

requirement, WNR/SRLE, and Fuel Adjustment Clause (“FAC”) issues to be decided by the Commission in this rate case, whether or not specifically listed in this Stipulation.

Base Rates, Phase-in Rate Mechanism, Customer Charges

3. The Signatories agree that there will be no changes to the Company’s Retail Base Rates in this proceeding and that the tax addendum, currently credited as a separate line item on each rate schedule as “tax rate reduction,” will remain in place.

- a. The balances of protected and unprotected excess accumulated deferred income taxes of \$101,146,004 and \$25,621,649, respectively as of March 31, 2019, will be frozen, and amortization of these amounts will be recorded to expense by Empire starting with the effective dates of rates in Empire’s next general rate proceeding.
- b. An amortization of the balance of the stub period amortization of \$11,728,453, in the amount of \$5,000 monthly, is included in the revenue requirement for this case. The amortization balance, and the appropriate amortization period, will be reevaluated in the next general rate case.

4. A phase-in rate mechanism will be established pursuant to Section 393.155.1, RSMo, with regard to plant in service and other rate base items.

- a. The phase-in mechanism will capture the return “on and of” related to the net increase in plant in service and other rate base items between the Company’s filed test year balance in this proceeding and the true-up. In addition to plant in service, it will capture the change in the rate base components for CWC, Prepayments, Materials, Supplies, Fuel Inventories, Customer Deposits, Customer Advances, Regulatory Assets, Regulatory Liabilities and ADIT since test year end.
- b. The phase-in mechanism will utilize a carrying cost rate of 7.3%.
- c. As of January 31, 2020, the Rate Base increase, referenced in paragraph 4a, is \$102,575,958. The depreciation and amortization for Plant in Service and Intangible Plant is \$4,009,889.
- d. The rate base and phase-in mechanism balances shall be included in the Company’s adjudicated rate base in its next general base rate proceeding. The signatories reserve the right to challenge the prudence of these amounts in the next general rate case.

- e. The amortization period for what is captured by the phase-in mechanism will be determined in the next general base rate proceeding.
 - f. Currently authorized Regulatory Assets/Trackers and Regulatory Liabilities/Trackers will remain in place under the currently authorized terms and at their current authorized amortization periods. These are listed on **Appendix A**.
 - g. New Regulatory Assets/Trackers and Regulatory Liabilities/Trackers will be established with the balances specified in **Appendix B**. All amounts included associated with the new regulatory assets for the Asbury and Iatan units will be booked against the accumulated depreciation reserve in Empire's next general rate case. All amounts associated with the new regulatory asset associated with the Riverton units will be amortized for ratemaking purposes starting with Empire's next general rate proceeding, with the amortization period to be determined in that proceeding. Any amount of proceeds from sales of ash at the retired Riverton units will be offset against the new regulatory assets/trackers, and any coal ash sales proceeds for Asbury will be booked to the accumulated depreciation reserve in Empire's next general rate case.
5. There will be no changes to the customer charges in this proceeding.

FAC – Base and Tariffs

6. The Signatories agree to a continuation of the fuel adjustment clause in this case.

There will be no change to the FAC Base in this proceeding. FAC tariff language changes are limited to those necessary to implement the provisions below.

- a. Any fuel related costs or market related charges or revenues incurred at Asbury or related to Asbury after January 1, 2020 shall not be eligible for inclusion in the FAC.²
- b. Remove the provision allowing short-term capacity costs to flow through the FAC until June 1, 2021.

² Any of the above items that are included in the FAC after the January 1, 2020 date will be catalogued in a document for ease and transparency and will only include items specific to market settlement related charges or revenues with an operating day prior to January 1, 2020 and recoverable fuel expense as defined in the Company's FAC tariff with an associated operating period prior to January 1, 2020 with which the costs were incurred. This catalogue will be provided to Staff every FAR filing and FAC prudence review these specific expenses or revenues are included. Use of January 1, 2020 in this settlement provision does not represent an agreement regarding the retirement date of the plant. The other signatories are not agreeing that the Company's stated retirement date of March 2, 2020 is appropriate.

