



The Empire District Electric Company

**Kansas DSM Program Portfolio
For 2010-2015**

Submitted
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OVERVIEW

Empire's proposed portfolio of Demand Side Management (DSM) programs are designed to accomplish the following:

- Full Coverage – The programs offer an opportunity to save energy for all customer classes and all income levels.
- Proven Success – The programs are based on programs that have been proven to be successful in many utility service territories across the nation. Every attempt has been made to follow current industry best practices and incorporate them into program design.
- Education – The programs will provide information that educates customers as part of every program. There is no program that only provides education.
- Goals - Participation goals are challenging, based upon Empire's service territory and the current economy. However, with the attention being placed on energy efficiency today, we believe it is an opportune time to support DSM.
- Budgets – Budgets include sufficient funds to properly manage, administer and market the portfolio.

The KCC has stated that the budget for EM&V should, as a guideline, not exceed 5% of a utility's budget for its DSM programs. The evaluation budgets for the programs themselves may at times be slightly higher or lower than 5%. The reason for this is because the size of each program's budget is small enough that 5% for evaluation is also small. Empire will make every effort to leverage each program's evaluation budget. In total, the EM&V budget for all programs is 4.55% of the total Year 3 program budget excluding C/I Peak Load Reduction. The EM&V budget for all programs is 4.26% of the total Year 3 program budget including C/I Peak Load Reduction.

Empire's proposal assumes a April 1, 2010 start date. Consequently, year 1 of the proposal covers the period April 1, 2010 through March 31, 2011, year 2 covers the period April 1, 2011 through March 31, 2012, etc.

- Cost Effectiveness – In compliance with KCC Order 422, each direct impact program has undergone benefit/cost screening consistent with the California Standard Practice Manual. All five perspectives have been analyzed (Total Resource Cost, Societal, Participant, Ratepayer Impact Measure (RIM) and Utility Cost).

- Sensitivity Analysis – In compliance with KCC Order 422, Empire has performed two benefit cost analysis on each program and the portfolio. These scenarios allow for comparison between a 3% and 7% discount rate for the Societal Test.
- A summary of projected participation, demand and energy savings, budget, and benefit cost analysis results are provided at the end of the document.

BENEFIT COST SOFTWARE

The “BenCost” software used to perform the benefit/cost screening has been adapted from Minnesota Office of Energy Security (formerly Department of Commerce) and is consistent with the California Standard Practice Manual. The input data required for the model includes the following:

- General Inputs – Applied to all energy conservation measures/programs, these data describe the utility avoided costs, economic evaluation conditions [e.g., discount rates], and customer rates. A description of each of the specific inputs is identified below.
 - Retail Rate – the average cost of energy saved [\$/kWh] by the customer, including demand and energy charges. The customer may be defined as residential or commercial/industrial if different rate structures exist. This rate is used to calculate the value of a particular measure/program from the customer’s perspective and can be used to calculate simple payback.
 - Commodity Cost – the utility’s avoided cost of energy [\$/kWh]. This represents the amount of money that would be saved by avoiding the generation, transmission, and distribution of one less unit of energy.
 - Demand Cost – avoided capacity charge for electric demand [\$/kW]. The utility cost savings achieved by avoiding the delivery of one less unit of demand [kW]. This may represent avoided generation and/or purchased power depending on the specific utility generation assets and planned delivery of power.
 - Variable O&M – the estimated utility cost savings achieved in operations and maintenance by the avoidance in demand or energy, expressed as savings per unit of energy saved [\$/kWh]. This value may also be included in the Commodity Cost calculations and should not be duplicated.
 - Environmental Damage Factor (EDF) - the estimated value placed on

avoiding environmental externalities such as emissions and other environmentally harmful effects of power generation [\$/kWh]. In compliance with KCC guidelines, only the CO₂ EDF has been included in the analysis. The EDF was calculated using the avoided costs per ton as specified [\$15 per ton] and a value of 0.746 tons per mwh from avoided generation. This is based on fuel and purchased power forecasts in the year 2013 for Empire in Missouri.

- Escalation Rate – economic inflation rate used for utility rates, costs, etc. [percent]. This escalation rate is applied to current values to estimate the value of the same costs in future dollars. The rate is applied to each of the costs identified above.
- Participant Discount Rate – the economic inflation rate applied to participant cash flows [percent]. This represents the customer’s cost of money for which alternative investments may be made instead of the investment in energy saving measures. This value is used to determine net present value of costs and benefits in the Participant Test. 10% was used for the current analysis.
- Utility Discount Rate – the utility’s cost of capital expressed as a percentage. This is representative of alternate utility investments, similar to Participant Discount Rate. This value is used to determine net present value of costs and benefits in the Utility Cost Test and Ratepayer Impact Measure Test. Empire’s weighted average cost of capital was used for the current analysis. This discount rate was also applied to the Total Resource Cost test.
- Societal Discount Rate – similar to the other discount rates, this value represents the overall societal cost of money [percent] and is used in discounting the societal effects of savings. This value is used to determine net present value of costs and benefits in the Societal Test. For this Kansas filing, two different discount rates, 7% and 3%, were used for comparison purposes.
- General Input Data Year – the year from which the source data is taken. In order to properly discount future costs of money, it is important to know from which year the input data is derived.
- Project Analysis Year – the first year of project analysis, representative of a mature program [year, e.g., 2013]. Economic factors in the model are escalated appropriately to reflect the differences from data collection to program implementation.
- Project/Measure Specific Inputs – The following is a list of the inputs that are

applied to an individual project/measure. These vary depending on program type, measure description, and nature of the energy savings. These data were developed by Applied Energy Group (AEG) using data provided by Empire on project target markets and customer energy usage characteristics and other utility programs. Wherever possible, Arkansas Deemed Savings were used.

- Utility Project Costs – the overall annual costs for the utility to implement the program under evaluation [annual \$]. This includes the utility cost for incentives, administration, delivery, marketing and evaluation. Utility incentives must be provided separately as these costs are handled differently from other utility costs in certain benefit cost tests.
- Direct Participant Cost – the incremental cost of each energy savings measure [\$ per measure] before utility incentives. This represents what the customer would have to pay to achieve the benefits of the specified energy efficient measure. This is a one-time cost.
- Other Participant Cost – if there are other costs such as increased annual maintenance these may be defined here [annual \$]. It is assumed that these are recurring costs over the life of the measure.
- Other Energy Savings – if there are other energy savings [non-electric] such as fuel savings, these may be defined here [annual \$]. It is assumed that these are recurring savings over the life of the measure.
- Project Life – the estimated lifetime that a project/measure will yield energy savings [years]. Measure life should be consistent with equipment life but in some instances the utility may choose to limit the savings to a predetermined life [for analysis purposes].
- Demand Savings – the amount of demand reduction that the particular measure will yield [kW]. This represents the rated reduction on power.
- Coincident Factor – a factor applied to Demand Savings to determine the value of demand reduction that will be achieved during the hour of the utility peak [in percent].
- kWh/participant Savings – the energy savings component of a particular measure [annual kWh]. This is defined as the savings achieved for each measure. Empire has utilized a Net to Gross savings per participant wherever possible based on end use, program, and the available data from DEER. For this filing, a 2% attrition rate has also been applied to the savings.
- Number of Participants – the participation goal for a particular program.

- Incentive per Participant – the value of the utility incentive for each particular measure included in program. This value multiplied by the Number of Participants will yield the total utility incentive.
- General Project Management and Marketing – Management and marketing costs which are specific to a program are included in that program’s budget. Management and marketing costs that are for the entire portfolio are in General Project Management and Marketing budget and are reflected in the portfolio’s cost effectiveness test results.
- Steady State vs. Start-Up – The benefit/cost analysis is a life cycle analysis. Thus, it is important to reflect steady state implementation costs and not one-time start-up costs. In this case, there are no start up costs included in Empire’s portfolio budget.
- Evaluation –For this filing, for purposes of benefit cost analysis, the evaluation budget has been spread out over 5 years even though the actual evaluation will occur around Year 3 of the program cycle.
- Program Write-ups – Each program write-up contains the following sections:
 - Peak Demand and Energy Consumption – This is an estimate of the kW and kWh savings that can be expected to occur given the assumptions for each particular program.
 - Estimate of Program Cost Effectiveness – Each program undergoes benefit/cost screening. Five different perspectives have been analyzed (Total Resource Cost, Societal, Participant, Ratepayer Impact Measure (RIM) and Utility Cost.
 - Participation – The participation targets reflect the appliance saturations in Empire’s service territory as well as replacement cycles and estimated penetrations for energy efficiency measures.
 - Program Budgets – Each program budget contains categories for program delivery, project management, marketing, incentives and evaluation.

LOW INCOME EFFICIENCY PROGRAM

PROGRAM DESCRIPTION

Qualifying lower income customers can receive help in managing their energy use and bills through Empire's Low Income Weatherization and High Efficiency Program. The program will work directly with local CAP agencies that already provide weatherization services to low income customers through the DOE and other state agencies. Empire provides supplemental funds to the CAP agencies to cover the cost of weatherization measures. This program will be administered by the CAP agencies and follow the protocol under current federal and state guidelines.

Participants can be an Empire residential customer in a one to four-unit structure. Income and occupancy eligibility will follow the Federal Low Income Weatherization guidelines. CAP agencies are allowed to spend an average of \$1,000 (escalated by \$50 per year) of Empire funds to leverage their DOE funds. Empire funds will focus on measures that reduce electricity usage such as electric heat, air conditioning, refrigeration, lighting, insulation, air infiltration, etc. CAP agencies will have discretion to use the funds as they wish for weatherization and cooling equipment. The maximum per home will be \$1,500 escalated by \$50 per year.

