

EMPIRE DISTRICT ELECTRIC COMPANY
NET PRESENT VALUE CALCULATION
\$60M BOND FINANCING
August 2015

FMB Issued 8/20/2015, \$60M @ 3.59%, Maturing 08/20/2030

	Unamortized Discount * Balance	Discount * Expense	New Bond Interest Expense	Annual Expense	NPV ** Factor 2.410%	NPV Total Expense
08/20/2015	420,845					
12/31/2015	410,545	10,300	790,784	801,084	0.988	\$791,431
12/30/2016	382,489	28,056	2,154,000	2,182,056	0.964	2,103,809
12/31/2017	354,432	28,056	2,154,000	2,182,056	0.941	2,053,107
12/31/2018	326,376	28,056	2,154,000	2,182,056	0.918	2,003,627
12/31/2019	298,320	28,056	2,154,000	2,182,056	0.896	1,955,340
12/30/2020	270,263	28,056	2,154,000	2,182,056	0.875	1,908,216
12/31/2021	242,207	28,056	2,154,000	2,182,056	0.853	1,862,228
12/31/2022	214,151	28,056	2,154,000	2,182,056	0.833	1,817,348
12/31/2023	186,094	28,056	2,154,000	2,182,056	0.813	1,773,550
12/30/2024	158,038	28,056	2,154,000	2,182,056	0.793	1,730,808
12/31/2025	129,982	28,056	2,154,000	2,182,056	0.774	1,689,095
12/31/2026	101,925	28,056	2,154,000	2,182,056	0.755	1,648,388
12/31/2027	73,869	28,056	2,154,000	2,182,056	0.737	1,608,662
12/30/2028	45,813	28,056	2,154,000	2,182,056	0.719	1,569,893
12/31/2029	17,756	28,056	2,154,000	2,182,056	0.702	1,532,059
12/31/2030	(0)	17,756	1,363,216	1,380,973	0.685	946,237
	<u>420,845</u>	<u>32,310,000</u>	<u>32,730,845</u>			
Total NPV of expenses						<u>\$26,993,796</u>

* Represents estimated expenses and any discount on \$60 million private placement issued at 100% of principal amount with no discount).

** NPV utilizes a mid-year convention for applying the time-value of money; the discount rate is based on the 15-year Treasury yield used as the basis for pricing the 3.59% Series First Mortgage Bonds issued August 20, 2015 .

EMPIRE DISTRICT ELECTRIC
STATEMENT OF ESTIMATED EXPENSES
\$60 MILLION PRIVATE PLACEMENT FIRST MORTGAGE BOND FINANCING
August 20, 2015

Trustee Fees	\$ 10,000
Underwriter Fees	\$ 300,000
Attorney Fees	\$ 100,000
Local Filing Fees and Expenses Thereto	<u>\$ 10,845</u>
Total	<u>\$ 420,845</u>
Discount	\$ -
Estimated amount to amortize over bond life	<u><u>\$ 420,845</u></u>