- c. Empire’s monthly FAC submissions shall include a detailed listing of all the costs incurred due to the MJMEUC contracts and the revenues that Empire receives from MJMEUC including but not limited to revenue for energy generated, revenue for capacity, and reimbursement of fuel, variable O&M, and start-up costs.
- d. The Company will work with the stakeholders to determine the appropriate unit commitment data to support the analysis underlying Empire’s unit self-commitment decisions in advance of the next fuel prudence review.
- e. Regarding the MJMEUC issue, (i) the level of revenues will represent an offset to lost revenues from the current municipal customer contracts and thus will be retained by the Company until the allocations are reexamined in the next general rate case and (ii) Staff’s recommendation for Empire to file additional reporting requirements with its FAC monthly reports and Fuel Adjustment Rate filing workpapers will be adopted. These additional reporting requirements will demonstrate that the energy purchased from Liberty-Empire related to MJMEUC’s agreement will be billed to the cities (Staff understands these cities to be Monett and Mt. Vernon, Missouri) via MJMEUC and will thereby reduce a portion of the fuel expense that is allocated and billed to Liberty-Empire’s retail customers. This reduced portion of fuel expense will clearly illustrate that the energy purchased for these specific cities via MJMEUC is not flowing through the FAC in order to be collected from all Liberty-Empire’s retail customers.
- f. The Office of the Public Counsel (“OPC”) and other parties to this case shall be provided the notices and the additional reported FAC submission information requested by Staff.
- g. Empire’s quarterly FAC surveillance report submissions shall, unless otherwise agreed upon or ordered by the Commission, be provided by:

<u>Quarter Ending:</u>	<u>Submission Deadline</u>
March 31	End of May
June 30	End of August
September 30	End of November
December 31	End of February

7. With respect to Empire’s North Fork Ridge, Neosho Ridge, and Kings Point wind projects, the FAC tariff language shall be revised and clarified to explicitly prohibit costs associated with the wind projects and revenue generated from the wind energy sold to the

Southwest Power Pool (“SPP”) from being passed through to customers via the Fuel Adjustment Clause before the wind projects’ revenue requirements are included in rates.

Establishment of a SRLE Mechanism (Section 386.266.3)

8. The Signatories agree to establish the Sales Reconciliation to Levelized Expectations (“SRLE”) mechanism, for Residential General (RG), Commercial (CB) and Small Heating Service (SH) Customers, as reflected in **Appendix C** (tariff). The first SRLE Accumulation Period will begin June 15, 2020. The SRLE mechanism may be modified or discontinued by order of the Commission in a future rate proceeding. The Company will hold technical conferences with stakeholders and propose any agreed on modifications in its next general base rate proceeding.

Adjustments Related to Meter Reading and Billing

9. Regarding Empire’s estimated billing process, the Company shall do the following for the years 2020, 2021, and 2022:

- a. Incorporate data into its monthly reports to Commission Staff;
- b. Initiate quarterly reports to the Commission Staff and OPC regarding the number of estimated meter readings;
- c. Initiate quarterly reports to the Commission Staff and OPC regarding the number of estimated meter readings exceeding three consecutive estimates;
- d. Initiate quarterly reports to the Commission Staff and OPC regarding the number of bills with a billing period outside of 26 to 35 days; and
- e. Initiate quarterly reports to the Commission Staff and OPC regarding the Company and contract meter reader staffing levels;
- f. Evaluate the authorized meter reader staffing level and take action to maintain adequate meter reader staffing levels in order to minimize the number of estimated bills.
- g. Company will meet with Staff and OPC to discuss bill redesign possibilities for the future.

- h. Ensure that all customers who receive estimated bills for three consecutive months receive the appropriate communication regarding estimated bills and their option to report usage as required by Service and Billing Practices, Rule 20 CSR 4240-13.020(3).
- i. Ensure that all customers who receive an adjusted bill due to underestimated usage are offered the appropriate amount of time to pay the amount due on past actual usage as required by Service and Billing Practices, Rule 20 CSR 4240-13.025(1)(C).
- j. Evaluate meter reading practices and take action to ensure that billing periods stay within the required 26 to 35 days, unless permitted by those exceptions listed in the Commission's rules.
- k. File notice within this case by September 1, 2020, containing an explanation of the actions the Company has taken to implement the above recommendations related to billing and bill estimates.

10. The Company will benchmark across utilities for reliability and present this information in its direct testimony in its next rate case and in subsequent reliability reports (annual basis) for the years 2021 and 2022. The Company will provide a 6-year retrospective benchmarking analysis of investor-owned utilities in Kansas, Arkansas, Oklahoma and the utilities identified in Table 1 of the surrebuttal testimony of Geoff Marke in its next rate case based on publically available EIA data and to then be filed in the Company's Reliability Reports for 2021 and 2022. Metrics include SAIDI, SAIDI w/out Major Event Days, SAIFI, SAIFI w/out Major Event Days. To the extent known to the Company and based on publicly available information, the Company will indicate whether the utilities used for benchmarking are reporting using the IEEE-1366 standard or some other standard.