Within the average of \$1,000, they may spend up to \$200 towards the purchase of an ENERGY STAR® rated refrigerator and up to \$100 towards the purchase of ENERGY STAR® rated CFLs and lighting fixtures. The CAP agency must follow federal guidelines and ensure the old refrigerator is removed and recycled in accordance with safe recycling practices. Proof of disabling the refrigerator from future use must be provided to use Empire's funding for an Energy Star refrigerator. Finally, in addition to being an Energy Star rated refrigerator, the new refrigerator must be of similar size and features to the old refrigerator. Energy Star lighting fixtures can be installed only where an existing inefficient lighting fixture currently exists or there were definite plans to install a new non-Energy Star lighting fixture. In the latter case, installing an Energy Star fixture would avoid the installation of new inefficient lighting fixtures.

While the CAPs will have the primary responsibility to obtain leads for this program, Empire can supplement their efforts, as necessary, by targeting low income customers in arrears who would benefit from reduced utility bills or by referring any other potentially eligible customers who call requesting assistance because of their economic circumstances.

This program helps qualifying customers reduce their energy costs at no cost to the customer. CAP agencies offer a cost effective implementation capability, which allows most of the funds allocated to this program to go directly to the purchase and installation of energy efficiency measures.

With the stimulus funding currently being available to all CAP agencies and the timeline within which they are expected to spend their funding, Empire agrees with Staff to start the program in March 2011.

ESTIMATED EFFECT ON PEAK DEMAND AND ENERGY CONSUMPTION

Years	Demand (kW)	Energy (kWh)
2- 5 (per year)	6	27,260

PROGRAM FRAMEWORK/STARTEGY

Relationship to other programs: This program provides services to the low income customer at no cost to the participant. As no other program targets this population, this program fills that niche and equalizes the opportunity to save energy for all customers.

Marketing Strategy: This program will be marketed in several ways:

- Company communications to customers, i.e. bill inserts, website, etc., will notify all customers of the availability of this program
- Empire will work with the CAP agencies and LIHEAP agencies to inform them of this funding
- Empire will leverage opportunities for informing community organizations of this program.

Program Delivery: This program will be delivered through a CAP agency.

Partners: This program will partner with the CAP agency delivering the program.

PROGRAM BUDGET

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1						
2	\$23,000	\$2,300	\$2,500	\$0	\$500	\$28,300
3	\$24,150	\$2,415	\$2,500	\$0	\$500	\$29,565
4	\$25,300	\$2,530	\$2,500	\$0	\$500	\$30,830
5	\$26,450	\$2,645	\$2,500	\$0	\$500	\$32,095

Because there is no major activity associated with starting this program, no start-up budget has been submitted.

We have separated program delivery costs from program administrative costs. Program delivery is the cost of implementing the program. In this case, the delivery budget includes a CAP administrative fee. Note that all the measures are installed at no cost to the participant. Since this is a direct install program which pays money directly to the CAP agency, no funds are listed under customer incentive. Instead, the weatherization costs are listed under program delivery. Although this program will start a year later than the other programs, we have kept the evaluation of this program at the same time as the other programs to leverage the funding.

PROGRAM BENEFICIARIES - PARTICIPATION

Customers eligible to participate in this program are low income customers who qualify as low income under Federal and State guidelines for Low Income Weatherization Assistance. It is anticipated that 20 customers will participate annually for the next 5 years.

Years	Participation
2 – 5 (per year)	20

Other beneficiaries of this program are all ratepayers. While they do pay the cost of this program, it will hopefully reduce arrearages that will benefit all ratepayers.

ESTIMATE OF PROGRAM COST EFFECTIVENESS

The following charts demonstrate the results of various scenario analysis of cost effectiveness. The actual spreadsheets are provided electronically.

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	0.47	0.84	n/a	0.25	0.47
7% Discount on Soc	0.47	0.65	n/a	0.25	0.47

PROGRAM EVALUATION, MEASUREMENT AND VERIFICATION (EM&V) PLAN

The total EM&V budget for the Low Income Weatherization program is 6.76% of the Year 3 program cost. The total EM&V budget for all programs is less than 5% of the Year 3 budget for all programs. Empire proposes to analyze reduction in energy usage and perform a process evaluation in year 3, utilizing an external, disinterested third party. Once the program is approved, a more detailed EM&V plan will be developed.

RESIDENTIAL HIGH EFFICIENCY CAC PROGRAM

PROGRAM DESCRIPTION

This program consists of three components – installation of new equipment, tune-up of existing equipment, and electronic programmable set-back thermostats. With these three components working together, it is a comprehensive high efficiency central cooling program.

Installation of New Equipment:

The Residential High Efficiency CAC Program will encourage residential customers to purchase and install energy-efficient central air conditioning and heat pumps by providing financial incentives to offset a portion of the equipment's higher initial cost. Since heat pumps are traditionally more expensive than CACs, Empire is aware that providing the same incentive may bias the program toward CACs. However, for the sake of simplicity, and the minimal difference between the technologies in terms of benefit to the system, we are proposing to offer the same incentive for CACs and for heat pumps.

The program's long-range goal is to encourage contractors/distributors to use energy efficiency as a marketing tool, thereby stocking and selling more efficient units and moving the entire central cooling system market toward greater energy efficiency.

Incentives will be available for systems that meet the following criteria:

<u>Qualifying criteria</u>	<u>Incentive Amount</u>
SEER 15 to 15.9	\$400
SEER 16 to 16.9	\$450
SEER 17 or higher	\$500

Customers with more than one system can receive multiple incentives, up to three per location. The program is voluntary and available on a first-come, first-served basis. For the first eight (8) months of each program year, 65% of the available funds will be made available to residential customers. After the first eight months, all remaining funds will be equally available to residential customers, landlords of residential properties, and builders.

To qualify for an incentive, the customer must meet all of the eligibility conditions and complete an incentive application. The customer will be required to attach a copy of the sale receipt or paid invoice from a professional heating and cooling contractor indicating the date of purchase, dealer name and address, address of residence where the

equipment is installed and account number. The application must be received within 60 days of installation. The contractor will be required to submit a copy of the load calculation summary.

Tune Up of Existing Equipment:

The second component of Empire's program is the central cooling system tune-up. A spring inspection and tune-up of a central air conditioning or heat pump system can improve its efficiency and increase its life span. Without regular cleaning and maintenance, an air conditioner can lose a portion of its original efficiency for each year of operation.

Empire will offer an incentive to encourage annual inspections and maintenance of cooling systems. Any residential customer can receive \$50 towards a professional service inspection and tune-up. Customers with more than one system can receive multiple incentives, up to three per location.

To qualify for an incentive, the customer must meet all of the eligibility conditions and complete an incentive application. The customer will be required to attach proof of payment and a copy of the invoice from a professional heating and cooling inspection and tune-up service indicating the date tune-up was performed, dealer name and address, itemized list of service checkpoints, and any repair recommendations. Only air conditioning systems of 5 tons or less are eligible. As the program progresses, only air conditioning systems that have not had a tune-up within the last three years will be eligible.

To receive the incentive, a tune-up must be performed by a professional service technician and include the following 12-point inspection:

- Check and clean condensing unit coils
- Check wiring and connections
- Check coolant level
- Check system operating pressures and temperatures against manufacturer's specification.
- Check condensate pump and drain line
- Check thermostat
- Inspect air filter and replace if necessary
- Check compressor contacts
- Check belts and drives
- Clean and adjust controls
- Lubricate moving parts and clean indoor fan
- Check voltage

In no case will Empire pay more than 100% of the actual cost of the inspection and tune-up. Any application for a tune-up incentive must be received within 60 days of the service.

Electronic Programmable Set-back Thermostats:

The final feature of this program is the availability of incentives for electronic programmable setback thermostats. Customers can qualify for an additional \$25 when a programmable setback thermostat is installed at the same time the new cooling system is installed or the tune-up is performed. The thermostat must be purchased from and installed by the same cooling contractor and be on the same invoice as the cooling system or tune-up.

ESTIMATED PEAK DEMAND AND ENERGY SAVINGS

Years	Demand (kW)	Energy (kWh)
1- 5 (per year)	20	48,054

PROGRAM FRAMEWORK/STRATEGY

Relationship to other programs: This program provides for all aspects of high efficiency cooling for all residential customers. In addition to reducing energy use throughout the summer, this energy efficiency program also contributes greatly to residential demand reduction, second only to a residential demand response program. This program rounds out the residential offerings in Empire’s portfolio.

Marketing Strategy: Empire will utilize various mediums, such as direct mail, bill inserts and its website, to notify both customers and HVAC dealers of the availability of these incentives.

Program Delivery: The ‘delivery’ component of this program is the fulfillment of rebates for qualifying measures. For a program of this size, this function will most likely be completed internally, rather than by a third-party fulfillment house.

Partners: The trade allies will be Empire’s partners in implementing this program, in that they will most influence the buyer’s decision to purchase and install any of these measures.

PROGRAM BUDGET

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1	\$525	\$595	\$3,500	\$11,900	\$300	\$16,820
2	\$551	\$625	\$3,500	\$11,900	\$300	\$16,876
3	\$579	\$656	\$3,500	\$11,900	\$300	\$16,935
4	\$608	\$689	\$3,500	\$11,900	\$300	\$16,997
5	\$638	\$723	\$3,500	\$11,900	\$300	\$17,061

Because there is no major activity associated with starting this program, no start-up budget has been submitted. It is assumed that 80% of participants replacing their cooling systems or receiving a tune-up will also install a qualifying setback thermostat. The program delivery cost is for rebate processing.

PROGRAM BENEFICIARIES – PARTICIPATION

All residential customers with central cooling systems are eligible to participate in this program.

Years	Participation
1 – 5 (per year)	35

Other beneficiaries include all ratepayers (while they do pay for the cost of this program, the benefits that accrue include a reduced need for future power plants and peaking units). In addition, trade allies who sell and install high efficiency cooling systems and thermostats and perform tune-ups will also benefit from this program, thereby contributing to the economic health of the community.

