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The Empire District Electric Company
Comparative and Summary Information

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1. Total test year revenues at existing rates	\$306,470,019
2. Total test year revenues at proposed rates	\$335,983,732
3. Percentage change in revenues	9.63%
4. Test year rate base	\$625,454,772
5. Rate base as filed in case no. ER-2004-0570	\$611,396,947
6. Return on rate base during the test year under existing rates	6.64%
7. Return on rate base under proposed rates	9.55%
8. Return on equity during the test year under existing rates	6.05%
9. Return on equity under proposed rates	11.70%
10. Total operating expenses as filed in case no. ER-2004-0570	\$232,266,214
11. Total operating expenses under proposed rates	\$264,922,893

The Empire District Electric Company
Rate Base and Rate of Return

Section D
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	<u>Missouri</u> <u>Jurisdictional</u>	<u>Reference</u>
1. Electric Plant in Service	\$1,065,089,423	E-1
2. Less: Reserve for Depreciation	<u>375,326,329</u>	F-1
3. Net Electric Plant in Service	689,763,093	
4. Materials and Supplies (13-Month Average)	24,619,917	G-1
5. Regulatory Asset (FAS 87)	16,910,789	
6. Prepayments (13-Month Average)	1,705,358	G-1
7. Cash Working Capital	2,539,620	G-2
<i>Less:</i>		
8. Injuries and Damages	1,434,630	
9. Deferred Taxes	92,987,947	
10. Investment Tax Credit - Pre-1971	575	M-2
11. Customer Deposits	5,481,261	M-2
12. Customer Advances	5,762,032	
13. Interest Offset	3,211,966	G-4
14. Income Tax Offset	<u>1,205,594</u>	G-4
15. Total Original Cost Rate Base	\$625,454,772	
16. Net electric Operating Income Before Effect of Proposed Increase	\$41,547,126	J-1
17. Indicated Rate of Return Before Proposed Increase	6.64%	
18. Proposed Increase (After Taxes)	\$18,183,804	
19. Income Tax Gross-up Factor	1.62308	
20. Proposed Increase (Revenue Requirement)	\$29,513,713	
21. Net Electric Operating Income After Effect of Proposed Increase	\$59,730,931	
22. Indicated Rate of Return After Effect of Proposed Increase	9.55%	H-1

The Empire District Electric Company
Electric Plant in Service
by Primary Plant Account

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Number	Account Name	A 09/30/2004 Total Company	B Missouri Jurisdictional	C 09/30/2005 Total Company	D Adjustments	E Pro Forma	F Missouri Jurisdictional
301	Intangible Plant Organization	\$8,001,696	6,792,623	\$8,838,777		\$8,838,777	\$7,526,918
	Production Plant						
	Steam Production Plant						
310	Land and Land Rights	907,690	743,044	907,690		907,690	745,291
311	Structures and Improvements	22,030,871	18,034,694	22,357,966		22,357,966	18,357,811
312	Boiler Plant and Equipment	120,454,404	98,605,194	126,653,192		126,653,192	103,993,150
312	Unit Coal Trains	5,580,296	4,568,087	5,580,296		5,580,296	4,581,903
314	Turbo Generator Units	35,498,856	29,059,723	36,017,230		36,017,230	29,573,240
315	Accessory Electric Equipment	11,337,901	9,281,320	7,366,923		7,366,923	6,048,876
316	Miscellaneous Power Plant Equipment	3,591,340	2,939,907	3,804,119		3,804,119	3,123,508
	Total Steam Production Plant	199,401,358	163,231,970	202,687,416	0	202,687,416	166,423,779
	Hydraulic Production Plant						
330	Land and Land Rights	224,480	183,761	224,480		224,480	184,317
331	Structures and Improvements	556,389	455,465	556,389		556,389	456,843
332	Reservoirs, Dams and Waterways	1,484,577	1,215,290	1,469,845		1,469,845	1,206,869
333	Water Wheels, Turbines & Generators	1,305,038	1,068,317	1,631,522		1,631,522	1,339,620
334	Accessory Electric Equipment	812,324	664,977	812,324		812,324	666,988
335	Miscellaneous Power Plant Equipment	348,853	285,575	349,181		349,181	286,707
	Total Hydraulic Production Plant	4,731,661	3,873,385	5,043,741	0	5,043,741	4,141,344
	Other Production Plant						
340	Land and Land Rights	451,651	369,726	451,651		451,651	370,844
341	Structures and Improvements	14,528,018	11,892,783	14,591,935		14,591,935	11,981,232
342	Fuel Holders, Producers & Accessories	12,649,038	10,354,631	12,688,510		12,688,510	10,418,357
343	Prime Movers	162,439,733	132,974,809	163,794,773		163,794,773	134,489,578
344	Generators	80,130,289	65,595,465	80,221,240		80,221,240	65,868,529
345	Accessory Electric Equipment	14,380,706	11,772,191	14,423,526		14,423,526	11,842,954
346	Miscellaneous Power Plant Equipment	13,842,360	11,331,496	13,953,645		13,953,645	11,457,141
	Total Other Production Plant	298,421,795	244,291,101	300,125,280	0	300,125,280	246,428,634
	Total Production Plant	502,554,814	411,396,456	507,856,437	0	507,856,437	416,993,757
	Transmission Plant						
350	Land and Land Rights	8,677,615	7,103,583	8,698,254		8,698,254	7,142,014
352	Structures and Improvements	2,335,614	1,911,957	2,335,614		2,335,614	1,917,740
353	Station Equipment	81,890,654	67,036,518	81,958,723		81,958,723	67,295,151
354	Towers and Fixtures	777,080	636,125	777,080		777,080	638,049
355	Poles and Fixtures	27,607,463	22,599,748	28,165,538		28,165,538	23,126,326
356	Overhead Conductors and Devices	52,096,276	42,646,538	52,906,168		52,906,168	43,440,508
	Total Transmission Plant	173,384,700	141,934,470	174,841,377	0	174,841,377	143,559,788

