

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

P.S.C. Mo. No. 6 Sec. 4 1st Revised Sheet No. 22c

Canceling P.S.C. Mo. No. 6 Sec. 4 Original Sheet No. 22c

For ALL TERRITORY

LIMITED LARGE CUSTOMER ECONOMIC DEVELOPMENT RIDER
Schedule SBEDR

PURPOSE

The purpose of this Limited Large Customer Economic Development Rider ("Rider") is to comply with Mo. Rev. Stat. § 393.1640.

EXPIRATION

This Rider shall expire on December 31, 2028, unless extension is requested by the Company and approved by the Commission. For customers with new load of at least 300 kilowatts but not more than ten megawatts, and a Load Factor of at least forty-five percent, the discount shall expire no later than December 31, 2033 (unless extension is requested and approved). For those customers whose new load is projected to be more than ten megawatts, with a Load Factor of at least fifty-five percent, the discount shall expire no later than December 31, 2038 (unless extension is requested and approved).

AVAILABILITY/ELIGIBILITY

Electric service under this Rider shall be limited to industrial and commercial facilities which are not in the business of selling or providing goods and/or services directly to the general public, and shall be made available if the availability/eligibility criteria outlined in paragraphs one (1), two (2) and three (3) as well as one of the criteria for projected monthly demand listed in paragraph four (4) in this subset are met.

1. If an otherwise qualifying Customer is receiving any economic development or retention-related discounts as of the date it would otherwise qualify for service under this Rider, the Customer shall agree to relinquish the prior discount concurrently with the date it begins to receive service under this Rider; otherwise, the Customer shall not be eligible to receive any service under this Rider;
2. Electric service under this Rider is not available in conjunction with service provided pursuant to any other Special Contract Service tariff agreements;
3. The Customer submits a completed Application prior to public announcement of the new load project. A new or existing account meeting the criteria in this subsection shall qualify for one of the discounts set forth in paragraph (4) of this subsection. Such Application, and an application for service if not already submitted, shall be submitted at least ninety (90) days prior to the date the Customer requests the discounts provided for by this Rider;
4. The Customer will receive a discount on qualifying new or incremental load only, provided the qualifying new or incremental load :
 - a. (Tier 1) The Customer adds qualifying new or incremental load with average monthly demand that is reasonably projected, and annually verified after the first 12 months, to be at least three hundred (300) kilowatts but not more than ten megawatts and have a load factor of at least forty-five (45) percent. The discount shall equal thirty-five (35) percent and shall apply for five (5) years, provided that if it is expected as of the date the discount is to commence that a thirty-five (35) percent discount would produce revenues from the applicant's total bill that would not exceed the electrical corporation's variable cost to serve the applicant's account or accounts that are to receive the discount, the discount shall be determined so that the percentage discount, rounded to the nearest one percent, is expected, as of the date the discount percentage is determined, to provide revenues equal to one hundred twenty (120) percent of the electrical corporation's variable cost to serve the applicant's account or accounts that there are to receive the discount.

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b. (Tier 2) When the new load is reasonably projected, and annually verified after the first 12 months, to be more than ten (10) megawatts and have a load factor of at least fifty-five (55) percent, the discount percentage, rounded to the nearest one (1) percent, shall be determined such that the applicant's total bill is expected, as of the date the discount percentage is determined, to provide revenues equal to one hundred twenty (120) percent of the electrical corporation's variable cost to serve the applicant's account or accounts that are to receive the discount. Such discount shall apply for ten (10) years.

- I. To obtain one of the discounts set forth in subdivision (a) Tier 1 or (b) Tier 2 of this subsection, the customer's load shall be incremental net of any associated offsetting load reductions due to the termination of other accounts of the Customer or an affiliate of the Customer within twelve (12) months prior to the commencement of service to the new load, the customer shall receive an economic development incentive from the local, regional, state, or federal government, or from an agency or program of any such government, in conjunction with the incremental load, and the customer shall meet the criteria set forth in this Economic Development Rider Schedule SBEDR, as approved by the Commission.
- II. The projected annual Customer load factor shall be determined by the following relationship:

$$\text{Load Factor} = \text{PAE} / (\text{PCD} \times \text{HRS})$$

where:

PAE = Projected Annual Energy (kWh)

HRS = Hours in year (8760 or 8784)

PCD = Projected Customer Peak Demand (kW)

The same Load Factor formula will apply for annual verification with actual Annual Energy (kWh) and actual Customer Peak Demand (kW)

- 5. Prior to execution of a Contract for Service under this Rider, the Customer shall provide sufficiently detailed information and documentation to enable the Company to determine whether the incremental load is qualified for service under this Rider;
- 6. The Customer shall execute a Contract for Service under this Rider. In the case of a Customer locating a new facility in the Company's service territory or expanding an existing facility in the Company's service territory, the contract will contain a statement that the Customer would not locate new facilities in the Company's service territory or expand its existing facilities in the Company's service territory but for receiving service under this Rider along with other incentives; and
- 7. The Customer is otherwise qualified for service under the Company's NSLG, NSSP, TCLG, TCSP, LP or TS rate schedules.