ESTIMATE OF PROGRAM COST EFFECTIVENESS

The following charts demonstrate the results of various scenario analysis of cost effectiveness. The actual spreadsheets are provided electronically.

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	1.09	2.00	2.28	0.50	1.99
7% Discount on Soc	1.09	1.47	2.28	0.50	1.99

**PROGRAM EVALUATION, MEASUREMENT AND VERIFICATION (EM&V)
PLAN**

The total EM&V budget for the Residential High Efficiency CAC program is 8.86% of the Year 3 program cost. The total EM&V budget for all programs is less than 5% of the Year 3 budget for all programs. Empire proposes to analyze reduction in energy usage and perform a process evaluation in year 3, utilizing an external, disinterested third party. Once the program is approved, a more detailed EM&V plan will be developed.

C&I REBATE PROGRAM

PROGRAM DESCRIPTION

The C&I Rebate program will provide rebates to commercial & industrial (C&I) customers who install, replace or retrofit qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. This program is designed as an end-use incentive program. Empire will encourage audits so that customers can prioritize actions and be aware of all the energy improvement opportunities available to them. Empire will also encourage the customer to make as many improvements as possible, or to develop a plan to eventually implement other energy efficiency improvements. However, Empire will not require an audit, nor will it require customers to implement measures on a descriptive order.

As part of this program, Empire will offer rebates to customers for a portion of the cost of an energy audit. In order to receive the rebate, the customer must implement at least one of the audit recommendations that qualify for a rebate. The energy audit rebate will be set at 50% of the audit cost up to \$300 for customers with facilities less than 25,000 square feet and up to \$500 for customers with facilities over 25,000 square feet. Energy audits must be performed by a certified (CEM, licensed PE or equivalent) commercial energy auditor. Customers may choose their own auditor or Empire can recommend one. Customers with multiple buildings will be eligible for multiple audit rebates. Chain accounts will be limited to two audits per program year.

A limited number of prescriptive rebates for lighting (e.g., fluorescent fixtures and controls, HID fixtures and controls), cooling (e.g., unitary A/C and split systems) and motors will be available. Usually, the small commercial customers (defined as customers with peak billed demands under 40 kW¹) are the primary participants in this part of the program. Prescriptive rebate applications must be submitted within 60 days of the completed installation of the energy efficiency measures.

All C&I customers, including those who utilize the prescriptive rebates, will be eligible for custom rebates. The custom rebates will be individually determined and analyzed to ensure that they pass the Total Resource Cost test (defined as a test result of 1.0 or higher) and have a payback greater than two (2) years. We will use the approved discount rate for this analysis. Custom rebates will require pre-approval.

¹ Rate codes CB (Commercial Service) and SH (Small Heating Service).

A customer is eligible for both custom and prescriptive rebates provided the rebates are for different measures. One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. However, no customer, including those with multiple facilities or buildings, may receive more than \$5,000 in incentives for any program year.

For the custom rebate, customers must submit their application prior to purchase of the equipment. Once the application is approved, customers must complete the installation within six months to ensure that the rebate dollars are reserved for them. If the particular measure has a longer lead time or there are other extenuating circumstances, Empire will work with the customer on the timing of reserving dollars.

Custom rebates are calculated as the lesser of the following:

- A buydown to a two-year payback
- 50% of the incremental cost
- 50% of lifecycle avoided demand and energy costs

The avoided cost criteria provide a cap on incentives for projects that are relatively expensive for the amount of kW and kWh saved. The table below illustrates what the rebate would be for a “typical” project and what it would be for a project that had marginal demand and energy savings.

Typical Custom Project Used for Benefit/Cost Analysis

Cost per kWh, retail rate	\$	0.0693
Incremental cost	\$	3,500
kWh savings		10,600
Demand savings		3.50
Annual cost savings	\$	734

Rebate at 50% cost	\$	1,750
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Rebate at 2 yr payback	\$	2,031
Rebate at 50% avoided costs	\$	2,468

Marginal Custom Project (high cost and low energy savings)

Cost per kWh, retail rate	\$	0.0693
Incremental cost	\$	3,500
kWh savings		6,132
Demand savings		2.00
Annual cost savings	\$	425

Rebate at 50% cost	\$	1,750
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Rebate at 2 yr payback	\$	2,650
Rebate at 50% avoided costs	\$	1,421

ESTIMATED PEAK DEMAND AND ENERGY SAVINGS

Years	Demand (kW)	Energy (kWh)
1 – 5 (per year)	85	261,667

PROGRAM FRAMEWORK/STRATEGY

Relationship to other programs: This program provides opportunities to save energy to all C/I customers for all end uses. Within this portfolio, this is the program that assists C/I customers implement energy efficiency measures.

Marketing Strategy: Empire will utilize various mediums, such as direct mail, bill inserts, key account representatives and its website, to notify both customers and HVAC dealers of the availability of these incentives.

Program Delivery: The delivery component of the prescriptive portion of this program is the eligibility verification, calculation, approval and fulfillment of rebates for qualifying measures. The delivery component of the custom rebate portion of this program will include technical assistance, eligibility verification, calculation of the rebate under the 3 scenarios described in the examples above, and fulfillment of the rebate. Startup costs are development of a website dedicated to this program for access by interested parties.

Partners: The trade allies will be Empire's partners in implementing this program, in that they will most influence the buyer's decision to purchase and install any of these measures. Our third-party provider will also be a partner in that they provide technical expertise as needed by customers.

PROGRAM BUDGET

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1	\$9,625	\$3,925	\$5,000	\$39,250	\$500	\$58,300
2	\$10,106	\$4,121	\$5,000	\$39,250	\$500	\$58,977
3	\$10,612	\$4,327	\$5,000	\$39,250	\$500	\$59,689
4	\$11,142	\$4,544	\$5,000	\$39,250	\$500	\$60,436
5	\$11,699	\$4,771	\$5,000	\$39,250	\$500	\$61,220

Because there is no major activity associated with starting this program, no start-up budget has been submitted. Website cost includes maintenance costs and therefore has been moved from a start-up cost to a delivery cost. The average customer incentive is assumed to be \$1,189.

PROGRAM BENEFICIARIES - PARTICIPATION

All commercial and industrial customers are eligible to participate in this program. It is anticipated that 33 customers will participate annually for the next 5 years.

Years	Participation
1 – 5 (per year)	33

Other beneficiaries of this program are trade allies who sell and install qualifying high efficiency equipment.

ESTIMATE OF PROGRAM COST EFFECTIVENESS

The following charts demonstrate the results of various scenario analysis of cost effectiveness. The actual spreadsheets are provided electronically.

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	1.47	2.56	3.58	0.46	2.44
7% Discount on Soc	1.47	1.99	3.58	0.46	2.44

PROGRAM EVALUATION, MEASUREMENT AND VERIFICATION (EM&V) PLAN

The total EM&V budget for the C&I Rebate program is 4.2% of the Year 3 program cost. The total EM&V budget for all programs is less than 5% of the Year 3 budget for all programs. Impacts can be based upon the detailed engineering analysis that is used to determine the rebate levels. A process evaluation will be conducted. Once the program is approved, a more detailed process evaluation plan will be developed.

BUILDING OPERATOR CERTIFICATION PROGRAM

PROGRAM DESCRIPTION

The Building Operator Certification (BOC) Program is a professional development program in the energy and resource efficient operations of buildings. The training program covers building operation and maintenance for building operators, managers and consultants. It offers an in-depth look at the best ways to manage a facility, from the latest technologies to trade tips. Participants can improve job skills, access tools to more efficiently run facilities and achieve measurable energy savings. With over 5,000 BOC graduates nationwide, this rapidly growing training program provides an expansive network of peers and a highly regarded credential. BOC training includes nearly 80 hours of classroom and project work in building systems operation and maintenance. Each course in the series is completed in a one-day training session, except BOC 103–HVAC Systems and Controls, which is a two-day course. To become certified, participants must pass an exam at the end of each day of training and complete assigned projects.

There are two levels of certification: Level I - Building System Maintenance and Level II - Equipment Troubleshooting and Maintenance. Level I classes run for a total of 8 days whereas Level II classes run for 7. Development support for BOC was originally provided by the Northwest Energy Efficiency Alliance (NEEA), a non-profit group of electric utilities, state governments, public interest groups, and industry representatives committed to promoting affordable, energy-efficient products and services. Today, the Northwest Energy Efficiency Council (NEEC) is leading efforts to make BOC a nationally recognized standard.

Empire will be cooperating with Westar Energy and offering Westar's BOC classes to Empire's customers. Empire will share in sponsoring the training classes, including rental of property if any, refreshments, meals, and handouts. Empire will also contribute toward the annual license fee and Westar's internal administrative costs. In addition, Empire will offer scholarships at approximately 50% of the total registration fee. For the immediate future, we have been informed that the registration fee will be approximately \$1,200. Therefore, for this plan, Empire has estimated a scholarship of up to \$600 per student who completes the course and receives certification (provided that Empire's scholarship and that of any participating gas utility does not exceed the total registration cost of the attendee). Empire will target this training support towards customers with facilities that employ full-time building operators. Attendees must operate and maintain a building served by Empire on an electric retail rate to qualify for the scholarship. All commercial and industrial customers are

eligible to participate. The annual budget assumes a total of 3 attendees will qualify for the scholarship.

ESTIMATED PEAK DEMAND AND ENERGY SAVINGS

Based on the Evaluation of the BOC program, Empire is estimating an annual O&M savings of 0.40 kWh per square foot. (The evaluation is titled "Long Term Monitoring and Tracking Report on 2007 Activities" and was submitted by Summit Blue on May 28, 2008 to the Northwest Energy Efficiency Alliance.) For purposes of benefit cost analysis, have estimated an average of 50,000 square feet per participant. We will collect actual square footage and provide the actual savings in our report.

