

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

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

Canceling P.S.C. Mo. No. \_\_\_\_\_ Sec. \_\_\_\_\_ Original Sheet No. \_\_\_\_\_

For ALL TERRITORY

**SECURITIZED UTILITY TARIFF CHARGE  
RIDER SUTC**

**Applicability and Non-Bypassability of Charge**

The Securitized Utility Tariff Charge Rider (SUTC) described here-in is a non-bypassable charge applicable to each kWh provided to existing or future retail customers in Missouri receiving electrical service under commission-approved rate schedules from The Empire District Electric Company d/b/a Liberty (Liberty), its successors, or assignees, 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.

SUTC was authorized by the Missouri Public Service Commission (Commission) in Case No. EO-2022-0040 and EO-2022-0193 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 the Amended Report and Order dated September 22, 2022 (the Financing Order).

In the event that the certificated territory defined within this tariff book becomes combined through merger or acquisition or other corporate action with territory defined within another regulated utility's tariff book, this charge shall be applicable only to the territory defined within this tariff book immediately prior to such combination. In the event the territory defined within this tariff book is modified by territorial agreement, granting of new Certificate of Convenience and Necessity, or modification of the existing Certificate of Convenience and Necessity, this charge will become applicable to any new customers or premises acquired. This charge will continue to be applicable to any customers or premises (new or existing) currently served by Liberty, but subsequently served by some other electric service provider as a result of a territorial agreement or modification of a territorial agreement, whether the other electric service provider is regulated by this Commission or exempted from regulation by this Commission by any current or future law. In such instance applicable kWh shall be included in all applicable calculations contained herein.

The rate per kWh applicable to each customer described above shall be the Rate in effect for a given period of time, multiplied by the Voltage Adjustment Factor applicable to the voltage at which that customer receives service at that time. The on-bill charge resulting from application of such rate shall appear as a line item on each bill to each customer.

**Term of Charge**

The rates designed to recover this charge are applicable to each kWh for so long as the securitized utility tariff bonds are outstanding and until all financing costs have been paid in full.

The SUTC Rider will be identified on each customer's bill as a separate line item and include both the rate and the amount of the charge on each bill. Each customer bill shall include a statement to the effect that Empire District Bondco, LLC (BondCo) is the owner of the rights to securitized utility tariff charges and that Liberty is acting as servicer for BondCo. The tariff applicable to customers shall indicate the securitized utility tariff charge and the ownership of the charge.

**Collection and Ownership of Charge**

This charge is to be collected by Liberty, its successors or assignees, or a collection agent, in full, separate and apart from the other rates, riders, and charges specified in this Tariff. Ownership of the revenues produced by the rates designed to recover this charge will reside with **[BondCo]**, or its successors or assignees, as applicable.

The periodic payment requirement is the required periodic payment for a given period (e.g., annually, semi-annually, or quarterly) due under the securitized utility tariff bonds. Each periodic payment requirement includes: (a) the principal amortization of the securitized utility tariff bonds in accordance with the expected amortization schedule (including deficiencies of previously scheduled principal for any reason); (b) periodic interest on the securitized utility tariff bonds (including any accrued and unpaid interest); and (c) ongoing financing costs consisting of the servicing fees, rating agencies' fees, trustee fees, legal and accounting fees, other ongoing fees and expenses and applicable taxes.

The periodic billing requirement represents the aggregate dollar amount of securitized utility tariff charges that must be billed during a given period (e.g., annually, semi-annually, or quarterly) so that the securitized utility tariff charge collections will be sufficient to meet the periodic payment requirement for the period, given: (i) forecast usage data for the period; (ii) forecast uncollectible for the period; and (iii) forecast lags in collection of billed securitized utility tariff charges for the period.

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**Annual Time Periods:**

The Annual True-Up filing date will occur on or before October 15<sup>th</sup>, each year.