The Empire District Electric Company
Electric Plant in Service
by Primary Plant Account

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Number	Account Name	A 09/30/2004 Total Company	B Missouri Jurisdictional	C 09/30/2005 Total Company	D Adjustments	E Pro Forma	F Missouri Jurisdictional
Distribution Plant							
360	Land and Land Rights	1,611,606	1,437,371	1,651,978		1,651,978	1,475,374
361	Structures and Improvements	9,040,332	8,062,956	9,244,200		9,244,200	8,255,953
362	Station Equipment	60,164,614	53,660,045	62,347,983		62,347,983	55,682,698
364	Poles, Towers and Fixtures	91,490,110	81,598,852	97,742,452		97,742,452	87,293,336
365	Overhead Conductors and Devices	107,762,719	96,112,182	111,652,405		111,652,405	99,716,252
366	Underground Conduit	16,659,905	14,858,755	18,409,899		18,409,899	16,441,796
367	Underground Conductors and Devices	34,676,506	30,927,530	38,371,547		38,371,547	34,269,453
368	Line Transformers	68,471,433	61,068,790	71,274,329		71,274,329	63,654,777
369	Services	47,289,934	42,177,284	50,310,593		50,310,593	44,932,160
370	Meters	15,799,659	14,091,512	15,843,759		15,843,759	14,149,989
371	Installations on Customers' Premises	12,662,856	11,293,839	13,218,212		13,218,212	11,805,124
373	Street Lighting and Signal Systems	<u>10,599,090</u>	<u>9,453,192</u>	<u>11,368,205</u>		<u>11,368,205</u>	<u>10,152,892</u>
	Total Distribution Plant	476,228,766	424,742,307	501,435,562	0	501,435,562	447,829,805
General Plant							
101.1	Capital Lease	815,081	691,921	815,081		815,081	694,106
389	Land and Land Rights	691,217	586,772	691,217		691,217	588,626
390	Structures and Improvements	9,239,177	7,843,118	9,301,493		9,301,493	7,920,958
391.1	Office Furniture and Equipment	3,453,330	2,931,524	3,459,481		3,459,481	2,946,022
391.2	Computer Equipment	9,419,321	7,996,041	11,049,742		11,049,742	9,409,730
392	Transportation Equipment	6,276,102	5,327,769	6,964,149		6,964,149	5,930,524
393	Stores Equipment	343,778	291,832	343,778		343,778	292,754
394	Tools, Shop and Garage Equipment	2,963,796	2,515,960	3,386,661		3,386,661	2,884,010
395	Laboratory Equipment	889,450	755,052	903,300		903,300	769,232
396	Power Operated Equipment	10,036,642	8,520,083	10,165,351		10,165,351	8,656,602
397	Communication Equipment	10,137,347	8,605,573	10,396,845		10,396,845	8,853,737
398	Miscellaneous Equipment	<u>231,871</u>	<u>196,835</u>	<u>273,437</u>		<u>273,437</u>	<u>232,854</u>
	Total General Plant	54,497,111	46,262,481	57,750,535		57,750,535	49,179,154
	Total Electric Plant in Service	\$1,214,667,087	\$1,031,128,337	\$1,250,722,687	\$0	\$1,250,722,687	\$1,065,089,423

The Empire District Electric Company
Accumulated Provision for Depreciation
of Electric Plant in Service

Section F
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<u>Functional Group</u>	<u>A</u> 09/30/2004 Total Company	<u>B</u> Missouri Jurisdictional	<u>C</u> 09/30/2005 Total Company	<u>D</u> Adjustments	<u>E</u> Pro Forma	<u>F</u> Missouri Jurisdictional
Production:						
1. Steam	\$99,734,890	\$81,643,984	\$101,458,412	0	\$101,458,412	\$83,306,071
2. Hydro	\$2,208,588	1,807,972	2,244,998	0	2,244,998	1,843,336
3. Other	54,153,896	44,330,923	61,604,570	0	61,604,570	50,582,644
4. Total Production	\$156,097,374	\$127,782,879	\$165,307,980	0	165,307,980	135,732,051
5. Transmission	\$49,988,667	40,921,225	\$52,747,500	0	52,747,500	43,310,228
6. Distribution	\$173,555,683	\$154,766,511	\$186,929,660	0	186,929,660	166,918,985
7. General	\$25,965,100	22,041,718	\$29,364,490	0	29,364,490	25,006,189
8. Amortization of Electric Plant	<u>4,340,626</u>	<u>3,684,748</u>	<u>5,118,580</u>	<u>0</u>	<u>5,118,580</u>	<u>4,358,876</u>
9. Total	\$409,947,451	\$349,197,081	\$439,468,210	\$0	\$439,468,210	\$375,326,329