Years	Demand (kW)	Energy (kWh)
1 – 5 (per year)	0	60,000

PROGRAM FRAMEWORK/STRATEGY

Relationship to other programs: This program will encourage any attendee's company to implement an energy efficiency measure that qualifies for a C/I Rebate. Consequently, this program can also serve as a referral to the C/I Rebate program.

Marketing Strategy: Empire will coordinate marketing efforts with Westar Energy. Empire will also utilize various mediums, such as direct mail, bill inserts, key account representatives and its website, to notify C/I customers of the availability of the training and scholarships.

Program Delivery: The training sessions will be implemented by the Midwest Energy Efficiency Alliance (MEEA) on behalf of the utilities.

Partners: MEEA and Westar Energy will be Empire's partners for this program.

PROGRAM BUDGET

Years	Delivery	Mgmt/ Admin	Marketing	Scholarship	Evaluation	Total
1	\$6,000	\$600	\$500	\$1,800	\$50	\$8,950
2	\$6,025	\$603	\$500	\$1,800	\$50	\$8,978
3	\$6,050	\$605	\$500	\$1,950	\$50	\$9,155
4	\$6,075	\$608	\$500	\$1,950	\$50	\$9,183
5	\$6,100	\$610	\$500	\$1,950	\$50	\$9,210

Because there is no major activity associated with starting this program, no start-up costs have been submitted. Delivery assumes a cost of \$2,000 per participant to sponsor the training and pay for a portion of licensing and Westar's administrative costs. This has been escalated by \$25 per year. Scholarships are assumed to be \$600 for the next two years. For the following 3 years, we are assuming a scholarship cost of \$650 per attendee.

PROGRAM BENEFICIARIES - PARTICIPATION

All commercial and industrial customers who have facilities in Empire's service territory who employ full time building operators are eligible to participate in this program. It is anticipated that 3 customers will participate annually for the next 5 years.

Years	Participation
1 – 5 (per year)	3

Other beneficiaries of this program are the building owners who send their employees to the training sessions.

ESTIMATE OF PROGRAM COST EFFECTIVENESS

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	2.42	4.44	17.37	0.38	2.78
7% Discount on Soc	2.42	3.45	17.37	0.38	2.78

PROGRAM EVALUATION, MEASUREMENT AND VERIFICATION (EM&V) PLAN

The total EM&V budget for the BOC program is 2.7% of the Year 3 program cost. The total EM&V budget for all programs is less than 5% of the Year 3 budget for all programs. A process evaluation will be completed in year 3 if not sooner. Once the program is approved, a more detailed process evaluation plan will be developed.

C&I PEAK LOAD REDUCTION PROGRAM

PROGRAM DESCRIPTION

The C&I Peak Load Reduction Program is a partnership between businesses and Empire to assure that electric demand can be met on certain days during the summer and winter when customer demand for electricity might exceed the available supply. It is a voluntary demand response program designed to reduce peak demand at the request of the company. It will be available to all Commercial or Industrial customers being served under the Total Electric Building (TEB), General Power Service (GP) or Transmission Service (PT) rates. Customers under those rates who volunteer to participate in this program must have a minimum monthly billing demand of 200 kilowatts (kW) and an anticipated minimum load curtailment capability of 200 kW.

Customers who participate will be required to enter into a contract for a term of one, three, or five years with an automatic renewal for the same term of the contract unless notification is given by either the customer or the Company at least 30 days prior to expiration of the contract. Availability of this rider is also subject to the economic and technical feasibility of the installation of required Company equipment. The total megawatts (MWs) contracted for under this program will not exceed 5 MWs.

The contract year will be June 1 through May 31. Curtailments when called will typically occur during, but not necessarily be limited to, the hours of 12:00 noon through 10:00 pm, Monday through Friday. The maximum number of curtailment events will be 10 per curtailment year and each event will last no less than two (2) but no more than eight (8) consecutive hours. Unless there is a system reliability event that needs to be addressed, there will not be more than one event per day. Customers will be provided with a curtailment notice of at least four (4) hours prior to the start of an event. Curtailments may be called for either operational or economic reasons.

To determine demands, the following definitions will be used:

Customer Peak Demand (CPD) shall be either the customer's historical actual maximum measured kW demand during a peak period or an amount determined based on the specific circumstances involving a Customer's actual or expected operations and agreed upon between the Company and the Customer.

The Maximum Firm Demand (MFD) shall be the maximum level of demand that the Customer can place on the system during a curtailment event and will be at least 200 kW lower than the customer's CPD. Both the CPD and the MFD will be specific in the contract. The difference between the two will be the Interruptible Demand (ID), expressed in kW and shall be the demand upon which credits under this Rider are available to the customer. All IDs must be at least 200 kW. The Company may also use a test curtailment for verification of the customer's ability to curtail to the MFD or to establish the MFD.

Compensation: For each curtailment year, a customer shall receive a payment or bill credit based upon the IR contract term. The Monthly Program Participation Payment per kW of ID is as follows:

Contract Term	\$/kW of ID per month
One year	\$0.51
Three years	\$1.27
Five years	\$2.02

In addition to the payments mentioned above, customers will receive additional compensation equal to \$.30 per kW of ID for each hour of actual curtailment during the curtailment year.

The customer will be responsible for monitoring their load to comply with the terms of the contract. A penalty shall be assessed if the customer fails to curtail the full amount of the ID or to keep its demand at or below the MFD for any reason. If this failure occurs, the ID and MFD in the contract shall be adjusted and the customer will refund all credits or payments previously received under the current contract in an amount equal to the change in ID multiplied by 150% of the contract demand rate for the remaining months of the contract period. If a customer fails to reduce load to its MFD during three or more curtailment events during a contract year, the customer shall be ineligible to participate for a period of two years from the date of the third failure.

ESTIMATED PEAK DEMAND AND ENERGY SAVINGS

Years	Demand (kW)	Energy (kWh)
1	1,000	n/a
2 – 5 (per year)	1,500	n/a

This is a demand response program targeting a reduction in kW during a specific time frame. Little or no energy (kWh) is saved on a permanent basis. Therefore, energy savings is not applicable and not estimated.

PROGRAM FRAMEWORK/STRATEGY

Relationship to other programs: This program is the only program that is a specific demand response program. As such, it will allow qualifying C/I customers to reduce demand when requested by Empire to ensure adequate capacity to meet all customers needs.

Marketing Strategy: Empire will utilize various mediums, such as direct mail, bill inserts, key account representatives and its website, to notify customers of the availability of this program.

Program Delivery: The 'delivery' component of this program is getting the customer set up in the program parameters once they agree to participate. This includes setting up and testing dispatching, notification, verification, etc. Program delivery will be accomplished internally.

Partners: The participating customers will be Empire's partners in this program.

PROGRAM BUDGET

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1	\$5,000	\$5,000	\$2,000	\$13,375	\$200	\$25,575
2	\$5,000	\$5,250	\$2,000	\$20,063	\$200	\$32,513
3	\$5,000	\$5,513	\$2,000	\$20,063	\$200	\$33,776
4	\$5,000	\$5,788	\$2,000	\$20,063	\$200	\$33,051
5	\$5,000	\$6,078	\$2,000	\$20,063	\$200	\$33,341

Because there is no major activity associated with starting this program, no start-up budget has been submitted. Delivery costs are costs associated with setting up the customer for participation, ensuring dispatch and notification processes are in place and working, and any equipment needed to verify curtailment is installed.

PROGRAM BENEFICIARIES - PARTICIPATION

All commercial and industrial customers who qualify to participate with their capability of curtailing load are eligible to participate in this program. It is anticipated that 1 customer will participate in year 1 and 4 will participate annually for the following 4 years.

Years	Participation
1	1
2 – 5 (per year)	3

Other beneficiaries of this program are all ratepayers who will benefit greatly from Empire's ability to meet demand through curtailment on peak days and postpone the need for a peaking plant or costly spot-market purchases of electricity.

ESTIMATE OF PROGRAM COST EFFECTIVENESS

The following charts demonstrate the results of various scenario analysis of cost effectiveness. The actual spreadsheets are provided electronically.

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	6.17	6.17	n/a	2.39	2.39
7% Discount on Soc	6.17	6.17	n/a	2.39	2.39

PROGRAM EVALUATION, MEASUREMENT AND VERIFICATION (EM&V) PLAN

By design, a C/I peak reduction program is self-verifying as the company tracks the customer's usage during a curtailment and ensures that they reduced load to the contracted level. Measurement and verification of curtailments serve as an impact evaluation for this program. Process evaluations will be performed to determine if improvements can be made in how this program is designed, delivered and administered.

The total EM&V budget for the C/I Peak Load Reduction program is 3.05% of the Year 3 program cost. The total EM&V budget for all programs is less than 5% of the Year 3 budget for all programs. Once the program is approved, a more detailed process evaluation plan will be developed.

GENERAL PROJECT MANAGEMENT AND MARKETING

PROGRAM DESCRIPTION

In order to deploy a multi-sector DSM portfolio, it is necessary to have an experienced manager level resource available to provide oversight and guidance to the individual program managers (regardless of whether they are internal Empire staff or contracted labor). This is not a full time commitment which is reflected in the budget levels shown under project management.

It will also be necessary to maintain and improve general marketing materials and infrastructure. Once approved, Empire will need to add content on these programs to its website. Empire will continue to assess potential improvements and implement them as appropriate to keep the information current and keep the site refreshed. Empire will also develop brochures and other collateral materials, train and possibly add resources to its customer service operation and undertake various "no cost" initiatives with print, radio and television media (news releases, news conferences, etc.). The budget for these activities is shown under general portfolio marketing. It is important to have this general marketing support if the individual program goals are to be met.

