

<b>Electric Rate Rider</b>		
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**PURPOSE:**

The purpose of this rider is to provide for recovery of the Utility's power supply costs not recovered in the Base Monthly Charges, with a reconciliation adjustment that provides for the treatment of over/under recoveries for each quarter period.

**APPLICABILITY:**

Applicable to all electricity billed under any of the Board's electric rate schedules whether metered or unmetered.

**ENERGY RATE COMPONENT:**

The Utility shall recover its power supply costs by multiplying the Customer's electricity use for billing purposes under the Board's electric rate schedules in a billing period, by the Energy Rate Component (ERC) for the billing period, expressed in dollars per kilowatt hour, as calculated below by calendar quarter periods.

1. Calculation: The formula for calculating the energy rate component (ERC) is:

$$ERC = \frac{PPC + RA}{S}$$

Where:

PPC = Projected power supply costs by calendar quarter period as defined below, expressed in dollars.

RA = Reconciliation adjustment by calendar quarter period as defined below, expressed in dollars.

S = Projected sales of electricity by calendar quarter period as defined below, expressed in kilowatt-hours (kWh).

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2. Definitions:

PC = Power supply costs, by calendar quarter period, which is

(a) the sum of:

- (i) all fossil fuel costs including all energy-related costs incurred by reason of using fossil fuel and expensed to the BPU account which is the equivalent to FERC Account 501,
- (ii) all purchased power energy costs expensed in the BPU account which is the equivalent to FERC Account 555 and BPU's charges or credits incurred due to participation in markets associated with the Regional Transmission Organizations (RTOs),
- (iii) that portion of purchased power demand costs expensed in the BPU account which is the equivalent to FERC Account 555 and BPU's charges or credits incurred due to participation in markets associated with the RTOs which does not constitute the Base Rate Purchase Capacity (BRPC), as defined below, allocable to such calendar quarter period,
- (iv) all transmission costs payable to others for the transmission of the utility's electricity over transmission facilities owned by others, expensed in the BPU account which is the equivalent to FERC Account 565 and the RTO, FERC, NERC and other third party costs expensed in the BPU account which is the equivalent to FERC Accounts 560, 561.4, 561.8, 575.7 and Account 928,
- (v) the cost of emission allowances and Renewable Energy Certificates (RECs) required to meet BPU's retail requirements and expensed in the BPU account which is the equivalent to FERC Account 509, and
- (vi) all demand response costs which give the Utility dispatchable control of customer load for peak shaving, not otherwise recovered in the rates,

(b) less the sum of:

- (i) fossil fuel and purchased power costs recovered through all inter-system sales of energy, and
- (ii) the value of emission allowances and RECs net of any brokerage fees sold in the market and entered as a negative expense in the BPU account which is the equivalent to FERC Account 509, expressed in dollars.

PPC = Projected PC, by calendar quarter period, for the projection period.

APC = Actual PC, by calendar quarter period, for the calendar quarter period which ended 3 months previously.

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BRPC = Base Rate Purchase Capacity is that annualized amount of demand and capacity charges included in the Base Monthly Charges, of which annualized amount, one fourth shall be allocable to each calendar quarter period for purposes of this Rider. The annualized amount is the annual sum of long-term purchase power demand or capacity charges under agreements that have a term greater than one year in length and that are known at the time of the most recent base rate case. The annualized amount of such charges as of the effective date set forth below is \$2.6 million.

S = Projected sales of electricity, by calendar quarter period, under all of the Board's retail rate schedules, whether metered or unmetered, for the projection period, expressed in kilowatt-hours (kWh).

RA = APC, plus the historical over/under collection from previous quarter periods, less the revenue collected from the ERC applied during the calendar quarter period which ended 3 months previously

The calendar quarter periods shall be:

- First Quarter – January through March
- Second Quarter – April through June
- Third Quarter – July through September
- Fourth Quarter – October through December

Renewable Energy Certificate (REC), is a tradable, intangible energy commodity in the United States that represents proof that one (1) megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource (renewable energy).

The Utility shall review the ERC calculation and reconciliation adjustment and make projections for each calendar quarter period. Based on each calendar quarter period review and projections the Utility may make adjustments to the ERC to be applied during the ensuing quarter period. The Utility may also make adjustments to the ERC to be applied during the ensuing quarter period to accomplish other purposes including but not limited to minimizing ERC volatility.

**Effective: XX-01-10**  
**Supersedes Rider E1 Effective: 11-1-03**