = Interest

C<sup>1</sup>-The correction factor may also be adjusted to reflect any modifications made due to the periodic prudence reviews. The CAF shall also be adjusted to reflect the differences in line losses that occur at primary and above voltages and secondary voltages by the use of expansion factors based upon the ratio of sales and required system inputs utilizing the results of the latest Company line loss study.

#### APPLICABLE BASE COST

Company generated energy and purchased energy per kWh established in the most recent base rate case and approved by the Commission.

#### MISSOURI JURISDICTIONAL COST

Fuel, purchased power and emission costs (501, 547, 555 & 509) shall be allocated to the Missouri retail jurisdiction based upon the following ratio each month of the accumulation period:

$$\text{Missouri Energy Ratio} = \frac{\text{Missouri Retail kWh sales}}{\text{Total System kWh sales}_1}$$

Total System kWh Sales<sub>1</sub> exclude off-system sales

#### PRUDENCE REVIEW

There shall be a periodic review of fuel and energy costs subject to the FAC, and a comparison of the FAC revenue collected. In addition, the review shall determine if the costs subject to the FAC were prudently incurred by the Company. FAC cost and the FAC charges are subject to adjustment if found to be imprudent by the Commission. The normal true-up of over/under recovery of FAC cost occurs at the end of each Recovery period. Prudence reviews shall occur no less frequently than at eighteen (18) month intervals.

## THE EMPIRE DISTRICT ELECTRIC COMPANY

## SCHEDULE WSK-3

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SCHEDULE FACACCUMULATION PERIOD ENDING, 00-00-0000

1.	Total energy cost	\$xxx,xxx,xxx
2.	Base energy cost	\$xxx,xxx,xxx
3.	Fuel Cost Recovery	\$xxx,xxx,xxx
4.	Adjustment for Over/Under recovery for the Recovery period ending 00-00-0000	\$xxx,xxx,xxx
5.	Fuel Cost Recovery as Adjusted	\$xxx,xxx,xxx
6.	Actual Accumulation period jurisdictional sales-kWh	x,xxx,xxx,xxx
7.	Average Cost adjustment factor to be applied to bills beginning 00-00-0000	\$0.xxxxx
8.	Cost adjustment factor-Primary and above (Line 7 x Expansion Factor <sub>1</sub> )	\$0.xxxxx
9.	Cost adjustment factor-Seconday (Line 7 xExpansion Factor <sub>2</sub> )	\$0.xxxxx

Expansion Factor<sub>1</sub>=1.0463/1.0728=.98  
Expansion Factor<sub>2</sub>=1.0821/1.0728=1.01

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

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