PROGRAM BUDGET

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1		\$12,500	\$7,500	\$0		\$20,000
2		\$13,125	\$7,875	\$0		\$21,000
3		\$13,781	\$8,269	\$0		\$22,050
4		\$14,470	\$8,682	\$0		\$23,152
5		\$15,194	\$9,116	\$0		\$24,310

An annual 5% escalation rate has been included in the budget.

PORTFOLIO SUMMARY

ESTIMATED PEAK DEMAND AND ENERGY SAVINGS

Year 1 Without Low Income WX	Demand (kW)	Energy (kWh)
w/out C/I Peak Load Reduction	105	369,721
With C/I Peak Load Reduction	1,105	369,721

Years 2 – 5 (per year)	Demand (kW)	Energy (kWh)
w/out C/I Peak Load Reduction	111	396,981
With C/I Peak Load Reduction	1,611	396,981

ESTIMATE OF PROGRAM COST EFFECTIVENESS

Without C/I Peak Load Reduction

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	1.11	1.95	3.89	0.41	1.55
7% Discount on Soc	1.11	1.51	3.89	0.41	1.55

With C/I Peak Load Reduction

Scenario	TRC	Societal	Participant	RIM	Utility
3% Discount on Soc	4.02	6.14	4.08	1.48	4.84
7% Discount on Soc	4.02	4.77	4.08	1.48	4.84

PROGRAM BENEFICIARIES - PARTICIPATION

Year 1 Without Low Income WX	Participation
w/out C/I Peak Load Reduction	71
With C/I Peak Load Reduction	72

Years 2 – 5 (per year)	Participation
w/out C/I Peak Load Reduction	91
With C/I Peak Load Reduction	94

PROGRAM BUDGET

Without C/I Load Reduction

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1	\$16,150	\$17,620	\$16,500	\$52,950	\$850	\$104,070
2	\$39,682	\$20,774	\$19,375	\$52,950	\$1,35	\$134,131
3	\$41,391	\$21,784	\$19,769	\$53,100	\$1,350	\$137,394
4	\$43,125	\$22,841	\$20,182	\$53,100	\$1,350	\$140,598
5	\$44,887	\$23,943	\$20,616	\$53,100	\$1,350	\$143,896

With C/I Load Reduction Program and General Project Management and Marketing

Years	Delivery	Mgmt/ Admin	Marketing	Customer Incentive	Evaluation	Total
1	\$21,150	\$22,620	\$18,500	\$66,325	\$1,050	\$129,645
2	\$44,682	\$26,024	\$21,375	\$73,013	\$1,550	\$166,644
3	\$46,391	\$27,297	\$21,769	\$73,163	\$1,550	\$170,140
4	\$48,125	\$28,629	\$22,182	\$73,163	\$1,550	\$173,649
5	\$49,887	\$30,021	\$22,616	\$73,163	\$1,550	\$177,237

THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 3

THE EMPIRE DISTRICT ELECTRIC COMPANY

SCHEDULE _____

(Name of Issuing Utility)

Replacing Schedule _____ Sheet 9

ALL TERRITORY

which was filed _____

(Territory to which schedule is applicable)

<p>LOW INCOME WEATHERIZATION WX</p> <p style="text-align: right;">Sheet <u>1</u> of <u>1</u> Sheets</p>

Weatherization Program

APPLICATION:

The Low-Income Weatherization Program (Program) is designed to provide energy education and weatherization assistance for lower income customers. This Program is intended to assist customers through conservation, education and weatherization in reducing their use of energy and to reduce the level of bad debts experienced by The Empire District Electric Company (Company). The Company's participation in such financial incentives is limited to the funds allocated for that purpose.

ADMINISTRATION:

The program will be administered by the Community Action Agencies, also known in this tariff as Social Agencies, serving the Company's residential electric customers. The program will follow the guidelines of the Kansas Housing Resources Corporation Weatherization Assistance Program.

TERMS & CONDITIONS:

1. The program will offer grants for weatherization services to eligible customers. The program will be primarily directed to lower income customers.
2. The total amount of grants offered to a customer will be determined by the agreement between the Company and the Social Agencies. These funds will focus on measures that reduce energy usage.
3. Program funds made available to the Social Agencies cannot be used for administrative costs except those incurred by the Social Agencies that are directly related to qualifying and assisting customers under this program. The amount of reimbursable administrative costs per participating household shall not exceed 15% of the total expenditures for each participating household.
4. This Program will continue for five (5) years from the effective date of this tariff, unless otherwise ordered by the Commission. Funding of this program will begin in April, 2011.

EVALUATION:

Evaluation, Measurement, and Verification ("EM&V") will be conducted as prescribed by the Kansas Corporation Commission following the completion of two (2) years of implementation and utilizing an external, disinterested third party.

PROGRAM FUNDING:

To the extent that the annual funds contributed exceed the total cost expended on the Program, the amount of the excess shall be "rolled over" to be utilized for the Weatherization Program in the succeeding year within the five-year program period. Annual funds available for this Program are as follows:

2010	\$0
2011	\$28,300
2012	\$29,565
2013	\$30,830
2014	\$32,095

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THE STATE CORPORATION COMMISSION OF KANSAS

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Sheet 10

ALL TERRITORY

(Territory to which schedule is applicable)

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CENTRAL AIR CONDITIONER TUNE-UP AND REPLACEMENT PROGRAM
CAC

Sheet 1 of 2 Sheets

APPLICATION:

The Central Air Conditioning Tune-Up and Replacement Program (Program) is designed to encourage more effective utilization of electric energy through the use of more energy efficient central air conditioning equipment and heat pumps by providing a financial incentive to customers in the form of a rebate. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the Funds allocated for that purpose.

DEFINITIONS:

Administrator: The Company will administer the Program.

Participant: Electric residential customers, both owner occupied and owners of residential rental property, being served by the Company in its Kansas electric service territory that elect to tune-up their existing central air conditioning equipment or heat pump or to upgrade to a central air conditioning equipment or a heat pump with a SEER value of 15 or higher.

SEER: Seasonal Energy Efficiency Ratio, the efficiency rating for the air conditioner or heat pump over a range of expected external temperatures (i.e., the temperature distribution for the geographical location for the SEER test). SEER rating is the Btu of cooling output during a simulated, typical cooling season divided by the total electric energy input in watt-hours during the same period.

AVAILABILITY:

The Program is voluntary and available on a first-come, first-served basis to any residential customer, both owner occupied and owner of residential rental property, in Kansas who is receiving electric service from the Company.

TERMS & CONDITIONS:

This Program will provide rebates of \$50 to all Participants who have a professional service inspection and tune-up to their central air conditioning systems or heat pumps which are five (5) tons or less. Customers with more than one system may receive multiple incentives up to three per location. Units that have participated in Empire's Tune-Up program within the last three years are not eligible.

All applications for Tune-Up rebates must be accompanied by a copy of the sale receipt or paid invoice from a professional heating and cooling inspection and tune-up service indicating the date of purchase, dealer name and address, itemized list of service checkpoints, and any repair recommendations.

This Program will also provide rebates to all Participants that purchase and install appropriately sized high efficiency central air conditioning equipment or heat pumps, or replace existing equipment with appropriately sized higher efficiency units after the original effective date of this tariff. The available rebates are as follows:

SEER of 15 to 15.9.....	\$400
SEER of 16 to 16.9.....	\$450
SEER of 17 or higher.....	\$500

Participants can also qualify for an additional \$25 rebate when a programmable setback thermostat is installed at the same time as the new cooling system. The thermostat must be purchased from and installed by the same cooling contractor and be on the same invoice as the cooling system.

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ALL TERRITORY

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**CENTRAL AIR CONDITIONER TUNE-UP AND REPLACEMENT PROGRAM
CAC**

Sheet 2 of 2 Sheets

All applications for Replacement rebates must be accompanied by a copy of the sale receipt or paid invoice from a professional heating and cooling contractor indicating the date of purchase, dealer name and address, address of residence showing where the equipment is installed and account number. Also included must be a copy of the load calculation summary from the installer that the central air conditioner or heat pump is appropriately sized based on a "Manual J" calculation or industry equivalent test that was performed as part of the installation process in order to qualify for a Company rebate.

Application forms for obtaining a rebate are available on the Company's web site at www.empiredistrict.com or by calling 800-206-2300. Completed application forms must be submitted to the Company by mailing them to the address indicated on the application or by fax to 417.625.5169. All applications and accompanying documents must be received within 60 days of tune-up or system installation.

EVALUATION:

Evaluation, Measurement, and Verification ("EM&V") will be conducted as prescribed by the Kansas Corporation Commission following the completion of two (2) years of implementation and utilizing an external, disinterested third party.

PROGRAM FUNDING:

To the extent that the annual Program funding exceeds the total cost expended on the Program during a program year, the excess funds shall be "rolled over" to be utilized for the Program in the succeeding program year within the five-year program period. The annual funding available for this Program is as follows:

<u>Year</u>	<u>Total</u>
2010	\$16,820
2011	\$16,876
2012	\$16,935
2013	\$16,997
2014	\$17,061

Individual participant projects that have been approved for rebate consideration may be scheduled in the succeeding program year, but not beyond the end of the fifth year of the Program.

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Replacing Schedule _____ Sheet 11

ALL TERRITORY
(Territory to which schedule is applicable)

which was filed _____

**KANSAS COMMERCIAL AND INDUSTRIAL REBATE PROGRAM
C&I**

Sheet 1 of 2 Sheets

APPLICATION:

The Kansas Commercial and Industrial Rebate Program (Program) is designed to encourage more effective utilization of electric energy through energy efficiency improvements in the building shell or through the replacement of inefficient electrical equipment with efficient electrical equipment, by providing a rebate for a portion of the costs of the improvements and for energy audit and the related upgrades that improve efficient use of electricity. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the Funds allocated for that purpose.

DEFINITIONS:

Administrator – The Company will administer the program.