The Empire District Electric Company
Working Capital

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	<u>A</u> <u>Total</u> <u>Company</u>	<u>B</u> <u>Missouri</u> <u>Jurisdictional</u>
Materials and Supplies (13-Month Average)		
Production:		
1. Fuel	\$9,134,544	\$7,510,324
2. Adjustments	348,007	286,128
3. Fuel Adjusted	9,482,551	7,796,452
4. Other Production Materials	9,015,671	7,402,642
5. Adjustments	0	0
6. Other Production Materials Adjusted	9,015,671	7,402,642
7. Total Production	18,150,215	14,912,966
8. Total Production Adjustments	348,007	286,128
9. Total Production Adjusted	18,498,222	15,199,094
10. Transmission and Distribution	10,514,594	9,390,536
11. Adjustments (Remove water inventory)	(28,067)	(25,067)
12. Total Transmission and Distribution Adjusted	10,486,527	9,365,469
13. Clearing Account Materials	64,467	55,354
14. Total Materials and Supplies	28,729,276	24,358,856
15. Total Adjustments	319,940	261,061
16. Total Materials and Supplies Adjusted	\$29,049,216	\$24,619,917
Prepayments (13-Month Average)		
Prepaid Insurance:		
17. Boiler and Machinery Breakdown	\$701,506	\$597,388
18. Comprehensive Bond	10,778	9,179
19. P.B.G.C.	10,980	9,351
20. Auto Bodily Injury and Property Damage	84,142	71,654
21. Fixed and Nonfixed Property	32,338	27,539
22. Directors and Officers Liability	202,125	172,125
23. Excess Liability	343,678	292,669
24. Excess Workers Compensation	74,835	63,728
25. Total Prepaid Insurance	1,460,384	1,243,633
26. Other Prepayments	368,012	313,391
27. Prepaid Interest	3,741	3,185
28. Prepaid Fuel	170,446	145,148
29. Total Prepayments	2,002,583	1,705,358
30. Adjustments		
31. Total Prepayments Adjusted	\$2,002,583	\$1,705,358

The Empire District Electric Company
Materials and Supplies Without Adjustments

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Date	A		B		C		D		E		F	
	Fuel		Other Materials		Total		Transmission and Distribution		Clearing Account Materials		Total	
September, 2004	8,682,807		8,940,324		17,623,131		9,925,650		22,462		27,571,244	
October, 2004	9,282,790		8,973,838		18,256,628		10,380,346		7,424		28,644,398	
November, 2004	9,959,397		9,025,035		18,984,432		10,641,100		(19,919)		29,605,613	
December, 2004	9,868,404		9,031,931		18,900,335		10,428,888		60,398		29,389,621	
January, 2005	9,319,258		9,053,224		18,372,482		10,401,415		159,181		28,933,078	
February, 2005	9,471,684		9,053,356		18,525,041		10,496,561		141,860		29,163,462	
March, 2005	10,052,911		9,021,278		19,074,189		10,806,797		132,018		30,013,004	
April, 2005	9,942,045		9,001,188		18,943,232		10,564,219		120,731		29,628,182	
May, 2005	10,517,352		9,041,877		19,559,229		10,611,963		81,428		30,252,620	
June, 2005	10,415,720		9,028,954		19,444,675		10,588,957		64,091		30,097,723	
July, 2005	8,720,046		9,034,583		17,754,629		10,356,530		39,380		28,150,539	
August, 2005	6,435,850		9,044,744		15,480,593		10,409,763		18,096		25,908,452	
September, 2005	6,080,805		8,953,398		15,034,203		11,077,534		10,919		26,122,656	
13-Month Total	\$118,749,070		\$117,203,729		\$235,952,799		\$136,689,721		\$838,070		\$373,480,591	
Average	\$9,134,544		\$9,015,671		\$18,150,215		\$10,514,594		\$64,467		\$28,729,276	

Date	A Boiler and Machinery Breakdown	B Comprehensive Bond	C Various	D Auto Bodily Injury and Property Damage	E Fiduciary Coverage Liability	F Directors and Officers Liability	G Excess Liability	H Excess Workers Compensation	I Total Prepayments
September, 2004	1,463,106	19,500	9,397	39,256	37,969	254,667	415,890	92,665	2,332,449
October, 2004	1,334,184	16,500	7,752	25,977	32,906	215,487	359,673	78,964	2,071,445
November, 2004	1,158,672	13,500	6,107	26,869	27,844	176,308	303,456	65,264	1,778,019
December, 2004	1,021,971	10,500	4,462	13,591	22,781	137,128	247,238	51,563	1,509,234
January, 2005	871,384	7,500	11,979	180,758	17,719	97,949	191,021	37,863	1,416,172
February, 2005	735,678	4,500	11,660	161,696	12,656	58,769	134,804	24,162	1,143,925
March, 2005	578,672	1,500	9,966	142,634	7,594	19,590	78,586	10,462	849,003
April, 2005	421,665	(1,500)	10,459	123,572	2,531	(19,590)	22,369	(3,239)	556,268
May, 2005	264,659	16,651	8,703	104,510	63,164	412,455	669,357	156,106	1,695,605
June, 2005	142,524	15,138	7,755	84,868	57,422	374,959	601,143	135,843	1,419,652
July, 2005	39,521	13,624	20,347	80,025	51,680	337,463	541,662	121,924	1,206,246
August, 2005	(110,188)	12,110	18,168	63,374	45,938	299,968	481,466	107,736	918,570
September, 2005	1,197,737	10,596	15,989	46,722	40,195	262,472	421,151	93,547	2,088,410
13-Month Total	\$9,119,584	\$140,119	\$142,743	\$1,093,852	\$420,399	\$2,627,625	\$4,467,817	\$972,859	\$18,984,998
Average	\$701,506	\$10,778	\$10,980	\$84,142	\$32,338	\$202,125	\$343,678	\$74,835	\$1,460,384