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APPLICABILITY

1. For facilities of a Customer contracting under this Rider due to expansion, the Company may install metering equipment necessary to measure load subject to this Rider. The Company reserves the right to make the determination of whether such load will be separately metered or sub-metered. If the Company determines that the nature of the expansion is such that either separate metering or sub-metering is impractical or economically infeasible, the Company will determine, based on historical usage, what portion of the Customer's load in excess of the monthly baseline, if any, qualifies as incremental load eligible for this Rider.
2. The Customer's load subject to service under this Rider is the qualifying incremental load. If the demand associated with the qualifying incremental load is not separately metered, the Company's determination of the incremental demand shall control. The Company shall verify the customer's incremental demand annually to determine continued qualification for the applicable discount.
3. Customer demand existing at the time the Customer begins to receive discounted rates under this section shall not constitute incremental demand.
4. Service under this Rider shall begin on the date when the meter associated with the qualifying incremental load is permanently set. However, if the permanent meter is set prior to occupancy and operation of the associated facility, the Customer will notify the Company when operation begins and service of this Rider shall begin at such time as operation begins. If the qualifying incremental load is measured rather than metered, service under this Rider shall begin upon notification to the Company by the Customer when operation begins.
5. For Customers with existing facilities at one or more locations in the Company's service area, this Rider shall not be applicable to service provided at any existing delivery point prior to receiving service under this Rider. Failure to comply with this provision may result in termination of service under this Rider.
6. An eligible Customer shall also receive a ten (10) percent discount of all base rate components of the bill applied to such qualifying incremental load for an additional one (1) year beyond the period during which the applicable discount under paragraph (4) of the Availability/Eligibility section applies if the Company determines that the Customer is taking service from an under-utilized circuit.

INCENTIVE PROVISIONS

1. Bills for separately metered (or measured) service to existing Customers, pursuant to the provisions of this Rider, will be calculated independently of any other service rendered to the Customer at the same or other locations.
2. The discount shall be a percentage applied to only the base rate components of the bill. The charges or credits arising from any rate adjustment mechanism shall be billed or applied to Customers taking service under this Rider in the same manner as otherwise applicable. All other billing, operational and related provisions of the otherwise applicable rate schedules shall remain in effect.
3. In establishing the contracted percentages, the cents per kilowatt-hour realization resulting from application of the discounted rate as calculated shall be higher than the Company's variable cost to serve such incremental demand and the applicable discounted rate also shall make a positive contribution to fixed costs associated with service to such incremental demand. To reasonably ensure the sufficiency of such revenues, the Company shall perform an analysis of the Company's variable cost to serve new load as follows:

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a. The variable cost to serve new load for purposes of establishing a discount under this section shall be determined using (a) the energy and capacity market prices that underlie the net base energy costs reflected in the revenue requirement from the electrical corporation's most recent general rate proceeding; (b) any operations and maintenance expenses that vary with respect to the total number of customers or load served by the electrical corporation, excluding operations and maintenance expenses associated with generating electricity; and (c) any other incremental costs to serve the customer.

b. The load analysis shall be provided to the Staff of the Commission and the Office of the Public Counsel at the time of the Company's triennial and annual updates filed as a Non-Case Related Submission in EFIS and also filed under the Commission's Chapter 22 Electric Utility Resource Planning Rules.

- 4. If in a subsequent general rate proceeding the Commission determines that application of a discounted rate is not adequate to cover the variable cost to serve and provide a positive contribution to fixed costs, then the Commission shall order modification of the contracted discount percentages for the accounts in question, as defined in item three (3) of this same section, to the extent necessary to do so.

TERMINATION

Failure of the Customer to meet any of the availability and applicability criteria of this Rider used to qualify the Customer for acceptance on the Rider shall result in termination of service under this Rider. Failure to meet and maintain compliance with each of the items contained in this Rider shall result in termination of service under this Rider. The Company shall review and verify compliance with the Rider and the Contract on an annual basis. The Company shall verify and retain documentation of each of the following items:

- 1. Electric service is limited to industrial and commercial facilities that are not in the business of selling or providing goods and/or services directly to the general public.
- 2. The local, regional, or state economic development incentives relied upon to initially qualify for service under this Rider have been received, retained, and the Customer has met all conditions upon the incentive receipt and retention.
- 3. For a grandfathered or Tier 1 Rider SBEDR Discount, Customer's qualifying demand or load factor has not met minimum requirements within the first twenty-four (24) months of receiving a discount or does not meet minimum requirements, defined in the Availability/Eligibility section 4(a) of this tariff, at any annual verification after the first twenty-four (24) months, the discount will be terminated.
- 4. For a Tier 2 Rider SBEDR Discount, where Customer's qualifying demand has not met minimum requirements during any of the first four (4) Contract Years, but does meet Tier 1 minimum requirements, defined in the Availability/Eligibility section 4 of this tariff, the Agreement will not terminate and Customer will revert to a Tier 1 Agreement and receive Rider SBEDR Discounts for five (5) years from the original beginning Discount date. Discounts will not exceed five (5) years in total.
- 5. For a Tier 2 Rider SBEDR Discount, where Customer's qualifying demand or load factor has not met minimum requirements, defined in the Availability/Eligibility section of this tariff, during any of the Contract Years five (5) through ten (10), the discount will be terminated.

