

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of The Empire)
District Electric Company for Approval of an)
Economic Development Rider)
Docket No. 18-EPDE- 549 -TAR

APPLICATION

The Empire District Electric Company ("Empire") files this Application for approval of an Economic Development Rider ("EDR"). In support of its Application, Empire states:

1. Empire is a corporation duly organized and existing under the laws of the State of Kansas and is engaged in doing business in said state. Empire is duly qualified to do and is also doing business in the States of Missouri, Arkansas and Oklahoma. Empire owns and operates an electric utility system located in contiguous portions of the above-mentioned four states, which is used to serve approximately 172,000 total electric customers. Empire is the holder of an electric utility pursuant to K.S.A. 66 101, et seq., and by reason thereof has the duty and responsibility to provide and maintain an adequate supply of electricity for its existing and prospective customers located within its defined service territory in Cherokee and Labette Counties, Kansas. Empire provides electric service to approximately 10,000 customers in southeastern Kansas.

2. Correspondence and other documents regarding this docket should be addressed to the undersigned counsel and the following Empire employees:

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3. Empire does not currently have an EDR in Kansas. In order to encourage economic development within its Kansas service territory, Empire is proposing an EDR. The proposed EDR is identical to the economic development rider approved by the Kansas Corporation Commission ("Commission") for Westar Energy, Inc. and Kansas Gas and Electric Company ("Westar") in Docket No. 14-WSEE-147-TAR, Order dated December 17, 2013. A copy of Empire's proposed EDR tariff is attached hereto and incorporated herein by reference.

4. The proposed EDR will provide Empire the ability to tailor incentive credit offerings at appropriate levels to target specific customers and to ensure the discount is part of a broader incentive package supported by an economic development organization without shifting additional cost to Empire's other customers.

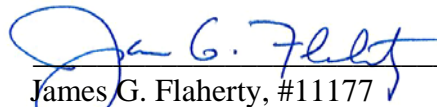
5. As is the case with the Westar EDR, Empire is proposing a variable incentive credit that would range from five to twenty-five percent the first year and then decline incrementally over the time period deferred, which may be more or less than five years. The variable incentive credit will allow Empire flexibility to offer an appropriate incentive level to attract targeted new customers or

encourage targeted expansion projects in its service territory in southeast Kansas.

6. Empire's proposed EDR makes the discount contingent upon the targeted customer receiving economic development incentives from a city, county, regional, or state economic development group. This limiting language, which is also part of the Westar EDR, will ensure that Empire's EDR incentive is only offered to customers supported by an economic development organization, such as the Kansas Department of Commerce.

7. Empire has consulted with Staff regarding the proposed EDR and Staff has indicated support for the proposed tariff.

WHEREFORE, Empire respectfully requests that the Commission issue an order approving its proposed Economic Development Rider.

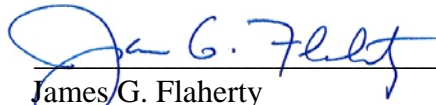


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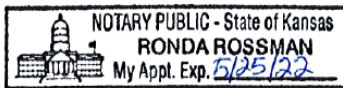
VERIFICATION

STATE OF KANSAS, FRANKLIN COUNTY, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, states: That he is an attorney for The Empire District Electric Company; that he has read the above and foregoing Application, knows the contents thereof; and that the statements contained therein are true.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 20th day of June, 2018.





Notary Public

Appointment/Commission Expires:

THE STATE CORPORATION COMMISSION OF KANSASIndex No. 4THE EMPIRE DISTRICT ELECTRIC COMPANY**SCHEDULE** EDR

(Name of Issuing Utility)

Replacing Schedule _____ Sheet 13ALL TERRITORY

(Territory to which schedule is applicable)

which was filed New Tariff**ECONOMIC DEVELOPMENT RIDER
RIDER EDR**Sheet 1 of 3 Sheets**PURPOSE**

The purpose of this Economic Development Rider is to encourage industrial and commercial development in Kansas. These activities will attract capital expenditures to the State, diversify the Company's customer base and create jobs.