Period (12 months)	Accumulation Period	Recovery Period
<b>Initial Recovery Period</b>	N/A	February 1, 2024 – November 30, 2024
<b>Period 1</b>	February 1, 2024 – November 30, 2024	December 1, 2024 – November 30, 2025
<b>Period 2</b>	December 1, 2024 – November 30, 2025	December 1, 2025 – November 30, 2026
<b>Period 3</b>	December 1, 2025 – November 30, 2026	December 1, 2026 – November 30, 2027
<b>Period 4</b>	December 1, 2026 – November 30, 2027	December 1, 2027 – November 30, 2028
<b>Period 5</b>	December 1, 2027 – November 30, 2028	December 1, 2028 – November 30, 2029
<b>Period 6</b>	December 1, 2028 – November 30, 2029	December 1, 2029 – November 30, 2030
<b>Period 7</b>	December 1, 2029 – November 30, 2030	December 1, 2030 – November 30, 2031
<b>Period 8</b>	December 1, 2030 – November 30, 2031	December 1, 2031 – November 30, 2032
<b>Period 9</b>	December 1, 2031 – November 30, 2032	December 1, 2032 – November 30, 2033
<b>Period 10</b>	December 1, 2032 – November 30, 2033	December 1, 2033 – November 30, 2034
<b>Period 11</b>	December 1, 2033 – November 30, 2034	December 1, 2034 – November 30, 2035
<b>Period 12</b>	December 1, 2034 – November 30, 2035	December 1, 2035 – November 30, 2036
<b>Period 13</b>	December 1, 2035 – November 30, 2036	December 1, 2036 – November 30, 2037

Recovery Periods shall coincide with the actual date listed, or the first billing period to occur after the date listed, whichever approach is used for the generally-applicable rate schedules in place at a given time during the duration of this SUTC tariff.

**Securitized Utility Tariff Recovery Mechanism:**

Securitized Utility Tariff Amount: Liberty, its successors or assignees, shall abide by this tariff to accomplish collection of **[INSERT UPON FINALIZATION]** pursuant to File No. EO-2022-0040 and **[INSERT UPON FINALIZATION]** pursuant to File No. EO-2022-0193.

**Securitized Utility Amount (Seasonal Proration of Securitized Utility Tariff Amounts):**

The product of [1/13 of Securitized Utility Tariff Amount<sup>EO-2022-0040 and EO-2022-0193</sup>, divided by the total projected sales for the next two accumulation periods], times the projected sales for the next accumulation period.

$$SUTCA_x = (((SUTA/Bond\ life)/(PS_{A1}+PS_{A2})) * PS_{A1+A2})$$

Where,

SUTA = Securitized Utility Tariff Amount inclusive of the Bond Interest Rate

PS<sub>A1</sub> = Projected Sales for the accumulation period months 1 through 6

PS<sub>A2</sub> = Projected Sales for the accumulation period months 7 through 12

The calculation of the securitized utility tariff charges will also reflect both a projection of uncollectible securitized utility tariff charges and a projection of payment lags between the billing and collection of securitized utility tariff charges based upon Liberty's most recent experience regarding collection of securitized utility tariff charges.

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**Annual Recovery Period of the SUTC**

Recovery Period Amount EO-2022-0040 and EO-2022-0193= Prorated SUTCA EO-2022-0040 and EO-2022-0193 + the sum of the Components described below for the relevant accumulation period.

$$RPA_{NextRP} = \text{Prorated SUTCA}_{CurrentRP} + (PTC+TCR+TA)_{CurrentRP}$$

$RPA_{NextRP}$  = Recovery Period Amount for the next recovery period

**PTC – Projected Transaction Costs** are the expected level of costs and expenses for administering this tariff and servicing the bonds for each accumulation period, including a projection of payment lags between the collection of charge revenues and the payment of bond payments.

**TCR – Transaction Cost Reconciliation** is the difference between projected and actual transaction costs for a completed recovery period.

**TA – Standard True-up Amount** is  $[\text{Forecasted Sales} - (\text{Actual Sales} + \text{Projected Sales})] \times \text{Rate}$  in effect prior recovery period.

- (a) The level of actual sales and projected sales for the recovery period will be netted from the forecasted sales for the same period;
- (b) Under collection or overcollections will be determined by multiplying the results from Step (a) by the rate in effect for the same period; and
- (c) The resulting dollar amount will be incorporated as a component of the subsequent period's recovery period amount, to be allocated consistent with the Financing Order.