Funds – The Company has allotted funds annually to fulfill a portion of audit costs and both prescriptive rebates and custom rebates.

Participant – Electric customer in a Commercial or Power Service rate schedule being served by the Company in its Kansas electric service territory that elects to purchase energy auditing services and/or electrical energy efficiency upgrades through the Program.

Energy Audit Firm – Any vendor which provides commercial energy auditing services that has agreed to perform these services through the Program. The auditor must be a Certified Energy Manager, licensed Professional Engineer, or equivalent.

Energy Audit Rebate – Rebate offered of up to 50% of the cost of the energy audit to customers implementing at least one of the audit recommendations that qualify for a rebate. The energy audit rebate offered will be up to 50% of the audit cost up to \$300 for customers with facilities less than 25,000 square feet and up to \$500 for customers with facilities over 25,000 square feet. Customers with multiple buildings will be eligible for multiple audit rebates.

Prescriptive Rebates -- Certain rebates which have a set rebate amount and that do not have to meet the custom rebate calculation criteria. All participants will be eligible to apply for prescriptive rebates.

Custom Rebates – Custom rebates will be available to all Commercial and Industrial customers listed as Participants. Each potential rebate will be individually determined and analyzed to ensure that it passes the Total Resource/Cost Test (defined as a test result of 1.0 or higher) and has a payback greater than two (2) years. The amount of the custom rebate will be calculated as the lesser of the following:

- A buydown to a two-year payback
- 50% of the incremental cost
- 50% of lifecycle avoided demand and energy costs

AVAILABILITY:

The Program is voluntary and available on a first-come, first-served basis to any commercial or industrial facility located in Kansas that is receiving electric service under a Commercial or Power Service rate schedule from the Company until funds for that year have been expended. Customers with multiple buildings will be eligible for multiple audit rebates. A customer is still eligible for custom rebates if they qualify for prescriptive rebates. Additionally, one customer may submit multiple rebate applications for different measures, each of which will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. However, no customer, including those with multiple facilities or buildings, may receive more than \$5,000 in incentives for any program year.

TERMS & CONDITIONS:

This Program will provide rebates to Participants that install, replace or retrofit qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. Rebates are also available for energy audits. Terms of the rebate are:

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ALL TERRITORY

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**KANSAS COMMERCIAL AND INDUSTRIAL REBATE PROGRAM
C&I**

Sheet 2 of 2 Sheets

1. Prescriptive Rebates for lighting, cooling, and motors are available to all Participants. A listing of the Prescriptive Rebates may be found on the Company's website, www.empiredistrict.com. If a measure is eligible for a Prescriptive Rebate, it is not eligible for a Custom Rebate on the same measure. A customer may apply for the prescriptive rebates by accessing the application on the Company's website and forwarding the application along with the invoice, if the items have been purchased, to the address provided on the application.
2. Custom Rebates are available to all Participants. The Custom Rebates will be individually determined and analyzed to ensure that the proposed measure passes the Total Resource/Cost Test at a test result of 1.0 or higher and has a payback greater than two (2) years. Once it is determined that the proposed measure passes the above test, the rebate will be calculated as the lesser of (1) a buydown to a two-year payback, (2) Fifty (50) percent of the incremental cost, or (3) Fifty (50) percent of lifecycle avoided demand and energy costs. A customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. Customers may apply for Custom Rebates on-line at the Company website, www.empiredistrict.com, or they may request an application by contacting the Company at 800-206-2300.
3. Empire will offer rebates to Participants to cover up to fifty percent (50%) of the cost of an energy audit. To receive this rebate, the Participant must implement at least one of the audit recommendations that qualify for a rebate. The energy audit rebate will be set at 50% of the audit cost up to three hundred dollars (\$300) for customers with facilities less than 25,000 square feet and up to five hundred dollars (\$500) for customers with facilities over 25,000 square feet. Energy audits must be performed by a certified (CEM, licensed PE, or equivalent) commercial energy auditor. Customers with multiple buildings will be eligible for multiple audit rebates.
4. The maximum amount per customer, including those with multiple facilities or buildings, is \$5,000 in incentives for any program year.

EVALUATION:

Evaluation, Measurement, and Verification ("EM&V") will be conducted as prescribed by the Kansas Corporation Commission following the completion of two (2) years of implementation and utilizing an external, disinterested third party.

PROGRAM FUNDING:

To the extent that the annual funds contributed exceeds the total cost expended on the program, the amount of excess shall be "rolled over" to be utilized for the Kansas Commercial and Industrial Rebate Program in the succeeding year; however any remaining unused funds at the end of the fifth year of the program shall be made available for other energy efficiency programs. Annual funds available for this program are as follows:

Year	Total
2010	\$58,300
2011	\$58,977
2012	\$59,689
2013	\$60,436
2014	\$61,220

Projects that have been approved may be scheduled in the succeeding program year but not beyond the end of the fifth year of the Program.

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THE EMPIRE DISTRICT ELECTRIC COMPANY

SCHEDULE _____

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Replacing Schedule _____ Sheet 12

ALL TERRITORY

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**BUILDING OPERATOR CERTIFICATION
BOC**

Sheet 1 of 1 Sheets

APPLICATION:

This program is designed to encourage building operator certification through the Northwest Energy Efficiency Council's Building Operator Certification ("BOC" or "Program") curriculum. This curriculum consists of Level 1 and Level 2 programs which are geared toward the operators of institutional, commercial, and industrial facilities. The Empire District Electric Company ("Empire" or "Company") will, in cooperation with Westar Energy, offer this program to Company's commercial and industrial customers. The Company's participation in such financial incentives is limited to the resources allocated for that purpose.

DEFINITIONS:

Administrator: The Program will be administered by Westar Energy.

Participant: Kansas electric commercial or industrial customers being served by the Company under the commercial or power service rate schedules. The individual(s) participating can be management or individuals responsible for the day-to-day operations of the participating customer's facility.

TERMS AND CONDITIONS:

The BOC Program is designed to provide training classes leading to the opportunity for building operator certification.

Company will reimburse Westar Energy certain expenses associated with the certification classes and process. Empire will also reimburse Westar Energy for Empire's portion of the annual license fee and Westar's internal administrative costs.

Tuition costs associated with the Program will be reimbursed by Company in the amount of 50% per certification level and will be paid to the sponsor or individual paying the tuition after certification has been obtained. Qualified Building Operators will receive the reimbursement when a completed reimbursement request is submitted to Company and certification has been obtained. The reimbursement request is available by contacting the Company's Planning and Regulatory Department.

AVAILABILITY:

The certification courses funded by this Program will be available for any Building Operator or manager responsible for the operations of at least one Kansas facility receiving electric service from Company. This facility must be receiving service from Company under a commercial or power service rate schedule.

EVALUATION:

Evaluation, Measurement, and Verification ("EM&V") will be conducted as prescribed by the Kansas Corporation Commission following the completion of two (2) years of implementation and utilizing an external, disinterested third party.

PROGRAM FUNDING:

To the extent that the annual Program budget exceeds the total cost expended on the Program during a program year, the excess resources shall be made available for use in the succeeding Program year; however, any unused resources at the end of the fifth year of the Program shall be made available for use in Company's other energy efficiency programs in effect at the end of the fifth year of the BOC Program. The annual operating budget for this Program is as follows:

Year	Total Program Budget
2010	\$8,950
2011	\$8,978
2012	\$9,155
2013	\$9,183
2014	\$9,210

Certification schedules that carry-over into the next year will be paid.

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By _____

Signature of Officer Title

THE STATE CORPORATION COMMISSION OF KANSAS

THE EMPIRE DISTRICT ELECTRIC COMPANY
(Name of Issuing Utility)

SCHEDULE IR

Replacing Schedule IR Sheet 7

ALL TERRITORY
(Territory to which schedule is applicable)

which was filed 09-08-94

INTERRUPTIBLE SERVICE
RIDER IR
Sheet 1 of 4 Sheets

APPLICATION:

This rider is available to Commercial or Industrial customers on Total Electric Building (TEB), General Power Service (GP) or Transmission Service (PT) rates, with a minimum monthly billing demand of 200 kilowatts (Kw), and a minimum load curtailment capability of 200 Kw. Customers must enter into an Interruptible Rider (IR) contract incorporating the provisions of this Rider for a term of from one to five years. Availability is further subject to the economic and technical feasibility of the installation of required Company equipment. The Company reserves the right to limit the total Interruptible load eligible to take service under this Rider. The total kilowatts contracted for by The Empire District Electric Company (Company) shall not be greater than ten (10) megawatts annually.

PURPOSE:

This Rider is designed to reduce Customer load during peak periods upon request by Company.

TERM OF CONTRACT:

IR contracts shall be for a one-year, three-year or five-year term. Thereafter, Customers may enter into a new IR contract for a term of one, three or five years subject to the terms and conditions of this Rider as may be modified from time to time. Upon expiration of the initial term of the contract, the contract will automatically be renewed for the term of equal length unless termination notice is given by either the Customer or Company at least 30 days prior to the expiration date.

CURTAILMENT YEAR:

The Curtailment Contract Year shall be June 1 through May 31.

CURTAILMENT HOURS:

Curtailment will typically occur during the hours of 12:00 noon through 10:00 p.m., Monday through Friday during the Curtailment Year, but may occur outside of this window to address a system reliability driven event. The curtailment Hours associated with a Curtailment Event will be established at the time of Curtailment Notification.

CURTAILMENT LIMITS:

The number of Curtailments Events in a Curtailment Year shall be no more than ten (10). Each Curtailment Event shall be no less than two or no more than eight consecutive hours and no more than one occurrence will be required per day unless needed to address a system reliability event. The cumulative hours of curtailment per Customer shall not exceed eighty hours (80) during the Curtailment Year.

