

THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 4

THE EMPIRE DISTRICT ELECTRIC COMPANY

SCHEDULE ITER

(Name of Issuing Utility)

Replacing Schedule \_\_\_\_\_ Sheet 16

ALL TERRITORY

(Territory to which schedule is applicable)

which was filed \_\_\_\_\_

INCOME TAX EXEMPTION RIDER

RIDER ITER

Sheet 1 of 2 Sheets

Applicability

This Income Tax Exemption Rider (ITER) is applicable to all electric service retail customers provided under any retail rate schedule, whether metered or unmetered (except where not permitted under a separately negotiated contract with a customer).

Basis of the Credit

Kansas House Bill No. 2585 exempts public electric and natural gas utilities from the tax imposed by the Kansas Income Tax Act as of tax year ending on or after January 1, 2021 . The ITER allows the company to credit back to Company’s Kansas customers the amount of taxes included in current rates and make any subsequent true-up amount when new base rates become effective.

Calculation of Tax Exemption Amount

The credit was calculated using the most recent general rate case and eliminating the State income tax. This amount was then netted with the changes in Federal income taxes which results from the elimination of the Kansas state income tax expense. The total credit amount of \$223,943 is allocated to rate classes utilizing the same class revenue requirement allocation as approved in the most recent general rate case, and will show as a separate line item on the customer’s bill.

Monthly Amount Applied to Customer Bills

Amounts to be applied to customer bills will commence on January 1, 2021. Annually and when this Rider is expired, a true up of actual credits given compared to the \$223,943 will be determined and a subsequent rate adjustment made.

Issued	<u>August</u>	<u>31</u>	<u>2020</u>
	Month	Day	Year
Effective	<u>January</u>	<u>1</u>	<u>2021</u>
	Month	Day	Year
By	<u>/s/Sheri Richard, Director Rates &amp; Regulatory Affairs</u>		
	Signature	Title	

21-EDPE-101-TAR  
 Approved **ANJ**  
 Kansas Corporation Commission  
 November 24, 2020  
 /s/ Lynn Retz

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Sheet 2 of 2 Sheets

Income Tax Exemption Amount, per month

<u>Rate Class</u>	<u>Amount per kWh, per Month</u>
<u>RG-Residential</u>	<u>\$(0.00110)</u>
<u>RG-Water Heating</u>	<u>\$(0.00102)</u>
<u>RG-Space Heating</u>	<u>\$(0.00092)</u>
<u>Commercial Building</u>	<u>\$(0.00138)</u>
<u>Commercial Space Heating</u>	<u>\$(0.00112)</u>
<u>General Power</u>	<u>\$(0.00104)</u>
<u>Total Electric Building</u>	<u>\$(0.00097)</u>
<u>Transmission</u>	<u>\$(0.00058)</u>
<u>Special Lighting</u>	<u>\$(0.00166)</u>
<u>Rate Class – Lighting</u>	<u>Amount per Lamp, per Month</u>
<u>Municipal Street</u>	<u>\$(0.11)</u>
<u>Private</u>	<u>\$(0.19)</u>

Issued August 31 2020  
 Month Day Year  
 Effective January 1 2021  
 Month Day Year  
 By /s/ Sheri Richard, Director Rates & Regulatory Affairs  
 Signature Title

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