**Annual Securitized Utility Tariff Rate Charge**

The rate calculation is the Recovery Period Amount/Projected Sales for relevant recovery period. Voltage factor is applied to determine the rate for each voltage level.

$$SUTC_x = ((RPA_{NextRP}) / (PS_{A1} + PS_{A2})) * VAF$$

$VAF_{PRIM}$  = Expansion factor for primary to substation voltage customer

$VAF_{SEC}$  = Expansion factor for lower than primary voltage customer

$VAF_{TRNS}$  = Expansion factor for transmission voltage customer

**Semi-Annual Securitized Utility Amount (Seasonal Proration of Securitized Utility Tariff Amounts):**

The product of  $[1/13 \text{ of Securitized Utility Tariff Amount}_{EO-2022-0040 \text{ and } EO-2022-0193}$ , divided by the total projected sales for the next two accumulation periods], times the projected sales for the next accumulation period.

$$SUTCA_x = (((SUTA/\text{Bond life}) / (PS_{A1} + PS_{A2})) * PS_{A2})$$

**Semi-Annual Recovery Period of the SUTC**

Recovery Period Amount EO-2022-0193 = Prorated SUTCA EO-2022-0040 and EO-2022-0193 + the sum of the Components described below for the relevant accumulation period.

$$SRPA_{NextRP} = \text{Prorated SUTCA}_{CurrentRP} + (PTC+TCR+TA)_{CurrentRP}$$

$SRPA_{NextRP}$  = Recovery Period Amount for the next Semi – Annual recovery period

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**PTC – Projected Transaction Costs** are the expected level of costs and expenses for administering this tariff and servicing the bonds for each accumulation period, including a projection of payment lags between the collect of charge revenues and the payment of bond payments.

**TCR – Transaction Cost Reconciliation** is the difference between projected and actual transaction costs for a completed semi-annual recovery period.

**TA – Semi – Annual True-up Amount** is [(Forecasted Sales – (Actual Sales + Projected Sales)) x Rate in effect in prior recovery period.

- (a) The sum of actual sales and projected sales will be netted from the forecasted sales for the same period;
- (b) Under collection will be determined by multiplying the results from Step (a) by the rate in effect for the same period; and
- (c) The resulting dollar amount will be incorporated as a component of the subsequent period’s recovery period amount, to be allocated consistent with the Financing Order.

**Semi-Annual Securitized Utility Tariff Rate Charge**

The rate calculation is the Recovery Period Amount/Projected Sales for relevant recovery period. Voltage factor is applied to determine the rate for each voltage level.

$$SSUTC_x = ((SRPA_{NextRP}) / (PS_{A2})) * VAF$$

Where,

AS<sub>A1</sub> = Actual Sales for the accumulation period months 1 through 6

**Semi-Annual Time Periods:**

The Semi-Annual True-Up filing date may occur on or before April 15<sup>th</sup>, each year.

Period (6 months)	Accumulation Period	Recovery Period
<b>Initial Recovery Period</b>	February 1, 2024 – May 31, 2024	June 1, 2024 – November 30, 2024
<b>Period 1</b>	June 1, 2024 – November 30, 2024	December 1, 2024 – May 31, 2025
<b>Period 2</b>	December 1, 2024 – May 31, 2025	June 1, 2025 – November 30, 2025
<b>Period 3</b>	June 1, 2025 – November 30, 2025	December 1, 2025 – May 31, 2026
<b>Period 4</b>	December 1, 2025 – May 31, 2026	June 1, 2026 – November 30, 2026
<b>Period 5</b>	June 1, 2026 – November 30, 2026	December 1, 2026 – May 31, 2027
<b>Period 6</b>	December 1, 2026 – May 31, 2027	June 1, 2027 – November 30, 2027
<b>Period 7</b>	June 1, 2027 – November 30, 2027	December 1, 2027 – May 31, 2028
<b>Period 8</b>	December 1, 2027 – May 31, 2028	June 1, 2028 – November 30, 2028
<b>Period 9</b>	June 1, 2028 – November 30, 2028	December 1, 2028 – May 31, 2029

