

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

<b>SECURITIZED UTILITY TARIFF CHARGE</b> <b>RIDER SUTC- February 2021 Storm &amp; Asbury Costs</b>
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**Applicability and Non-Bypassability of Charge**

The Securitized Utility Tariff Charge (SUTC or the “charge”) described here-in is a non-bypassable charge for February 2021 Storm & Asbury costs applicable to each kWh provided to existing or future retail customers in Missouri receiving electrical service under Commission-approved rate schedules from 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.

This SUTC was authorized by the Commission in Case No. EO-2022-0040 and EO-2022-0193 under RSMo Section 393.1700 providing for the issuance by the Special Purpose Entity (SPE) of securitized utility tariff bonds to finance 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) for February 2021 Storm & Asbury Costs.

As provided in the Financing Order, the rights to bill, collect and adjust the SUTC have been sold to Empire District BondCo LLC (Bond Co), which will pledge such rights to the repayment of the principal of and interest on \$305,490,000 of securitized utility tariff bonds and ongoing financing costs. The SUTC will be initially set and adjusted from time-to-time in accordance with this tariff to collect amounts sufficient to pay debt service on the securitized utility tariff bonds and ongoing financing costs, as the same becomes due, as more fully explained below.

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. The SUTC 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 SUTC will be identified on each customer’s bill as a separate line item stating, “February 2021 Storm and Asbury Costs” 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 BondCo, is the owner of the rights to securitized utility tariff charges and that Liberty is acting as servicer for BondCo. On each bill, the SUTC charge will be calculated as the then-applicable Securitized Utility Tariff Charge Rate (SUTCRR) multiplied by the applicable VAF, and multiplied by that customer’s applicable usage.

**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 Liberty’s tariff book. Ownership of the revenues produced by the rates designed to recover this charge will reside with BondCo, or its successors or assignees, as applicable.

**Securitized Utility Tariff Recovery Mechanism:**

Liberty, its successors or assignees, shall abide by this SUTC Rider to accomplish collection of the amounts necessary to timely pay principal of, and interest on, the securitized utility tariff bonds and ongoing financing costs.

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**Bond Payment Dates:**

Bond payment dates are January 1 and July 1, starting on January 1, 2025, and continue so long as the securitized utility tariff bonds are outstanding and until all costs have been paid in full.

**Securitized Utility Tariff Charge Rate (SUTC) Filing Procedure:** Initial Rate Filing: With the filing of the Issuance Advice Letter Liberty shall submit a tariff sheet implementing the SUTC for the AP ending November 30, 2024. For all other filings the SUTC tariff sheet shall be submitted 45 days prior to the start of each APR. Concurrent with the filing of an SUTC tariff sheet, or prior to such filing, Liberty shall prepare and file the information described on Sheet 26e under affidavit.

**Rate Effective Date:** The SUTC shall be billed to customers starting with the start of each billing cycle associated with the first billing month following a SUTC tariff sheet effective date.

**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 at the Loss Adjusted SUTC Rate applicable to each kWh as netted pursuant to the terms of the Act. If the electricity generated by the customer-generator exceeds the electricity supplied by Liberty during a billing period, the customer shall not be issued a credit based on the Loss Adjusted SUTC Rate applicable to each kWh as netted pursuant to the terms of the Act, nor shall the Loss Adjusted SUTC Rate charge 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 Loss Adjusted SUTC Rate shall be applicable to each kWh provided by the utility, without any offset.

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**Annual Payment Requirement Time Periods:**

The mandatory Annual filing date will occur on or before October 15<sup>th</sup>, each year, to take effect on December 1<sup>st</sup> each year.

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

\*The Initial Annual Payment Requirement Period is less than twelve months; those following are twelve months.

**Annual Payment Requirement (APR):**

The aggregate dollar amount of securitized utility tariff charges that must be billed during a given Annual Period, after giving effect to amounts on deposit in the Excess Funds subaccount at the time of calculation and that are projected to be available for payment at the end of such Annual Period and any variances as provided for in the mechanism in the Annual Payment Requirements for any prior Annual Periods so that the securitized utility tariff charge collections will be sufficient to meet the Annual Payment Requirement for each Bond Payment Date, including deficiencies of previously scheduled principal for any reason.

For the Annual Period (AP) ending November 30, 2024:

$$APR = SUTBP_{AP} + PTC_{AP}$$

For APs ending November 30, 2025 through conclusion of the applicability of this SUTC Rider:

$$APR = SUTBP_{AP} + PTC_{AP} + TCR_{AP} + TUR_{AP} + FUR_{AP}$$

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**SUTBP<sub>AP</sub> - Securitized Utility Tariff Bond Payment** is the principal amortization payment of the securitized utility tariff bonds in accordance with the amortization schedule plus the periodic interest on the securitized utility tariff bonds (including any accrued and unpaid interest) to be paid on each Bond Payment Dates.