<u>Date</u>	<u>A</u> Other <u>Prepayments</u>	<u>B</u> Prepaid <u>Interest</u>	<u>C</u> Prepaid <u>Fuel</u>
September, 2004	321,512	0	145,900
October, 2004	274,991	0	49,844
November, 2004	228,471	0	51,491
December, 2004	223,617	0	73,528
January, 2005	300,639	0	540,936
February, 2005	245,101	0	49,844
March, 2005	189,564	0	134,343
April, 2005	150,068	8,646	163,705
May, 2005	178,405	9,556	49,844
June, 2005	517,465	21,478	158,250
July, 2005	973,505	8,947	267,238
August, 2005	603,850	(0)	288,246
September, 2005	576,972	0	242,622
13-Month Total	\$4,784,158	\$48,627	\$2,215,792
Average	\$368,012	\$3,741	\$170,446

The Empire District Electric Company
Cash Working Capital

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<u>Description</u>	A Revenue <u>Lag</u>	B Expense <u>Lag</u>	C Cash Working Capital <u>Lag</u>	D Cash Working Capital <u>Factor</u>	E Normalized Test Year Expense	F Cash Working Capital <u>Requirement</u>
Fuel - Coal	38.1500	18.9386	19.2114	0.052634	26,410,155	1,390,071
Fuel - Gas	38.1500	36.3005	1.8495	0.005067	57,336,309	290,530
Fuel - Oil	38.1500	28.3766	9.7734	0.026776	358,310	9,594
Purchased power	38.1500	34.9314	3.2186	0.008818	49,820,167	439,318
Health care expense	38.1500	11.5591	26.5909	0.072852	5,080,512	370,124
Payroll expense	38.1500	12.0320	26.1180	0.071556	25,267,649	1,808,056
FICA Withheld	38.1500	14.3822	23.7678	0.065117	1,867,248	121,590
Federal Income Tax Withheld	38.1500	13.1202	25.0298	0.068575	3,957,137	271,360
State Income Tax Withheld	38.1500	7.0822	31.0678	0.085117	1,183,747	100,757
Employees 401K withheld	38.1500	11.9601	26.1899	0.071753	1,504,061	107,921
Employers 401K matchings	38.1500	41.5921	-3.4421	-0.009430	575,532	(5,428)
Cash vouchers	38.1500	33.0649	5.0851	0.013932	32,835,596	457,458
Total O&M expenses (less depreciation)					206,196,423	5,361,352
Property taxes	38.1500	182.5000	-144.3500	-0.395479	9,191,722	(3,635,137)
Federal Unemployment	38.1500	72.6228	-34.4728	-0.094446	22,966	(2,169)
State Unemployment	38.1500	72.6228	-34.4728	-0.094446	16,042	(1,515)
Employer FICA	38.1500	14.3822	23.7678	0.065117	1,867,248	121,590
Gross Receipts Taxes	38.1500	20.5300	17.6200	0.048274	5,723,124	276,278
Sales & Use taxes	38.1500	19.1500	19.0000	0.052055	8,053,463	419,221
Total customer supplied funds						(2,821,732)
Net cash working capital						2,539,620

Formulas:

$$\begin{aligned}\text{FIT} &= (\text{Taxable Income} - \text{Missouri Tax}),35 \\ \text{SIT} &= (\text{Taxable Income} - (.5*\text{FIT}),0625\end{aligned}$$

Federal Income Tax:

$$\begin{aligned}\text{FIT} &= (\text{Taxable Income} - ((\text{Taxable Income} - (.5*\text{FIT})),0625)),35 \\ \text{FIT} &= (\text{TI} - .0625\text{TI} + .0625(.5*\text{FIT})),35 \\ \text{FIT} &= 0.331754\end{aligned}$$

State Income Tax:

$$\begin{aligned}\text{SIT} &= (\text{Taxable Income} - (.5*\text{FIT})),0625 \\ \text{SIT} &= 0.052133\end{aligned}$$

Gross-up Factor:

$$\begin{aligned}\text{After Tax Income} &= \text{Taxable Income} - \text{FIT} - \text{SIT} \\ \text{ATI} &= 1.62308\end{aligned}$$