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<b>Period 10</b>	December 1, 2028 – May 31, 2029	June 1, 2029 – November 30, 2029
<b>Period 11</b>	June 1, 2029 – November 30, 2029	December 1, 2029 – May 31, 2030
<b>Period 12</b>	December 1, 2029 – May 31, 2030	June 1, 2030 – November 30, 2030
<b>Period 13</b>	June 1, 2030 – November 30, 2030	December 1, 2030 – May 31, 2031
<b>Period 14</b>	December 1, 2030 – May 31, 2031	June 1, 2031 – November 30, 2031
<b>Period 15</b>	June 1, 2031 – November 30, 2031	December 1, 2031 – May 31, 2032
<b>Period 16</b>	December 1, 2031 – May 31, 2032	June 1, 2032 – November 30, 2032
<b>Period 17</b>	June 1, 2032 – November 30, 2032	December 1, 2032 – May 31, 2033
<b>Period 18</b>	December 1, 2032 – May 31, 2033	June 1, 2033 – November 30, 2033
<b>Period 19</b>	June 1, 2033 – November 30, 2033	December 1, 2033 – May 31, 2034
<b>Period 20</b>	December 1, 2033 – May 31, 2034	June 1, 2034 – November 30, 2034
<b>Period 21</b>	June 1, 2034 – November 30, 2034	December 1, 2034 – May 31, 2035
<b>Period 22</b>	December 1, 2034 – May 31, 2035	June 1, 2035 – November 30, 2035
<b>Period 23</b>	June 1, 2035 – November 30, 2035	December 1, 2035 – May 31, 2036
<b>Period 24</b>	December 1, 2035 – May 31, 2036	June 1, 2036 – November 30, 2036
<b>Period 25</b>	June 1, 2036 – November 30, 2036	December 1, 2036 – May 31, 2037
<b>Period 26</b>	December 1, 2036 – May 31, 2037	June 1, 2037 – November 30, 2037

Recovery Periods shall coincide with the actual date listed, or the first billing period to occur after the date listed, whichever approach is used for the generally-applicable rate schedules in place at a given time during the duration of this SUTC tariff.

**Interim True-Up**

True-up adjustments may be made by the servicer more frequently at any time during the term of the securitized utility tariff bonds to correct any under collection or, as provided for in the Financing Order, in order to assure timely payment of securitized utility tariff bonds. Further, the servicer must make a mandatory interim true-up adjustment semi-annually:

- (a) 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; or
- (b) To replenish any draws upon the capital subaccount.

The interim true-up (whether mandatory or optional) must use the methodology utilized in the most recent annual true-up and be filed not less than 45 days before the first billing cycle of the month in which the revised securitized utility tariff charges will be in effect.

Further, the servicer must make a mandatory interim true-up adjustment semi-annually (or quarterly beginning 12 months prior to the final scheduled payment date of the last tranche of the securitized utility tariff bond).

**Revenue Adjustment:**

- 1. To coincide with each December rate change, Empire shall initiate a docket to establish a level of projected uncollectible net of projected past due collections and proceeds on debt sales to be included in the upcoming Rate Calculation, to reflect the expected net collection shortfall for the subsequent two Recovery Periods.

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- 2. Recovery of this amount will be prorated between the recovery periods based on projected sales for each recovery period. Each subsequent calculation under Step 1 will be adjusted to reconcile the ongoing difference between projected uncollectible, past due collections, and proceeds on debt sales.

**Emergency adjustment:** An adjustment, subject to true-up, to the recovery period amount made pursuant to a Commission order in EA-2022-0040 and/or in EA-2022-0193, authorizing a change in that recovery period's recovery period amount due to circumstances which raise substantial doubt as to the ability to make timely bond payments in the absence of such adjustment.

**Sales definitions:**

For purposes of this section, billing months shall be associated with the recovery period and accumulation periods in which the majority of the days fall. If an equal number of days for a given billing month are in different periods, that billing month shall be associated with the period in which the larger number of sales are expected to occur. The Forecasted Sales includes: (i) forecast usage data for the period; (ii) forecast uncollectible for the period; and (iii) forecast lags in collection of billed securitized utility tariff charges for the period.

Forecasted Sales = Forecasted Sales at Primary + Forecasted Sales at Secondary + Forecasted Sales at Transmission.

Forecasted Sales at Primary

(Sum of forecasted Missouri retail kWh sales at meter to customers served at primary voltage for the billing months included within a recovery period) x VAF<sub>PRIM</sub>

Forecasted Sales at Secondary

(Sum of forecasted Missouri kWh sales at meter to customers served at secondary voltage for the billing months included within a recovery period) x VAF<sub>SEC</sub>

Forecasted Sales at Transmission

(Sum of forecasted Missouri retail kWh sales at meter to customers served at transmission voltage for the billing months included within a recovery period)) x VAF<sub>TRNS</sub>

Actual Sales = Actual Sales at Primary + Actual Sales at Secondary + Actual Sales at Transmission.