Rate Design

11. The Company will incorporate the following in its direct filing in its next general base rate proceeding:

- a. Allocation of interruptible credits for SC-P rate schedule consistent with MECG's recommendation in this case;
- b. Allocation of the cost of the economic development rider discount on revenues pursuant to Section 393.1640.2;
- c. The Company agrees to firm-up interruptible revenues to match with cost allocation of production plant in its direct filing in the next general rate case.
- d. The lettered commitments by the Company in this section do not limit any other party's ability to support or oppose these treatments.

12. Prior to the next rate case, the Company will identify and provide the data required to determine: primary distribution costs by voltage; secondary distribution costs by voltage; primary voltage service drops; line extension by rate schedule and voltage; and, meter costs by voltage and rate schedule. If the required data is not readily available, the Company will identify and implement the actions necessary to obtain it as quickly as possible.

13. As the Company deploys AMI, it will commit to retaining the data necessary to:

- a. Commit to use of AMI data to enhance the accuracy and applicability of its load research data as soon as is practical. The Company shall make available the following information to the extent practicable:
 1. For each rate schedule the total number of customers served on that rate schedule on the first day of the month and the last day of the month;
 2. For each rate schedule on which customers may take service at various voltages the number of customers served at each voltage on the first day of the month and the last day of the month;
 3. For each rate schedule the number of customers served on that rate schedule on the first day of the month and the last day of the month for which interval meter readings are obtained;
 4. For each rate schedule on which customers may take service at various voltages the number of customers served at each voltage on the first day of the month and the last day of the month which interval meter readings are obtained;
 5. For each rate schedule on which customers may take service at various voltages the sum of customers' interval meter readings, by interval and by voltage;
 6. For each rate schedule on service is available at a single voltage the sum of customers' interval meter readings, by interval;
 7. If any internal adjustments to customer interval data are necessary for the company's billing system to bill the interval data referenced in parts 5

and 6, such adjustments should be applied to each interval recording prior to the customers' data being summed for each interval;

8. Individual customer interval data shall be retained for a minimum of fourteen months. If individual data is acquired by the company in intervals of less than one hour in duration, such data shall be retained in intervals of no less than one hour.

9. From time to time the Commission may designate certain customer subsets for more granular study. If such designations have been made, the information required under parts 1 – 8 should be provided or retained for those instances.

b. Retain individual hourly data for use in providing bill comparison tools for customers to compare rate alternatives.

c. Retain coincident peak determinants for use in future rate proceedings.

14. The Company will submit a rate impact analysis for the alignment of GP/TEB rates in its next rate case.

15. The Company will submit a rate impact analysis for the alignment of CB/SH rates in its next rate case.

16. The Company will propose the elimination of the Feed & Grain rate in its next general rate case.

17. The Company will work with parties to explore modification of the rate structures of all rate schedules to subdivide the current "Winter" billing season into a "Peak Winter" and two "Shoulder Month" seasons, to reflect at a minimum the difference in the cost of market energy among current "Winter" months to the extent it is consistent with reasonable rate design principles.

18. When the Company files its next rate case, the Company will include testimony regarding whether or not it proposes to change its tariffs to allow mastermetered apartments to be served under CB/SH.

19. The Company will develop determinants suitable for use in the design and development of time of use (“TOU”) rates as part of the next rate case.

Energy Efficiency and Low-Income Programs

20. There will be no changes to energy efficiency funding levels in this case.

21. The Company’s Low-Income Pilot Program will remain in place with no changes made in this case, and the Company will track all costs until the next rate case.

22. The Company, Staff, and OPC agree to meet at least twice prior to the filing of Empire’s next rate case to discuss the Company’s Low Income Pilot Program and whether or not modifications are warranted.

COVID-19

23. The Company will meet with stakeholders to discuss expected customer-impact of planned capital expenditures in 2020 of prolonged and/or significant economic downturn in light of COVID-19 before the Company’s next filed rate case.

Establishment of an AAO Regarding the Asbury Power Plant

24. The Signatories request that the Commission issue an order authorizing the establishment of an Accounting Authority Order (“AAO”) with regard to the retirement of the Asbury power plant.