Effective Income Tax:

$$\begin{aligned}\text{Effective Income Tax} &= \text{FIT} + \text{SIT} \\ \text{EIT} &= 0.38389\end{aligned}$$

The Empire District Electric Company
Income Tax Lag Calculation

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	A Due <u>Date</u>	B Year <u>Midpoint</u>	C Lag <u>Days</u>	D % <u>Payment</u>	E C*D <u>Days</u>	F Weighted <u>Days</u>
FEDERAL:						
First payment	04/15	07/02	77.5	15.0%	11.63	
Second payment	06/15	07/02	16.5	15.0%	2.48	
Third payment	09/15	07/02	-75.5	10.0%	-7.55	
Fourth payment	12/15	07/02	-166.5	60.0%	-99.90	
Final installment	03/15	07/02	-256.5	0.0%	-0.00	
Income tax days lag					-93.35	-80.67
STATE:						
First payment	04/15	07/02	77.5	22.5%	17.44	
Second payment	06/15	07/02	16.5	22.5%	3.71	
Third payment	09/15	07/02	-75.5	22.5%	-16.99	
Fourth payment	12/15	07/02	-166.5	22.5%	-37.46	
Final installment	04/15	07/02	-287.5	10.0%	-28.75	
Income tax days lag					-62.05	-8.43
Weighted tax days lag						-89.10
Revenue days lag						38.15
Net lag						50.95
Percent lag						13.9587%

**The Empire District Electric Company
Interest Expense Lag Calculation**

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1. Number of days in year	365
2. Interest is payable semi-annually, divide by 2	2
3. Days covered by payment (1 / 2)	182.5
4. Divide by 2 to find average days lag	2
5. Average days payment lag (3 / 4)	91.25
6. Revenue days lag	38.15
7. Payment lag minus revenue lag (5 - 6)	53.1
8. Percent lag (7 / 1)	14.5479%

The Empire District Electric Company
Calculation of Interest Offset and Income Tax Offset

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	<u>Missouri</u> <u>Jurisdictional</u>
Interest Offset:	
Weighted cost - preferred stock	0.5400%
Weighted cost - bonds	2.9900%
Weighted cost - short-term debt	0.0000%
Total weighted cost	3.5300%
Rate base (section D, line 14)	\$625,454,772
Total weighted cost x rate base	\$22,078,553
Interest expense lag	14.5479%
Interest Offset	\$3,211,966
Income Tax Offset:	
Federal income tax - current	\$7,463,936
State income tax - current	1,172,904
Total current income tax	\$8,636,841
Income tax lag	13.9587%
Income Tax Offset	\$1,205,594

The Empire District Electric Company
Capital Structure @
09/30/2005

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	A	B	C	D
	<u>Amount</u> <u>Outstanding</u>	<u>% of</u> <u>Total</u>	<u>Cost</u> <u>Rate</u>	<u>Weighted</u> <u>Return on</u> <u>Tariffs Filed</u>
1. Long-term Debt	\$336,451,466	42.45%	7.04%	2.99%
2. Trust Preferred Stock	48,402,818	6.11%	8.91%	0.54%
3. Common Equity	407,802,444	51.45%	11.70%	6.02%
4. Short-term Debt	0	-0.00%	3.55%	0.00%
5. Total	\$792,656,728	100.01%		9.55%

Adjusted Capital Structure:

	<u>Amount</u> <u>Outstanding</u>	<u>% of</u> <u>Total</u>	<u>Cost</u> <u>Rate</u>	<u>Weighted</u> <u>Return on</u> <u>Tariffs Filed</u>
1. Long-term Debt	\$336,451,466	42.45%	7.04%	2.99%
2. Trust Preferred Stock	48,402,818	6.11%	8.91%	0.54%
3. Common Equity	407,802,444	51.45%	11.70%	6.02%
4. Short-term Debt	0	0.00%	3.55%	0.00%
5. Total	\$792,656,728	100.01%		9.55%

The Empire District Electric Company
Preferred Capital Stock

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Series	A	B	C	D
	Principal Amount <u>Issued</u>	Percentage Annual Dividend <u>Requirement</u>	Net Discount, Premium and Issuance <u>Expense</u>	Amount Outstanding at <u>09/30/2005</u>
1. Trust Preferred (Issued March 1, 2001)	\$50,000,000	8.5	(\$1,597,182)	\$50,000,000
2. Total	\$50,000,000		(\$1,597,182)	\$50,000,000

The Empire District Electric Company
Long-Term Debt

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<u>Series</u>	A 09/30/2005 Unamortized Expense, Discount and <u>Premium</u>	B Principal Amount <u>Outstanding</u>	C 09/30/2005 Projected Unamortized Expense, Discount and <u>Premium</u>	D Principal Amount <u>Outstanding</u>
Bonds and Unsecured Notes:				
1. 7.2% Series, Due 2016	(265,123)	25,000,000	(265,123)	25,000,000
2. 5.2% Pollution Control Series, Due 2013	(221,193)	5,200,000	(221,193)	5,200,000
3. 5.3% Pollution Control Series, Due 2013	(310,736)	8,000,000	(310,736)	8,000,000
4. 7.05% Series, Due 2022	(1,454,761)	49,937,000	(1,454,761)	49,937,000
5. 6.7% Series, Due 2023	(2,767,454)	62,000,000	(2,767,454)	62,000,000
6. 5.8% Series, Due 7/1/2035	(5,904,962)	40,000,000	(5,904,962)	40,000,000
7. 6-1/2% Series, Due 2010	(330,939)	50,000,000	(330,939)	50,000,000
8. 4.5% Series, Due 2013	(10,328,599)	98,000,000	(10,328,599)	98,000,000
9. 8-1/8% Series, Due 2009	(101,768)	20,000,000	(101,768)	20,000,000
10. Total	(\$21,685,534)	\$358,137,000	(\$21,685,534)	\$358,137,000