**PTC<sub>AP</sub> – Projected Transaction Costs** are the expected level of costs and expenses for administering this SUTC Rider and servicing the bonds for each AP, including a projection of billing and collection lags between the collection of SUTC revenues and the payment of bond payments on each Bond Payment Date. Ongoing financing costs include items such as the servicing fees, rating agencies’ fees, trustee fees, legal and accounting fees, other ongoing fees and expenses and applicable taxes to be paid on each Bond Payment Date during such APR Period.

**TCR<sub>AP</sub> – Transaction Cost Reconciliation** is the difference between the transaction costs projected for AP<sub>N-1</sub> and actual transaction costs experienced in AP<sub>N-1</sub>.

**TUR<sub>AP</sub> - True Up Reconciliation** Is the difference between (1) the total actual revenue expected to have been collected during AP<sub>N-1</sub>, including any TUAs, and including an estimated revenue amount for Forecasted Usage and (2) the total revenue collected during AP<sub>N-1</sub>, including an estimated revenue amount for Forecasted Usage, including the revenue collected pursuant to any TUAs.

**FUR<sub>AP</sub> - Forecasted Usage Reconciliation** Is the difference between the revenue forecasted to be collected under the then-applicable SUTCs during AP<sub>N-2</sub> and the revenue actually collected during the period for which usage was forecasted.

$$\text{SUTC}_{\text{at generation}} = (\text{APR} / \text{PU}_{\text{AP}}) + \sum (\text{TUA}_N)$$

**PU<sub>AP</sub> Projected Usage for Annual Period** Is the forward-looking estimate of the weather normalized kWh assumed to be sold in a future AP inclusive of Forecasted Usage when initially calculating an SUTC prior to calculation of any TUA, adjusted to generation voltage, and adjusted for payment lags and collection lags of customers that will not timely pay bills. Collection lags will be based upon Liberty’s most recent experience regarding collection of securitized utility tariff charges.

**PU<sub>TUA</sub> Projected Usage for an TUA** is the forward-looking estimate of the weather normalized kWh assumed to be between the effective date of the tariff sheet implementing that TUA and the end of the AP inclusive of Forecasted Usage, as adjusted to generation voltage, and adjusted for payment lags and collection lags of customers that will not timely pay bills. Collection lags will be based upon Liberty’s most recent experience regarding collection of securitized utility tariff charges.

**Forecasted Usage** is a forward-looking estimate of the weather normalized kWh at generation voltage which are assumed will be sold during the portion of a current AP which have not yet been billed. Generally, the usage for the calendar months of September, October, and November is contemplated to be forecast in each AP.

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**TUAN- True-Up Adjustment** – is a mandatory filing that will be made by the servicer at least semi-annually if the servicer forecasts undercollection, and may be made any time 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 TUA semi-annually, and quarterly beginning 12 months prior to the final scheduled payment date of the last tranche of the securitized utility tariff bonds:

- (a) If the servicer estimates 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 semi-annual period; or
- (b) To replenish any draws upon the capital subaccount.

The TUA shall equal Liberty's estimate of such insufficiency (in \$'s) divided by the applicable  $PU_{TUA}$ .

**Expansion Factors (VAF)** – Shall be equal to the voltage adjustment factors in Liberty's then-effective Fuel Adjustment Clause (FAC) as approved in the most recent general rate case or in a proceeding conducted for modifying the Company's Expansion Factors

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

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

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

**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.

**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.

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

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RIDER SUTC- February 2021 Storm & Asbury Costs

1	Securitized Utility Tariff Bond Payment (SUTBP <sub>AP</sub> )		29,993,350
2	Projected Transactions Costs (PTC <sub>AP</sub> )	+	2,612,173
3	Transaction Cost Reconciliation (TCR <sub>AP</sub> )	+	
4	True-Up Reconciliation (TUR <sub>AP</sub> )	+	
5	Forecasted Usage Reconciliation (FUR <sub>AP</sub> )	+	
6	Annual Payment Requirement (APR) [Line 6 = Sum of Lines 1-5]	=	32,605,523
7	Projected Usage (kWh) for Annual Period (PU <sub>AP</sub> )		3,307,583,200
8	[Line 8 = Line 6 divided by Line 7]	=	0.009858
9	True-Up Adjustment Rate (TUA <sub>N</sub> ) Effective _____	+	
10	SUTC <sub>R at generation</sub> [Line 10 = Line 8 + $\sum$ of all TUAs in effect]	=	0.009858
Loss Adjusted SUTC <sub>R</sub> Rates			
11	Secondary ( SUTC <sub>R at generation</sub> x VAF <sub>SEC</sub> 1.0625) per kWh	=	0.010474
12	Primary ( SUTC <sub>R at generation</sub> x VAF <sub>PRIM</sub> 1.0429) per kWh	=	0.010280
13	Transmission ( SUTC <sub>R at generation</sub> x VAF <sub>TRNS</sub> 1.0210) per kWh	=	0.010065