

ORIGINAL _____ Sheet No. 49.11

Replacing: _____ Sheet No. _____

The Empire District Electric Company d/b/a Liberty-Empire
Name of CompanyKind of Service: Electric Class of Service: AllPart III Rate Schedule No. 23Title: **ALTERNATIVE GENERATION ENVIRONMENTAL RECOVERY RIDER (Schedule GER)**

PSC File Mark Only

23. ALTERNATIVE GENERATION ENVIRONMENTAL RECOVERY**23.1 PURPOSE**

This Generation Environmental Recovery (GER) Rider is designed to adjust monthly billings to recover costs associated with the Asbury Air Quality Control System (AQCS). This project is directly related to new environmental rates promulgated by the Environmental Protection Agency (EPA) and AQCS. The GER Rider is designed to recover return on and of the generation facility and operation and maintenance expenditures after the facility commences commercial operation.

This schedule is applicable to and becomes part of each Arkansas Public Service Commission (APSC) jurisdictional rate schedule. This schedule is applicable to energy consumption of retail customers and to facilities, premises and loads of such retail customers.

The GER factor will include the Arkansas' jurisdictional portion of the Asbury AQCS plant in service, not currently recovered through base rates. The Arkansas jurisdictional portion will be determined using the most recently approved production allocation factors for Empire's Arkansas operations. The GER factor will be calculated in accordance with the following methodology and will be applied by dividing the GER Revenue Requirement for each major rate class by the related kWh sales as determined in the most recent rate case, Docket No. 13-111-U.

23.2 GER FACTOR

The GER factor shall be set forth in Attachment A to this GER Rider.

GER factor shall be filed by the Company with the APSC and shall be accompanied by a set of workpapers sufficient to fully document the expenditures and calculations of the GER factor.

The GER factor shall be calculated as shown below:

$$\text{GER} = \frac{((\text{GENP} - \text{ADEP}) * \text{ROR} + \text{PDEPX} + \text{PO\&M}) * \text{RBAF}}{\text{kWh sales by Major Rate Class, as determined in the most recent rate case, Docket No. 13-111-U.}}$$

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APSC FILED Time: 8/17/2020 12:05:55 PM: Recvd 8/17/2020 11:53:39 AM: Docket 20-045-TF-Doc. 3

ORIGINAL _____ Sheet No. 49.12

Replacing: _____ Sheet No. _____

The Empire District Electric Company d/b/a Liberty-Empire
Name of Company

Kind of Service: Electric Class of Service: All

Part III Rate Schedule No. 23

Title: **ALTERNATIVE GENERATION ENVIRONMENTAL RECOVERY RIDER (Schedule GER)**

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GENP = Asbury AQCS plant in service balance, not currently recovered through base rates, for Empire's Arkansas Jurisdiction.

ADEP = Accumulated depreciation balance for the Asbury AQCS, not currently included in base rates, for the most recent month prior to the effective date of this tariff, for Empire's Arkansas jurisdiction based on the applicable production plant depreciation rate in effect for Empire's Arkansas Jurisdiction.

PDEPX = Production depreciation expense for the Asbury AQCS, not currently included in base rates, based on the applicable depreciation rates in effect for Empire's Arkansas Jurisdiction.

PO&M = The application of property tax and income tax expenses associated with the Asbury AQCS, not currently included in base rates, as determined in the most recent rate case (Docket No. 13-111-U) for Empire's Arkansas Jurisdiction.

ROR = The current Rate of Return, as approved by the Commission in Docket No. 13-111-U, or 5.71%.

RBAF = Production Demand Allocation Factor for each major rate class from the Company's cost allocation study provided in the most recent rate case, Docket No. 13- 111-U. The allocators are as follows:

<u>Major Rate Class</u>	<u>Production Allocators</u>
Residential	35.44%
Commercial and Small Industrial	10.31%
Large Industrial	14.19%
Transmission	39.66%
Municipal Lighting	0.22%
Private Lights	0.18%
Special Lights	0.01%

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APSC FILED Time: 8/17/2020 12:05:55 PM: Recvd 8/17/2020 11:53:39 AM: Docket 20-045-TF-Doc. 3

ORIGINAL _____ Sheet No. 49.13

Replacing: _____ Sheet No. _____

The Empire District Electric Company d/b/a Liberty-Empire
Name of CompanyKind of Service: Electric Class of Service: AllPart III Rate Schedule No. 23Title: **ALTERNATIVE GENERATION ENVIRONMENTAL RECOVERY RIDER (Schedule GER)**

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23.3 EFFECTIVE DATE

The requested GER factor will become effective upon filing.

23.4 TERM

The GER factor will remain in effect until an updated GER factor is approved by order of the Commission or until the generating facilities are included in base retail rates of the Company.

The inclusion of any costs via this Schedule GER Rider shall not be deemed a finding that the costs are necessary and appropriate or in the public interest. The prudence of such costs shall be addressed in the Company's next general rate case proceeding. Collections under the GER Rider are subject to refund, with interest, after notice and hearing to determine prudence.

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APSC FILED Time: 8/17/2020 12:05:55 PM: Recvd 8/17/2020 11:53:39 AM: Docket 20-045-TF-Doc. 3

ORIGINAL _____ Sheet No. 49.14

Replacing: _____ Sheet No. _____

The Empire District Electric Company d/b/a Liberty-Empire
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ATTACHMENT A**GER FACTOR**

All base retail rates and applicable riders on file with the APSC will be increased or decreased by the factors listed below.

<u>Major Rate Class</u>	<u>Applicable Factors</u>	
Residential	\$0.00409	per kWh
Commercial and Small Industrial	\$0.00376	per kWh
Large Industrial	\$0.00301	per kWh
Transmission	\$0.00255	per kWh
Municipal Lighting	\$0.00144	per kWh
Private Lights	\$0.00144	per kWh
Special Lights	\$0.00144	per kWh

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