

# The Empire District Electric Company Announces Stipulation and Agreement in Missouri Rate Case

June 21, 2016 01:05 PM Eastern Daylight Time

JOPLIN, Mo.--([BUSINESS WIRE](#))--The Empire District Electric Company (NYSE:EDE) announced today that it has filed a Unanimous Stipulation and Agreement with the Missouri Public Service Commission (MPSC) for changes in rates for its Missouri electric customers. The agreement, if approved by the MPSC, allows an annual increase in base revenues of about \$20.4 million or 4.46 percent. A residential customer using 1,000 kilowatt-hours per month will see an increase of approximately \$7.60 per month. This includes an increase in the monthly residential customer charge of \$0.48. If approved, new rates are expected to become effective in mid-September.

The primary driver for the case was the conversion of the Company's Riverton Unit 12 natural gas combustion turbine to combined cycle operation. The conversion replaced the production capacity lost with the recent retirement of two coal-fired generating units at Riverton. The conversion will result in higher generating efficiency and lower emissions. The upgrade was developed as part of the Company's least-cost plan to comply with Mercury Air Toxics Standards (MATS) mandated by the Environmental Protection Agency. The project was placed into service on May 1, 2016 at a total project cost of approximately \$168 million excluding AFUDC.

The agreement filed today calls for the Fuel Adjustment Charge (FAC) to remain in effect. The agreed upon level of fuel and purchased power (FPP) cost included in base rates is \$24.15 per megawatt-hour, compared to \$26.84 per megawatt-hour in the Company's current rates. This reflects current FPP costs which are lower than those built into current rates.

In addition, a tracking mechanism for non-labor operating and maintenance expenses for the Riverton 12 Combined Cycle Unit will be established and tracking of pension and other post-employment benefit expenses will continue.

Annual funding for the Low Income Weatherization Program will increase from \$225,000 to \$250,000. The Company's current level of funding for energy

efficiency programs will continue through the end of 2016. A new portfolio of programs will be examined during the next several months in preparation for an expected launch in early 2017.

The agreement also provides for the cost of state mandated incentives to customers for private solar installations to be included in rates and amortized over a ten year period.

According to Brad Beecher, President and CEO, “We are pleased all parties were able to come to a unanimous agreement in this case. We are proud of the work completed at our Riverton Power Plant which will ensure we are able to continue to deliver safe, reliable and environmentally responsible energy for our customers well into the future.” Beecher added, “The base revenues established by this agreement are lower than our request primarily due to continued lower fuel and purchased power costs. As a result of this stipulation, our 2016 earnings guidance of \$1.26 to \$1.44 per share, which was updated February 26, 2016, remains unchanged.”

Based in Joplin, Missouri, The Empire District Electric Company (NYSE:EDE) is an investor-owned utility providing electric, natural gas (through its wholly owned subsidiary The Empire District Gas Company), and water service, with approximately 218,000 customers in Missouri, Kansas, Oklahoma, and Arkansas. A subsidiary of the Company also provides fiber optic services. For more information regarding Empire, visit [www.empiredistrict.com](http://www.empiredistrict.com).

*The updated earnings guidance range assumes 30-year average weather, overall system energy growth of less than 1%, increased operating costs driven by a partial year of service from the Riverton 12 combined cycle conversion, an October 1, 2016 effective date for new Missouri electric customer rates as a result of the aforementioned agreement, and the expected incurrence of certain transaction costs associated with the proposed Agreement and Plan of Merger with Liberty Utilities, a subsidiary of Algonquin Power & Utilities Corp. Other factors that may impact earnings include variations in customer growth and usage projections and unanticipated or unplanned events that may impact operating and maintenance costs. The effects of assumptions and other factors evaluated for the purpose of providing guidance are not necessarily independent*

*of one another, and the combination of effects can cause individual impacts smaller or larger than the indicated guidance range.*

*Certain matters discussed in this press release are “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address future plans, objectives, expectations, earnings, and events or conditions concerning various matters. Actual results in each case could differ materially from those currently anticipated in such statements, by reason of the factors noted in our filings with the SEC, including the most recent Form 10-K and 10-Q.*

## **Contacts**

### **The Empire District Electric Company**

#### **MEDIA COMMUNICATIONS**

Julie Maus, 417-625-5101

Director of Corporate Communications

[jmaus@empiredistrict.com](mailto:jmaus@empiredistrict.com)

or

#### **INVESTOR RELATIONS**

Dale Harrington, 417-625-4222

Secretary & Director of Investor Relations

[dharrington@empiredistrict.com](mailto:dharrington@empiredistrict.com)