AVAILABLE

Electric service under this Rider is available to certain customers otherwise qualified for the Company's Commercial and Industrial Tariff Rates and as more fully set forth herein.

The availability of this Rider shall be limited to industrial and commercial customers not selling or providing goods and service directly to the general public and determined necessary by the Company for the customer to locate or expand its facility.

APPLICABLE

Upon the application by a qualified customer and acceptance by the Company, the provisions of this Rider are applicable to new industrial and commercial customers having load requirements greater than 200 kW and to the facilities of existing industrial and commercial customers whose expanded operations have increased its load requirements greater than 200 kW at existing locations. Electric service under this Rider is contingent on a customer increasing the number of permanent employees at customer's facility. This Rider is further contingent on a customer receiving economic development incentives from a city, county, regional, or state economic development group.

Issued _____
Month Day Year

Effective _____
Month Day Year

By _____
Signature Title
Director of Rates & Regulatory Affairs

THE STATE CORPORATION COMMISSION OF KANSASIndex No. 4THE EMPIRE DISTRICT ELECTRIC COMPANY**SCHEDULE** EDR

(Name of Issuing Utility)

Replacing Schedule _____ Sheet 13ALL TERRITORY

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RIDER EDR**Sheet 2 of 3 Sheets**INCENTIVE PROVISIONS**

1. New qualified customers' net monthly bills shall be calculated, prior to taxes, under the applicable commercial or industrial rate schedule and discounted as follows:
 - a. An incentive credit of 5% to 25% discount declining at 20 percent per year for five years; or
 - b. Company and customer may mutually agree to an incentive time period different than five years, provided the total nominal value of the discount is not greater than the total nominal value of the maximum discount allowed under option A (i.e. 25% over five years).
2. Existing qualified customers' net monthly bills shall be calculated, prior to taxes, under the applicable commercial or industrial rate schedule and discounted by the Incentive Provisions in paragraph 1 above. The Incentive Provisions shall apply to existing customers' net monthly bills, calculated prior to taxes and franchise fees for the 12 billing months' usage prior to an expansion, and provided that customer's current month's billing demand is 200 kW greater than the highest billing demand established during the 12 billing months prior to taking service under this Rider.
3. Any customer taking service under this Rider which initiates a subsequent qualified expansion may,
 - a. include the load resulting from the subsequent expansion with the amount currently covered by this Rider and discount the resultant total as the currently qualified load is discounted for the remaining life of the existing contract, or
 - b. terminate the existing service agreement for the currently qualified load and initiate a new service agreement for the subsequent qualified expansion at an existing location as defined in paragraph 2 above, or

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RIDER EDR**Sheet 3 of 3 Sheets

- c. establish a new account and separately meter the new load.

A customer may have only one Economic Development Rider in effect at any time unless a separate account is established for the loads and the loads are separately metered.

4. All provisions set forth in customer's standard rate schedule apply to the extent they are not superseded by provisions contained in this Rider.

OTHER PROVISIONS

1. Local Service Facilities: The Company may require a contribution in aid of construction for standard facilities installed to serve the customer if the Company's analysis of expected revenues from the new load do not provide a fair return on the investment.
2. Company's Discretion: It is solely within the discretion of Company to determine if a customer meets the criteria for receiving service under this Rider. Company may withdraw this Rider if it determines the requirements of the Rider are not being met.
3. The Company may freeze the availability of this Rider with respect to new loads at any time. Any customer receiving service under the Rider on the date it is frozen or modified may continue to receive the benefits of the incentive provisions as contained in the Rider effective the date customer first took service under this Rider through the first five years of such customer's contract.
4. Service under this Rider is subject to the Company's General Terms and Conditions presently on file with the State Corporation Commission of Kansas and any modifications subsequently approved.
5. All provisions of this Rider are subject to changes made by order of the regulatory authority having jurisdiction.

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