ADDITIONAL REQUIREMENTS

- 1. Service under this Rider shall be evidenced by a Contract between the Customer and the Company. Within thirty (30) days of executing said Contract, the Contract shall be submitted along with documentation supporting the qualification of the Customer and the Company's review of qualification to the Commission as a Non-Case-Related Submission in EFIS.

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2. The Company shall file under affidavit the results of all annual reviews required under the Termination section of this Rider. Such filing shall include a Public and a confidential version including copies of all Contracts executed since its last annual review filing. All documentation relied upon by the Company for its conclusion that compliance has been maintained, or that there is basis for termination of service under this Rider, shall be included.
3. Any contract executed pursuant to this Rider shall be governed in all respects by the laws of the state of Missouri (regardless of conflict of laws provisions), this Rider, and the orders, rules, and regulations of the Commission as they may exist from time to time. Nothing contained therein shall be construed as divesting, or attempting to divest, the Commission of any rights, jurisdiction, power, or authority vested in it by law.
4. Agreements executed prior to August 28, 2022, will be grandfathered and continue under the terms executed in the Agreement. Applications received prior to August 28, 2022, if approved, may be grandfathered and eligible to receive an Agreement with the Rider SBEDR Discount based on the forty percent (40%) discount level for which customer was approved and the corresponding fifty-five percent (55%) Load Factor requirement. At the time of execution of the Agreement, customer will specify the level of discount from base rates for each individual Contract Year to 30%, 40%, or 50% provided the average discount for the five (5) Contract Years equals 40%. Customer may decline the grandfathered status and select the Tier 1 or Tier 2 discount available under the Availability/Eligibility section of this tariff. All grandfathered applications that have not entered into an Agreement on or before December 31, 2023, shall have their applicable discount calculated in accordance with the Determination of Rider SBEDR Discount of this revised tariff (submitted August 2023).

DEFINITIONS

- Agreement - The Rider SBEDR agreement between customer and Company specifying the customer's election of contract terms (Tier 1 or 2).
- Application - The Company document that provides notification by customer to Company of an intent to seek qualification for the Rider SBEDR Discount which includes the initial customer and project information as known at the time of Application.
- Baseline Usage - The actual or estimated billing determinants associated with the twelve (12) billing periods preceding the receipt by Company of a Rider SBEDR Application from customer: i) where the qualifying new load is being added to an existing electric account, or ii) where customer has had a termination of other accounts.
- Contract Year - Twelve (12) consecutive billing periods for which Discounts available under this Rider are applicable, Service under this Rider shall begin on the date when the meter associated with the qualifying incremental load is permanently set. However, if the permanent meter is set prior to occupancy and operation of the associated facility, the Customer will notify the Company when operation begins and service of this Rider shall begin at such time as operation begins. If the qualifying incremental load is measured rather than metered, service under this Rider shall begin upon notification to the Company by the Customer when operation begins.

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- Customer Peak Demand - The average of the peak demands of a retail electric account recorded during the twelve (12) billing periods of a Contract Year less any Baseline Usage and Transferred Load with peak metered demand as defined by the tariff selected by customer to receive service under.

- Load Factor - The projected annual Customer load factor shall be determined by the following relationship:

$$\text{Load Factor} = \text{PAE} / (\text{PCD} \times \text{HRS})$$

where:

PAE = Projected Annual Energy (kWh)

HRS = Hours in year (8760 or 8784)

PCD = Projected Customer Peak Demand (kW)

The same Load Factor formula will apply for annual verification with actual Annual Energy (kWh) and actual Customer Peak Demand (kW)

- Rider SBEDR Discount - The bill credits which shall be available under this Rider for up to either five (5) Contract Years ("Tier 1") or ten (10) Contract Years ("Tier 2") subject to continued qualification by customer and availability of the Rider SBEDR. The bill credits shall be a reduction in base rate components. Bill credits shall not be applicable to any other Rider or voluntary renewable program offered by Company and elected by customer.
- Transferred Load - Actual or estimated billing determinants of an electric load of the customer at any electric account that is being served by Company at the time of Application and for which the equipment or process is subsequently transferred to the electric account associated with the Application.
- Variable Cost - The sum of (a) the energy and capacity market prices that underlie the net base energy costs reflected in the revenue requirement from Company's most recent general rate proceeding, (b) any operations and maintenance expenses that vary with respect to the total number of customers or load served by Company, excluding operations and maintenance expenses associated with generating electricity, and (c) any other incremental costs to serve the customer.