The Empire District Electric Company
Capital Costs

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	A	B	C	D
	09/30/2005 Amount <u>Outstanding</u>	Annual <u>Cost</u>	09/30/2005 Projected Amount <u>Outstanding</u>	Annual <u>Cost</u>
Bonds and Unsecured Notes Series:				
1. 7.2% Series, Due 2016	25,000,000	1,800,000	25,000,000	1,800,000
2. 5.2% Pollution Control Series, Due 2013	5,200,000	270,400	5,200,000	270,400
3. 5.3% Pollution Control Series, Due 2013	8,000,000	424,000	8,000,000	424,000
4. 7.05% Series, Due 2022	49,937,000	3,520,559	49,937,000	3,520,559
5. 6.7% Series, Due 2033	62,000,000	4,154,000	62,000,000	4,154,000
6. 5.8% Series, Due 7/1/2035	40,000,000	2,320,000	40,000,000	2,320,000
7. 8-1/8% Series, Due 2009	20,000,000	1,625,000	20,000,000	1,625,000
8. 6-1/2% Series, Due 2010	50,000,000	3,250,000	50,000,000	3,250,000
9. 4.5% Series, Due 2013	98,000,000	4,410,000	98,000,000	4,410,000
10. Premium, Discount and Expense	(21,685,534)	1,917,553	(21,685,534)	1,917,553
11. Total	\$336,451,466	\$23,691,511	\$336,451,466	\$23,691,511
12. Annual Cost Rate		7.04%		7.04%
Trust Preferred Series:				
13. Trust Preferred	\$50,000,000	\$4,250,000	\$50,000,000	\$4,250,000
14. Premium and Expense	(\$1,597,182)	62,840	(\$1,597,182)	62,840
15. Total	\$48,402,818	\$4,312,840	\$48,402,818	\$4,312,840
16. Annual Dividend Requirement Rate		8.91%		8.91%

The Empire District Electric Company
Test-Year Utility Operating Income
Statements and Adjustments

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Number	Account Name	Twelve Months Ended September 30, 2005											
		A		B		C		D		E		F	
		Total Company		Missouri Jurisdictional		Pro Forma		Actual		Adjustments		Pro Forma	
		Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma
<i>Electric Utility Operating Revenues:</i>													
440	Residential	\$142,962,690	\$7,454,572	\$150,417,262	\$127,483,555	\$7,454,572	\$134,938,127						
442.1	Commercial	101,893,580	\$2,079,036	103,972,616	93,596,630	\$2,079,036	95,675,666						
442.2-6	Industrial	57,004,923	\$8,833,184	65,838,107	47,130,367	\$8,833,184	55,963,551						
444	Public Street & Highway Lighting	2,341,488	0	2,341,488	2,120,947	0	2,120,947						
445	Other Sales to Public Authorities	5,710,951	0	5,710,951	5,041,934	0	5,041,934						
448	Interdepartmental	95,345	0	95,345	95,345	0	95,345						
447.2.4	Sales for Resale - On-System	15,393,739	0	15,393,739	0	0	0						
447.1.3	Sales for Resale - Off-System	13,201,035	(1,322,166)	11,878,869	10,839,184	(1,085,612)	9,753,572						
	Total Sales of Electricity	338,603,750	17,044,626	355,648,376	286,307,962	17,281,180	303,589,142						
450-456	Other Electric Operating Revenues	3,247,123	(11,984)	3,235,139	2,890,717	(9,840)	2,880,877						
	Less: Provision for Rate Refund	0	0	0	0	0	0						
	Total Sales of Electricity	341,850,873	17,032,642	358,883,515	289,198,679	17,271,340	306,470,019						
<i>Electric Utility Operating Expenses:</i>													
401-2	Production	167,294,205	24,953,037	192,247,242	137,505,324	20,516,120	158,021,444						
401-2	Transmission	3,717,346	(204,253)	3,513,093	3,052,261	(167,710)	2,884,551						
401-2	Distribution	12,643,835	187,532	12,831,366	11,292,151	167,484	11,459,634						
401-2	Customer Accounts	7,527,329	129,977	7,657,306	6,595,379	114,634	6,710,013						
401-2	Customer Assistance	1,074,076	20,899	1,094,975	941,096	18,312	959,408						
401-2	Sales	333,602	6,491	340,093	296,439	5,768	302,207						
401-2	Administrative & General	29,048,147	2,026,800	31,074,947	24,032,172	1,826,994	25,859,167						
403	Depreciation	32,187,116	3,466,844	35,653,960	27,588,383	3,065,531	30,653,914						
408.1	Taxes Other Than Income Taxes	19,141,475	246,547	19,388,022	16,611,427	209,674	16,821,101						
409.1	Income Taxes - Federal	8,558,228	(2,103,030)	6,455,198	7,614,029	(150,093)	7,463,936						
409.1	Income Taxes - State	900,549	113,839	1,014,388	801,195	371,709	1,172,904						
410.1	Provision for Deferred Income Taxes	12,700,541	(9,019,733)	3,680,808	11,343,257	(8,223,937)	3,119,319						
411.1	Provision for Deferred Income Taxes - Cr.	(8,273,878)	7,861,331	(412,547)	(7,389,663)	7,022,631	(367,032)						
411.4	Investment Tax Credit Adjustments - Net	(552,959)	13,152	(539,807)	(493,865)	13,613	(480,252)						
431.1	Interest on Customer Deposits	0	342,579	342,579	0	342,579	342,579						
	Total Electric Utility Operating Expenses	286,299,611	28,042,012	314,341,623	239,789,583	25,133,310	264,922,893						
	<i>Net Electric Utility Operating Income</i>	55,551,262	(11,009,370)	44,541,891	49,409,096	(7,861,970)	41,547,126						