25. The Signatories request that the Asbury AAO direct the Company to establish a regulatory asset/liability, beginning January 1, 2020, to reflect the impact of the closure of Asbury and require the Company to separately track and quantify the changes from the base amounts, as reflected in **Appendix D**, of the following categories of rate base and expense:

- a. Rate of return on Asbury Plant,³

³ All plant at the Asbury station will be assumed to be retired solely for purposes of calculating the deferrals for return and depreciation, except for any plant operationally needed and continuously in-service at Asbury after retirement of the station as a whole. If, pursuant to a plan adopted by Empire,

- b. Accumulated Depreciation,
- c. Accumulated and Excess Deferred Income Tax,
- d. Fuel inventories assigned to the Asbury Plant,
- e. Depreciation expense,
- f. All Non-fuel/ non-labor operating and maintenance expenses,
- g. All labor charges for maintaining and operating the Asbury Plant,
- h. Property taxes assigned to the Asbury Plant,
- i. Any costs associated with the retirement of the Asbury Plant, including dismantlement and decommissioning - Non-Empire labor excluded.

26. There is no agreement on ratemaking or the treatment to be given to any deferred amounts in a future rate case. There also is not agreement with the Company's stated retirement date of March 2, 2020, and the list of plant items that may be repurposed or otherwise remain in use. In future proceedings, Empire retains the right to request recovery of both a return of and on its investment in Asbury, as well as present arguments on all other issues related to the impact of the closure of the Asbury power plant on the Company's cost of service, while the other parties retain their respective rights to oppose the Company's positions. The signatories acknowledge that the purpose of an AAO is to defer a final decision on current costs until a future rate case and that, in that future rate case, the signatories and the Commission are not bound by the terms of the AAO in setting new rates.

Retired Employees Provisions

27. The Company shall provide, to a designated EDRA contact, the following documents of The Empire District Electric Company in the years 2020-2026:

- a. IRS filings (specifically Form 5500 for each plan),
- b. Actuarial valuation reports,
- c. Financial disclosures,

some Asbury plant previously retired is "re-purposed" for another use, Empire may contact the signatories to discuss appropriate adjustments to the return and depreciation deferrals once the re-purposed plant is in-service.

- d. Annual funding notice to pension plan participants,
 - e. Annual health care premium and coverage letter to retirees,
 - f. FERC Form 1 and summary and full annual reports.
28. In addition, the company will designate a contact for these matters.

SERP Retirees Provision

29. EDESR and the Company shall discuss with Staff and OPC, in or prior to July of 2020, the possibility of external funding (Rabbi Trust) of SERP benefits. If an agreement is reached between EDESR, the Company, Staff, and OPC in which: (1) EDESR, Staff, and OPC agree that, using reasonable assumptions, the annual costs and expenses of funds contributed by Empire using a Rabbi trust (including contributions to the trust) to provide benefits are essentially the same or less than the costs and expenses to customers of providing the alternate of SERP benefits from Empire's general funds and (2) none of these parties (EDESR, Staff, OPC) oppose the rate recovery of the Rabbi trust consistent with the Willis Towers Watson SERP funding analysis dated July 17, 2019 (but with currently approved weighted average cost of capital) in place of the SERP funded from general funds and will support said rate recovery in future cases, Empire will fund SERP benefits via a Rabbi trust within 30 days of execution of the written agreement.

General Provisions

30. This Stipulation is being entered into for the purpose of settling all issues in this case on behalf of the Signatories, and unless otherwise specifically set forth herein represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. No Signatory waives any claim or right which it may otherwise have with respect to any party not a signatory to this Stipulation.

31. No Signatory will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this Stipulation except as otherwise specifically set forth herein. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this Stipulation in any other proceeding, regardless of whether this Stipulation is approved.

32. This Stipulation has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. Except as set forth in paragraph two above, in the event the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a Signatory objects, then this Stipulation shall be null and void, and no Signatory shall be bound by any of its provisions.

33. If the Commission does not approve this Stipulation unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.090, RSMo, or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

34. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 386.080.2, RSMo 2000; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and (5) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011, as applies to the other signatories to this Stipulation. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

35. The Signatories shall also have the right to provide, at any agenda meeting at which this Stipulation is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that each Signatory shall, to the extent reasonably practicable, provide the other parties with advance notice of the agenda meeting for which the response is requested. A Signatory's oral explanations shall be subject to public disclosure, except to the extent they refer to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information.

36. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

37. This Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the

Stipulation's approval. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

38. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the pre-filed written testimony of their witnesses unless any issues are later set for evidentiary hearing with regard to non-signatories.

WHEREFORE, the Signatories respectfully request that the Commission approve this Stipulation and grant any other and further relief as is just and equitable.

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 15th day of April, 2020, with notification of the same being sent to all counsel of record.

/s/ Diana C. Carter

Appendix A

Case No. ER-2019-0374

Global Stipulation and Agreement

Line No.	Account	Description	Amortization Period
1	182308	latan Deferred Carrying Costs	No change from previous Order
2	182318	Cust Programs Collaborative	No change from previous Order
3	182329	MEEIA Energy Efficiency Costs	No change from previous Order
4	182331	MO PlumPt Df Chgs ER-2010-0130	No change from previous Order
5	182332	MO IatanII Df Chg ER-2010-0130	No change from previous Order
6	182337	May 2011 Tornado Strm Deferral	No change from previous Order
7	182338	MO 2011 Tornado Depr Deferral	No change from previous Order
8	182339	May 2011 Tornado Carrying Cost	No change from previous Order
9	182343	PeopleSoft Costs ER-2011-0004	No change from previous Order
10	182344	LowInc Rate Pilot ER-2016-002	No change from previous Order
11	182348	Vegetation Tracker ER-2012-0345	No change from previous Order
12	182343	FAS158 Pen Reg Asset	No change from previous Order
13	182358	MO FAS106 Reg Asset	No change from previous Order
14	182359	Reg Pension Costs Amortization	No change from previous Order
15	182377	MO Solar Initiative	No change from previous Order
16	182378	latanII OM Tracker ER2014-0351	No change from previous Order
17	182379	latCom OM Tracker ER2014-0351	No change from previous Order
18	182381	PP O&M Tracker ER2014-0351	No change from previous Order
19	182382	Riv 12 LTM Tracker ER2014-0351	No change from previous Order
20	182383	SolarRB to Amrt ER-2016-0023	No change from previous Order
21	N/A	Prepaid Pension Asset	No change from previous Order
22	254101	MO FAS87 Pension RegLiab	No change from previous Order
23	254108	MO FAS106 over recd amt	No change from previous Order
24	254111	Reg OPEB Costs Amortization	No change from previous Order
25	254113	Fuel Construction Acctg Iatan2	No change from previous Order
26	254230	SWPA Oz Beach - Missouri	No change from previous Order
27	254430	MO Return of Excess DefTx 2017	No change from previous Order
28	254530	RegLiab RateRef 2017 TxRef MO	Amortization of \$5,000 a month

Appendix B

Case No. ER-2019-0374

Global Stipulation and Agreement

Line No.	Account	Description	Amount
1	182.xxx	Asbury Regulatory Asset	1,207,280
2	182.xxx	Iatan Regulatory Asset	4,577,804
3	182.xxx	Riverton Regulatory Asset	<u>3,395,873</u>
4		Total:	<u><u>9,180,956</u></u>

Appendix C

Case No. ER-2019-0374

Global Stipulation and Agreement

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, 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

Appendix C

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Global Stipulation and Agreement

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 riders charged on a per-kWh basis.
- 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

Appendix C

Case No. ER-2019-0374

Global Stipulation and Agreement

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

Appendix C

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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	0.0000 \$/kWh
CB & SH	June 15, 2020 through	June 14, 2021	0.0000 \$/kWh

Appendix D

Case No. ER-2019-0374

Global Stipulation and Agreement

Line No.	Description	Annual Baseline Amount	Monthly Entries
1	Plant In Service	217,663,074	
2	Accumulated Depreciation	(62,618,777)	
3	Fuel Inventories	893,958	
4	ADIT	(32,201,280)	
5	Excess ADIT	<u>(16,934,393)</u>	
6	Total Net Rate Base	106,802,583	
7	ROR	7.30%	
8	Return On Asbury	7,796,589	649,716
9	Depreciation Expense	11,179,375	931,615
10	All Non-Fuel/Non-Labor Operating & Maintenance Expenses	4,101,629	341,802
11	Labor Expenses	2,891,876	240,990
12	Property Taxes	2,296,813	191,401
13	Any Costs associated with the retirement of the Asbury Plant	<u>0</u>	-
14	Total:	<u>28,266,282</u>	<u>2,355,523</u>