CURTAILMENT NOTIFICATION:

Customers will receive curtailment notification a minimum of four (4) hours prior to the start time of a Curtailment Event. Company may use either phone or electronic notification procedures to contact a participating Customer of a curtailment. Customers participating in this program shall be required to acknowledge the Company's notification of curtailment in writing via fax, email or by utilizing a portal provided by the Company at its webpage (www.empiredistrict.com) within one (1) hour of the Company's notification of a Curtailment Event. The specific method of communication used to provide notification of curtailment and customer acknowledgement of curtailment shall be specified in the IR contract.

CURTAILMENT EVENT:

A "Curtailable Event" is defined as an actual customer curtailment request made by Empire.

NEED FOR CURTAILMENT:

Curtailment can be requested for operational or economic reasons. Operational curtailments may occur when physical operating parameters approach becoming a constraint on the generation, transmission, or distribution systems, or to maintain the Company's capacity margin requirement. Economic curtailment may occur when the opportunity to sell the energy in the wholesale market affords the Company the opportunity to increase off system sales margins-net of the additional compensation paid (\$/kW of ID per hour for actual curtailment) which in turn is reflected in the Fuel Adjustment Clause.

Commission File Number _____

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By _____ Vice President
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THE STATE CORPORATION COMMISSION OF KANSAS
By _____ Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

THE EMPIRE DISTRICT ELECTRIC COMPANY
(Name of Issuing Utility)

SCHEDULE IR

Replacing Schedule IR Sheet 7

ALL TERRITORY
(Territory to which schedule is applicable)

which was filed 09-08-94

**INTERRUPTIBLE SERVICE
RIDER IR**

Sheet 2 of 4 Sheets

DETERMINATION OF DEMANDS

CUSTOMER PEAK DEMANDS:

An appropriate level of demand at the time of the Company's system peak during the Contract Year shall be determined for each Customer taking service under this Rider. This Customer Peak Demand ("CPD") shall be either the Customer's historical actual maximum measured kilowatts ("kW") demand during a peak period, or an amount determined based upon the specific circumstances involving a Customer's actual or expected operations, and agreed upon between Company and Customer. The CPD shall be specified in the IR contract.

FIRM POWER LEVEL:

This shall be the maximum level of demand that the Customer can place on the system during a Curtailment Event, and will be at least 200 kW lower than the Customer's CPD. The IR contract shall also specify an amount of kW demand, which the Customer can curtail or otherwise not cause to be placed on the Company's system during a Curtailment Event. The maximum level of demand or Maximum Firm Demand ("MFD") of the Customer shall be specified in the IR contract. For verification purposes, the Customer shall be required to demonstrate, at the Company's request, its ability to curtail its operations to the MFD level. The Company may also use a Test Curtailment to establish the MFD for the Customer.

INTERRUPTIBLE DEMAND:

The difference between the CPD and the MFD, to be known as the Interruptible Demand ("ID"), expressed in kW, shall be the demand upon which credits under this Rider shall be available to the Customer. For all Customers under an IR Contract, the ID specified must be 200 kW or greater. The ID shall represent that portion of a Customer's CPD that the Customer is willing and able to commit for curtailment during a Curtailment Event, and that the Company agrees to accept for curtailment. The ID shall be the same amount for each month of the IR contract. Under no circumstances will the ID be less than 200 kW. The Minimum Billing Demand will be no less than the contracted ID during the Curtailment Year(s).

PEAK DEMAND MODIFICATIONS:

The Company may review and, if necessary, adjust the Customer's CPD, MFD and ID levels based upon evidence that the Customer's actual peak demand has changed, or will change, significantly from the demand levels being used to calculate the Customer's ID. If a change in the Customer's demand levels results in a change in the ID, the Customer shall lose and/or repay its curtailment compensation proportional to the number of days curtailment was not available and for the change in ID.

FIRM POWER LEVEL MODIFICATION:

Between September 30 and May 1, and upon ninety (90) days written notice by the Customer to the Company, the MFD may be modified to reflect significant change in Customer load, subject to verification and approval by the Company. At any time the Company may adjust the Customer's MFD downward based upon evidence the Customer's actual annual demand has dropped, or will drop, significantly from the CPD. Any adjusted MFD shall continue to provide for an ID of at least 200 kW. Future Customer participation compensation under this Rider will be adjusted accordingly. Additionally, for any change in MFD that decreases the ID for the Customer shall result in a re-evaluation of all curtailment compensation to the Customer, including any payment or credits made in advance of the Curtailment Year. The Customer shall repay the Company for prior payments/credits made in excess of the curtailment compensation due based on the decreased level of ID.

BILLING DEMAND:

The minimum monthly billing demand for all Customers on this rider shall never be less than 200 kW or the contracted interruptible demand (ID), whichever is greater.

CUSTOMER COMPENSATION:

Customer compensation shall be defined within each IR contract and will be based on contract term, the maximum number of Curtailment Events and the number of actual Curtailment Events per Curtailment Year. Timing of all payments/credits shall be specified in the IR contract with each Customer. Compensation shall be paid to the Customer in the form of a check or bill credit as specified in the IR contract. Any payment/credits shall be applied before any applicable taxes. All other billing, operational, and related provisions of other applicable rate schedules shall remain in effect.

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Month Day Year
By _____
Signature of Officer Vice President
Title

FILED _____
THE STATE CORPORATION COMMISSION OF KANSAS
By _____ Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

THE EMPIRE DISTRICT ELECTRIC COMPANY

(Name of Issuing Utility)

SCHEDULE IR

Replacing Schedule IR Sheet 7

ALL TERRITORY

(Territory to which schedule is applicable)

which was filed 09-08-94

INTERRUPTIBLE SERVICE RIDER IR

Sheet 3 of 4 Sheets

PROGRAM PARTICIPATION PAYMENTS:

For each Curtailment Year, a Customer shall receive a payment/credit based upon the IR contract term. The Monthly Program Participation Payment per kW of ID is shown in the table below.

Contract Term	\$/kW of ID per month
One year	\$0.51
Three years	\$1.27
Five years	\$2.02

The Customer shall receive a credit on the monthly bill during each month of the Contract Year for the ID kW multiplied by the credit amount specified in this Rider, providing that all conditions of this schedule are met. The IR Customer shall receive Additional Compensation equal to \$0.30 per kW of ID for each hour of actual curtailment during the Curtailment Year.

All Additional Compensation payments of \$0.30 per kW of ID shall be included in FERC Account 555 to be recovered through the Company's Fuel Adjustment Clause, subject to prudence review. Monthly Program Participation Payments, \$/kW or ID per month, shall be included in the Demand Side Management ("DSM") Rate included in the DSM Rider Tariff.

PENALTIES:

The failure of a Customer to interrupt the full amount of the ID or to keep its demand at or below the MFD, for any reason, during a Curtailment Event shall result in the following:

1. The Customer's contract ID shall be adjusted to equal the amount of ID which the Company could utilize during the Curtailment Event;
2. The Customer's contracted MFD shall be adjusted to equal the amount of demand actually placed on the Company's system by the Customer during the Curtailment Event;
3. The adjustments to the Customer's ID or MFD described in paragraphs 1 and 2 above shall remain at those adjusted levels for the remainder of the IR contract term, except that in the event of additional adjustments to the ID or MFD due to the Customer's failure to meet the adjusted ID and MFD levels will result in further adjustments to the levels of ID and MFD, as specified in paragraphs 1 and 2 above;
4. In addition to the adjustments in ongoing ID and MFD levels setout above, the Customer shall refund the Company all credits or payments previously received under the current contract in an amount equal to the change in ID multiplied by 150% of the contract demand rate for the remaining months of the contract period. This refund calculation shall be based on the portion of the ID that the Customer failed to meet during the Curtailment Event. The Company shall include an amount covering the return of the excess Program Participation Payments on a future bill to the Customer.
5. Any Customer who fails to reduce load to its MFD during three or more Curtailment Events during a Contract Year shall be ineligible for this Rider for a period of two-years from the date of the third failure.

TEST CURTAILMENT:

The Company reserves the right to request a Test Curtailment of no less than one (1) hour and no more than two (2) hours once each year and/or within three months after a Customer's failure to reduce load to its IR contract MFD during a Curtailment Event. Test Curtailments do not count toward the Maximum Number of Curtailment Events. Customers will not be compensated for Test Curtailments.

CURTAILMENT CANCELLATION:

The Company reserves the right to cancel a scheduled Curtailment Event prior to the start time of such Curtailment Event. If cancellation occurs with less than two hours of the notification period remaining prior to the commencement of a Curtailment Event, the canceled Curtailment Event shall be counted as an actual Curtailment Event with a zero-hour duration.