Actual Sales at Primary

(Sum of actual billed Missouri retail kWh sales at meter to customers served at primary voltage for the billing months included within a recovery period)) x VAF<sub>PRIM</sub>

Actual Sales at Secondary

(Sum of actual billed Missouri kWh sales at meter to customers served at secondary voltage for the billing months included within a recovery period)) x VAF<sub>SEC</sub>

Actual Sales at Transmission

(Sum of actual billed Missouri retail kWh sales at meter to customers served at transmission the billing months included within a recovery period)) x VAF<sub>TRNS</sub>

In the event more delineated voltage adjustments become implemented in the FAC or other rate design, such service levels shall be incorporated into this rider at the next true up.

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**Additional Terms:**

**Partial Payments** - If any customer does not pay the full amount it has been billed, the amount will be allocated first to the securitized utility tariff charges, unless a customer is in a repayment plan under the Commission's Cold Weather Rule, in which case payments will be prorated among charge categories in proportion to their percentage of the overall bill, with first dollars collected attributed to past due balances, if any.

**Net Metering Rates** - For customers subject to billing under the Net-metering Easy Connection Act (Act), if the electricity supplied by Liberty exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed the Rate applicable to each kWh as netted pursuant to the terms of the Act and this tariff. If the electricity generated by the customer-generator exceeds the electricity generated during a billing period, the customer shall not be issued a credit based on the Rate applicable to each kWh as netted pursuant to the terms of the Act and this tariff, nor shall the Rate be considered to be part of the avoided fuel cost of Liberty for purposes of the Act. For customers who are authorized to back-flow energy under some other provision of law, or for any portion of back-flowed energy that exceeds that authorized under the terms of applicable net-metering provisions, the Rate shall be applicable to each kWh provided by the utility, without any offset.

**Filing Procedure-** Initial Rate Filing: Within five days of the Issuance Advice Letter Liberty shall file a tariff sheet to implement an initial rate using a calculation consistent with that described below, but only for the portion of the year remaining until the next designated Filing Date. Amounts collected under this initial rate filing are subject to Reconciliation and True-up.

On or before the Filing Date, Liberty shall prepare and file the information described below under affidavit. On the Filing Date, Liberty shall prepare and file a tariff sheet to be sequentially designated and bearing a heading indicating its applicability to all sales for the billing months of December of the current year to and including November of the next year.

Filing Date: 45 days prior to the start of each Recovery Period

Rate Effective Date: The start of each billing cycle associated with the first billing month following the start of each Recovery Period

Voltage Adjustment Factors Approved in Most Recent General Rate Case or in a proceeding conducted for that purpose

VAF<sub>PRIM</sub> = 1.0429  
VAF<sub>SEC</sub> = 1.0625  
VAF<sub>TRNS</sub> = 1.0210

**Primary Voltage:** Primary voltage is defined as the level of voltage at facilities at which electric power is taken or delivered, at a level between 2.4 kV and 34 kV.

**Secondary Voltage:** Secondary voltage is defined as the level of voltage at facilities at which electric power is taken or delivered, at a level up to 480 volts.

**Transmission Voltage:** Transmission voltage is defined as any line with voltage at 34.5 kV and above.

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1	Prorated SUTC		\$34,119,553
2	Projected Transactions Costs (PTC)	+	\$2,806,675
3	Transaction Cost Reconciliation (TCR)	+	\$0
4	True-Up (TA)	+	\$0
5	Recovery Period Amount (RPA)	+	36,926,228
6	Projected Sales of Accumulation Period 1-12	÷	4,613,095,283
7	SUTC Rate	=	\$0.008005
Loss Adjusted SUTC Rates			
8	Secondary (SUTC Rate x VAF <sub>Sec</sub> 1.0625) per kWh	=	\$0.00835
9	Primary (SUTC Rate x VAF <sub>Prim</sub> 1.0429) per kWh	=	\$0.00850
10	Transmission (SUTC Rate x VAF <sub>Trans</sub> 1.0210) per kWh	=	\$0.00817