

APPLICABILITY

The SRLE Rider is applicable to all Customers taking service under the Residential Service (RG), Commercial Service (CB), or Small Heating Service (SH) rate schedules. The Rider will be applied as a separate line item on a customer's bill to all kWh of energy consumed.

FILING

The SRLE rider

- (1) Adjustment Period (AP): The SRLE AP will begin with June 15 of a given year, and continue through the June 14 of the subsequent year. Actual Block Usage for the final billing months of an AP may be projected for purposes of a SRLE rate calculation included in a filing under this Rider if necessary. Prior to the end of the subsequent twelve (12) month AP, the difference between the Actual Blocked Usage (ABU) previously projected and the observed ABU for that month, multiplied by the Rate that was in effect during that month as reduced by the applicable FAC base factor and any other kWh - based rider rate or credit that would offset or increase rate revenues, will be added to or subtracted from the calculation of the over- or under-billing of the SRLE during the Recovery Period (RP) as appropriate.
- (2) Recovery Period (RP): An annual period during which a SRLE rate is in effect, beginning with June 15 of a given year, and continuing through June 14 of the subsequent year. The RP shall be calculated based on eight (8) months actual sales, including estimated unbilled sales for the February billing month, and four (4) months projected sales. The 4 months projected sales associated with each RP shall be trued up with actuals upon calculation of the subsequent RP.
- (3) The Company shall file its SRLE revisions with the Commission each calendar year at least sixty (60) days prior to the effective date of June 15, unless otherwise provided for by the Commission. The revision sheet shall contain the current and prior year's SRLE rider rates to accommodate the overlap of billing months and calendar dates.

RATE ADJUSTMENT CALCULATION

The SRLE applicable to the Residential rate schedule shall be calculated separately from that calculated for the Commercial Service and Small Heating Service rate schedules. The SRLE applicable to Commercial Service and Small Heating Service customers shall be calculated on a combined basis. Each SRLE shall be revised annually to reflect (1) the difference between the normalized annual energy usage in Block 1b and Block 2 for Residential customer and in Block 2 for Commercial Service and Small Heating Service customers authorized in the Company's last general rate case and the actual usage billed in those blocks for the applicable AP, except as provided in parts 4, 5, and 6 of this section; (2) to reconcile the over- or under-recovery from the previous SRLE rate adjustment; (3) any adjustments ordered by the Commission; (4) Residential actual usage shall be adjusted to remove the usage in the relevant blocks billed to customers taking service at a newly-constructed premise not previously served by Empire; (5) the actual usage for Commercial Service and Small Heating Service customers shall be adjusted to include usage associated with customers who switch the rate schedule on which that customer takes service after the submittal date of the tariff referenced in part 6 of this section; and (6) the normalized annual energy usage for Commercial Service and Small Heating Service customers shall be revised to address rate switching in a tariff revisions submitted by

the Company no later than January 1, 2021

Each of the two SRLE rider rates shall be separately calculated as provided below,

$$\text{Rider Rate} = \frac{(RCBU-ABU) \times \text{Rate}}{RCU} + \frac{(OA+RA)}{RCU}$$

Where:

- RCBU = "Rate Case Block Usage" will be the normalized annual energy usage in Block 1b and Block 2 for Residential customers and combined usage in Block 2 for Commercial Service and Small Heating Service customers established in the most recent general rate case.
- RCU = "Rate Case Usage" will be the estimated total usage in KWh for the applicable rate schedules established in the most recent general rate case.
- ABU = "Actual Block Usage" is that usage which occurred during the Adjustment Period (AP) for the rate schedules' adjustable KWh usage range.
- Rate = The currently effective class rate for usage in Block 1b and Block 2 for Residential customers and Block 2 for Commercial Service and Small Heating Service customers, less the FAC base factor and any other applicable rider rates or credits charged on a per-kWh basis that would increase or offset general rate revenue.
- OA = "Ordered Adjustment" is the amount of any adjustment to the SRLE ordered by the Commission as a result of corrections under this Rider. Such amounts shall include monthly interest equal to the reconciliation adjustment interest rate.
- RA = "Reconciliation Adjustment" is the amount due to the Company (+RA) or Customers (-RA) arising from adjustments under this Rider that were under- or over-billed in the prior 12 month RP.

In the event that there is more than one set of non-energy base rates in effect during the AP the rates and rate case block usage will be prorated accordingly.

Reconciliation Adjustment Interest Rate

Each month, carrying costs, at a simple rate of interest equal to the prime bank lending rate (as published in The Wall Street Journal on the first business day of such month), minus two percentage points, shall be applied to the Company's ending monthly SRLE balance separately for each Rider Rate. In no event shall the carrying cost rate be less than 0%. Corresponding interest income and expense amounts shall be recorded in account 419 and 431 on a net cumulative basis for the SRLE deferral period.

Rate Case Information

From ER-2019-0374, the normalized annual energy usages are as follow:

TABLE

	Total	Summer	Winter
Residential			
Block 1b (401 kWh to 600 kWh)	178,708,767	64,330,012	114,378,755
Block 2 (Over 600 kWh)	874,037,676	265,133,807	608,903,870
Total RCU kWh	1,678,237,244	537,960,752	1,140,276,492
Commercial			
Block 2 (Over 700 kWh)	226,970,566	88,572,087	138,398,480
Total RCU kWh	321,440,438	120,035,722	201,404,715
Small Heating			
Block 2 (Over 700 kWh)	65,507,120	21,767,525	43,739,595
Total RCU kWh	83,368,801	28,331,714	55,037,087

SRLE Rider Rates

The SRLE (in \$/KWh) to be applied for energy consumption on or after the first effective date and terminating on the last effective date to the indicated rate schedules, as applicable, for energy sold or delivered to customers in the Company's service area:

Customer Class	Effective for service on and after	SRLE
Residential	June 15, 2020 through June, 14 2021, 2020	0.0000 \$/kWh
CB & SH	June 15, 2020 through June, 14 2021, 2020	0.0000 \$/kWh