The Empire District Electric Company
Test-Year Utility Operating Income
Statements and Adjustments

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Number	Account Name	A	B	C	D	E	F
		Actual	Total Company Adjustments	Pro Forma	Twelve Months Ended September 30, 2005	Missouri Jurisdictional Adjustments	Pro Forma
	Water Utility Operating Revenues:	1,421,640		1,421,640			
	Water Utility Operating Expenses:						
414.1	Operation	502,285		502,285			
414.2	Maintenance	464,385		464,385			
403	Depreciation	227,557		227,557			
408.1	Taxes Other than Income Taxes	89,592	(0)	89,591			
409.1	Income Taxes - Federal	(135,827)		(135,827)			
409.1	Income Taxes - State	(19,177)		(19,177)			
410.1	Provision for Deferred Income Taxes	125,810		125,810			
411.4	Investment Tax Credit Adjustments - Net	<u>(2,208)</u>		<u>(2,208)</u>			
	Total Water Operating Expenses	1,252,417	(0)	1,252,417			
	Net Water Utility Operating Income	169,223	0	169,223			
	Other Income:						
417	Nonutility revenue	24,080,219		24,080,219			
417	Nonutility costs and expenses	<u>25,716,540</u>		<u>25,716,540</u>			
		(1,636,321)		(1,636,321)			
	Other Income and Deductions						
	Allowance for Equity Funds used During Construction	178,432		178,432			
	Interest Income	318,546		318,546			
	Prov Def Inc Tx Disallow Plnt	(323,214)		(323,214)			
	Minority Interest	231,306		231,306			
	Other Non-operating Income	0		0			
	Other Non-operating Expense	<u>(1,026,729)</u>		<u>(1,026,729)</u>			
		(621,659)		(621,659)			
	Interest Charges						
	Long Term Debt						
	Trust Preferred Distributions by Subsidiary						
	Holding Solely Parent Debentures	4,250,000		4,250,000			
	Other	24,252,171		24,252,171			
	Allowance for Borrowed Funds Used During Construction	(188,685)		(188,685)			
	Other	<u>690,251</u>		<u>690,251</u>			
		29,003,737		29,003,737			
	Net Other Income and Deductions	(29,625,396)		(29,625,396)			
	Net Income	24,458,767		13,449,397			
	Preferred Dividend	0		0			
	Net to common	24,458,767		13,449,397			
	End of period earnings per share	\$0.95					
	Weighted Average Number of Comm Shares - Basic	25,796,938					

The Empire District Electric Company
Explanation of Adjustments to Test-Year
Revenues & Expenses

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	Increase (Decrease)	
	Total Company	Missouri Jurisdictional
	<u>Revenues</u>	<u>Revenues</u>
	<u>Expenses</u>	<u>Expenses</u>
Revenue:		
1. To adjust customer growth - Res	1,296,650	1,296,650
2. To adjust customer growth - Comm	269,439	269,439
3. To adjust customer growth - Ind	2,766,150	2,766,150
4. To normalize weather - Residential	(1,615,613)	(1,615,613)
5. To normalize weather - Commercial	(408,588)	(408,588)
6. To normalize weather - Industrial	(580,955)	(580,955)
7. To reflect rate increase - Res	6,126,416	6,126,416
8. To reflect rate increase - Com	1,735,481	1,735,481
9. To reflect rate increase - Ind	4,436,467	4,436,467
10. To relect additional IEC revenue - Res	1,647,119	1,647,119
11. To relect additional IEC revenue - Com	482,704	482,704
12. To relect additional IEC revenue - Ind	1,857,197	1,857,197
13. To add back Praxair Revenue Adjustment	100,320	100,320
14. To remove water revenue from other revenue	(11,984)	(9,840)
15. To normalize off-system revenue to 5 year avg	(1,322,166)	(1,085,612)
16. To adjust billing errors	<u>254,005</u>	<u>254,005</u>
Total Revenue Adjustment	17,032,642	17,271,340
Production:		
17. To amortize the Asbury Transfer Relocation Cost	135,420	111,341
18. To normalize test year payroll	260,344	214,052
19. To amortize the OPSA Catch Up Payments	151,484	124,549
20. To reflect normalization of Fuel/PP	<u>24,405,789</u>	<u>20,066,179</u>
Total Production	24,953,037	20,516,120
Transmission:		
21. To normalize test year payroll	33,450	27,465
22. To remove Flint Creek billing	<u>(237,703)</u>	<u>(195,175)</u>
Total Transmission	(204,253)	(167,710)
Distribution:		
23. To normalize test year payroll	<u>187,532</u>	<u>167,484</u>
Total Distribution	187,532	167,484
Customer Accounts		
24. To normalize test year payroll	83,790	73,424
25. To adjust bill cost for customer growth	5,987	5,987
26. To adjust postage for rate increase	<u>40,200</u>	<u>35,223</u>
Total Customer Accounts	129,977	114,634
Customer Assistance		
27. To normalize test year payroll	<u>20,899</u>	<u>18,312</u>
Total Customer Assistance	20,899	18,312
Sales Expense:		
28. To normalize test year payroll	<u>6,491</u>	<u>5,768</u>
Total Sales Expense	6,491	5,768