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THE STATE CORPORATION COMMISSION OF KANSAS

By _____
Signature of Officer Vice President Title

By _____ Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

THE EMPIRE DISTRICT ELECTRIC COMPANY

(Name of Issuing Utility)

SCHEDULE IR

Replacing Schedule IR Sheet 7

ALL TERRITORY

(Territory to which schedule is applicable)

which was filed 09-08-94

INTERRUPTIBLE SERVICE
RIDER IR

Sheet 4 of 4 Sheets

SPECIAL CONDITIONS OF SERVICE:

1. This Rider requires that the Customer execute an IR contract with a minimum term of one year, which specifies the Customer's applicable CPD, MFD, and ID. The ID shall not be less than 200 kW.
 - a. For one-year IR contracts, the Company shall notify the Customer before May 1 of each IR contract period of the amount of interruptible credit that the Company will make available to the Customer. Such offer may be made by the Company as early as November 1 of the year preceding the proposed IR contract term.
 - b. For three-year and five-year IR contracts, the Company shall notify the Customer before May 1 in the year the IR contract is due for renewal, or as early as November 1 of the preceding IR contract year.
 - c. Customers electing to enter into an IR contract, must reach agreement with the Company and execute the contract no later than seven calendar days following the Customer's receipt of the IR contract requiring the Customer signature, unless such deadline is extended at the sole discretion of the Company.
 - d. IR contracts shall normally begin on June 1 and terminate on May 31 of the expiration year, unless the Company deems it necessary to allow a different term of IR contract.
 - e. No IR contract shall be less than one year in length nor longer than five years in length.
 - f. These IR contracts may be cancelled upon mutual agreement of the Company and the Customer.
2. The Company reserves the right, through inquiry and inspection, to assure itself that any ID subject to curtailment has a reasonable probability of being on the Company's system during periods of the Company's peak demand and that the Customer's load can be readily reduced to the MFD level.
3. The Customer will be responsible for monitoring his or her load in order to comply with the terms of the IR contract.
4. The Company shall have no liability to the Customer or to any other person, firm, association, trust, governmental unit, or corporation, of any kind, for any loss, damage or injury by reason of any interruption or curtailment of the Customer's load as provided herein.
5. For purposes of personnel safety and equipment protection, a Customer, prior to the installation of a generator, shall notify the Company to insure conformity to the Company's standards for connection.
6. In order to insure timely verification of the Customer's ID, any Customer on an IR contract will provide an acceptable communication path for retrieval of meter data. Such communication path shall be in place prior to the effective date of the IR contract, unless an alternative deadline is agreed to in writing by the Company.

NON-ANNUAL CONTRACT INTERRUPTIBLE CREDITS:

In addition to the credits available under this rider, any Customer operating under an IR contract shall also be eligible for the non-annual contract interruptible credit under the following conditions:

1. If the Company has already required the Customer to reduce demand by 80 hours or ten (10) Curtailment Events in a Contract Year, the Company may nevertheless request the Customer to curtail load on a voluntary basis.
2. The Company may also request that any existing IR Customer voluntarily reduce load in excess of the ID amount specified in the Customer's IR contract.
3. If the Customer agrees to curtail load under those circumstances, the Company shall apply compensation equal to \$0.30 per kW of ID for each hour of actual voluntarily curtailed load by the Customer and apply those credits/payments to the Customer's next bill

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THE STATE CORPORATION COMMISSION OF KANSAS

By _____

Signature of Officer

Vice President

Title

By _____ Secretary

THE STATE CORPORATION COMMISSION OF KANSAS

THE EMPIRE DISTRICT ELECTRIC COMPANY

(Name of Issuing Utility)

SCHEDULE

Replacing Schedule _____ Sheet 10

ALL TERRITORY

(Territory to which schedule is applicable)

which was filed _____

**DEMAND SIDE MANAGEMENT COST RECOVERY RIDER
DSM RIDER**

Sheet 1 of 4 Sheets

APPLICATION:

The Demand Side Management Cost Recovery Rider ("DSM Rider") shall be applied to all Kansas jurisdictional rate classes.

TERM:

This DSM Rider shall remain in effect until modified or terminated by the Kansas Corporation Commission ("KCC" or "Commission").

PURPOSE:

The purpose of this DSM Rider Tariff is to establish the DSM Rate(s) by which The Empire District Electric Company ("Empire" or "Company") will recover the incremental costs of demand programs approved by the Commission and shall become effective April 1, 2010. Recovery is limited to: the incremental costs which represent the direct program costs that are not already included in the then current rates of the utility (Recoverable Costs); associated lost revenues; and true-up amounts. The DSM Rate(s) will be calculated to recover those costs over the period in which the DSM Rate(s) will be in effect.

DSM RATE FORMULA:

The DSM Rate Formula is shown below (with the initial DSM Rates shown in Attachment A to this DSM Tariff).

DSM Rate by Class = Program Factor + Class Lost Revenue Factor,

Where:

Program Factor = [Recoverable Costs + Prior Period Over/Under Amount (including carrying costs) ÷ Billing Units (in kWh),

Where:

Billing Units = the summation of Class Billing Units (defined below).

And where (for each class of customers as defined below):

Class Lost Revenue Factor = [Estimated Lost Revenues + Prior Period Class Lost Revenue Over/Under amount (including carrying costs)] ÷ Class Billing Units (in kWh).

Customer Classes (for purposes of this tariff):

Residential = All residential rates

Small Commercial = Commercial on CB or SH rate schedule (under 40 kW)

Total Electric Building = Commercial or Industrial on TEB rate schedule (over 40 kW)

General Power = Commercial or Industrial on GP rate schedule (over 40 kW)

Large Industrial = Commercial or Industrial users on PT rate schedule (over 1,000 kW)

INITIAL RATES:

The DSM Rate(s) shall be determined by application of the DSM Rate Formula set out in Attachment A to this DSM Tariff. The DSM Rate(s) shall be filed and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the DSM Rate(s). The initial DSM Rate(s) shall reflect: the projected DSM Recoverable Costs, which represent the program costs that are not already included in the then current rates and the projected lost revenues. The DSM Rate(s) so determined shall be effective on and after the first billing cycle following April 1, 2010 and through the last billing cycle of March 2011.

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Replacing Schedule _____ Sheet 10

ALL TERRITORY

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DEMAND SIDE MANAGEMENT COST RECOVERY RIDER
DSM RIDER

Sheet 2 of 4 Sheets

ANNUAL RE-DETERMINATION:

On or before December 15 of each year, beginning in 2010, a redetermined DSM Rate(s) shall be filed by the Company with the Commission. The re-determined DSM Rate(s) shall be calculated by application of the DSM Rate Formula set out in Attachment A to this DSM Tariff. Each such revised DSM Rate shall be filed and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised DSM Rate(s).

The re-determined DSM Rate(s) shall reflect the projected DSM Recoverable Costs for the 12-month period commencing on April 1 of the following year ("Filing Year"), projected lost revenues, and a true-up adjustment reflecting the over-recovery or under-recovery of the DSM Recoverable Costs and lost revenues for the 12-month period ended March 31 of the prior calendar year ("Reporting Year"). (The true-up adjustment for the first annual re-determined rate(s) will reflect the budget for the next 12-month period and the over-recovery or under-recovery for the initial DSM Rider period, which will cover a partial year.)

The Prior Period Over/Under Amount is the difference between the revenues collected from the DSM Rate(s) and the actual DSM Recoverable Costs and lost revenues. The true-up adjustment recovers the Prior Period Over/Under Amount. The true-up adjustment will be calculated to include the effect of carrying costs using the Company's most recently approved rate of return on rate base. The DSM Rate(s) so re-determined shall be effective on and after the first billing cycle of April of the "Filing" year and shall then remain in effect for twelve (12) months ("DSM Cycle"), except as otherwise provided for below. In support of the re-determined rate, the utility shall secure or create, and subsequently retain, workpapers containing all data needed to substantiate its proposed DSM Rate(s).

TRACKING AND MONITORING PROGRAM COSTS, LOST REVENUES, AND BENEFITS:

The Company shall develop and implement appropriate accounting procedures, subject to the review of the commission Staff, which provide for separate tracking, accounting, and reporting of all program costs and lost revenues incurred by the Company. The procedures shall enable program costs to be readily identified and clearly separated from all other costs. The Company shall secure and retain all documents necessary to verify the validity of the program costs for which it is seeking recovery.

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Commission Staff, which provide for separate tracking, accounting, and reporting of revenues collected through the DSM Tariff. The procedures shall enable the DSM revenues to be readily identified and clearly separated from all other revenues. The Company shall secure and retain all documents necessary to verify the accuracy of the DSM revenues.

The Commission requires an assessment of the benefits and effectiveness of all measures contained in the DSM programs (except any programs for which the Company has obtained a waiver). For the sole purpose of assessing the benefits and effectiveness of the measures, the Company shall develop and implement appropriate procedures, subject to the review of the Commission Staff, which provide for separate tracking of the benefits and the effectiveness of the measures. The data that shall be tracked shall include, but shall not be limited to, information that will enable the Commission to assess the effectiveness of the measures. The Company shall secure and retain all documents necessary to verify its assessments.

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THE STATE CORPORATION COMMISSION OF KANSAS

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Replacing Schedule _____ Sheet 10

ALL TERRITORY

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**DEMAND SIDE MANAGEMENT COST RECOVERY RIDER
DSM RIDER**

Sheet 3 of 4 Sheets

ATTACHMENT A

Residential	\$ 0.00058
Small Commercial (CB)	\$ 0.00058
Small Heating Service (SH)	\$ 0.00058
General Power (GP)	\$ 0.00058
Transmission Service (PT)	\$ 0.00058
Total Electric Building (TEB)	\$ 0.00058

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DEMAND SIDE MANAGEMENT COST RECOVERY RIDER
DSM RIDER

Sheet 4 of 4 Sheets

DEMAND SIDE PROGRAM RIDER (DSMR) TARIFF - Attachment A
Initial Rate - Effective April 1, 2010 through March 31, 2011
Worksheet

Line	Program Costs	2010-2011
	Program Development	\$ 4,110
	Low Income Weatherization	\$ -
	A/C Tune-Up and Replacement	\$ 16,820
	C&I Prescriptive	\$ 58,300
	Building Operator Certification	\$ 8,950
	C&I Interruptible	\$ 25,575
		\$ 20,000
1	Total Projected Program Cost	\$ 133,755
2	Prior Period Over/Under Amount (including carrying costs)	\$ -
3	Billing Units*	249,332,000
4	Program Cost Factor [lines (1+2) / line 3]	0.00054
5	Estimated Lost Revenues (net of fuel)	\$ 10,943
6	Prior Period Over/Under amount (including carrying costs)	\$ -
7	Billing Units* Total Retail as adjusted	249,332,000
8	Lost Revenue Factor ((5+6) / 7)	0.00004
9	Memo: Total Recoverable Amount (1+2+5+6)	\$ 144,698
10	DSM Rate (4+8)	0.00058

* 2010 budgeted number for Kansas for January through December.

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