The Empire District Electric Company
Explanation of Adjustments to Test-Year
Revenues & Expenses

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	Increase (Decrease)			
	Total Company		Missouri Jurisdictional	
	<u>Revenues</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Expenses</u>
Administrative & General:				
29. To reflect reduced property insurance expense		(131,884)		(109,399)
30. To normalize test year 401k costs		9,563		7,956
31. To normalize test year payroll		178,184		148,236
32. To amortize regulatory asset for Customer Demand Programs		5,300		5,300
33. To adjust PSC Assessment Cost		(5,520)		(5,520)
34. To amortize FAS 87 Regulatory Asset		194,077		194,077
35. To reduce banking fees for new LOC		(68,408)		(56,745)
36. To adjust outside services for Resource Planning		50,000		50,000
37. To reflect amortization of common stock expense		1,363,683		1,161,284
38. To reflect amortization of rate case expenses*		<u>431,805</u>		<u>431,805</u>
Total Administrative & General		2,026,800		1,826,994
Depreciation:				
39. To annualize depreciation expense		<u>3,466,844</u>		<u>3,065,531</u>
		3,466,844		3,065,531
Taxes Other Than Income Taxes:				
40. To annualize property taxes		108,966		92,794
41. To recognize FICA taxes from wage increase (decrease)		137,517		116,828
42. To recognize FUTA tax from wage increase (decrease)		315		262
43. To recognize SUTA tax from wage increase (decrease)		<u>(251)</u>		<u>(209)</u>
Total Taxes Other Than Income Taxes		246,547		209,674
Income Taxes - Federal:				
44. To adjust book taxes		<u>(2,103,030)</u>		<u>(150,093)</u>
Total Taxes - Federal		(2,103,030)		(150,093)
Income Taxes - State:				
45. To adjust book taxes		<u>113,839</u>		<u>371,709</u>
Total Taxes - State		113,839		371,709
Provision for Deferred Income Tax:				
46. To adjust book taxes		<u>(9,019,733)</u>		<u>(8,223,937)</u>
Total Provision for Deferred Income Tax		(9,019,733)		(8,223,937)
Provision for Deferred Income Tax Cr.:				
47. To adjust book taxes		<u>7,861,331</u>		<u>7,022,631</u>
Total Provision for Deferred Income Tax Cr.		7,861,331		7,022,631
Provision for Investment Tax Credit:				
48. To adjust book taxes		<u>13,152</u>		<u>13,613</u>
Total Provision for Investment Tax Cr.		13,152		13,613
Interest on Customer Deposits:				
49. To include interest on Missouri customer deposits at 6.25% *		<u>342,579</u>		<u>342,579</u>
Total Interest on Customer Deposits		342,579		342,579
TOTAL ADJUSTMENTS	17,032,642	28,042,012	17,271,340	25,133,310

The Empire District Electric Company
Depreciation Rates and Accruals

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		A	B	C
			Test Year Accrual	
Plant		Actual		
Account		Depreciation	Total	Missouri
<u>Number</u>	<u>Plant Account</u>	<u>Rates</u>	<u>Company</u>	<u>Jurisdictional</u>
311	Structures and Improvements	1.05		
312	Boiler Plant and Equipment	1.86		
314	Turbo Generator Units	1.59		
315	Accessory Electric Equipment	1.79		
316	Miscellaneous Power Plant Equipment	1.96		
	Total Steam		\$3,326,788	2,731,579
331	Structures and Improvements	1.66		
332	Reservoirs, Dams and Waterways	1.67		
333	Water Wheels, Turbines & Generators	1.47		
334	Accessory Electric Equipment	1.44		
335	Miscellaneous Power Plant Equipment	2.44		
	Total Hydro		75,358	61,875
341	Structures and Improvements	1.82		
342	Fuel Holders, Producers & Accessories	3.85		
343	Prime Movers	1.92		
344	Generators	1.82		
346	Miscellaneous Power Plant Equipment	4.00		
	Total Other Production		7,384,816	6,063,568
	Total Production		10,786,962	8,857,022
352	Structures and Improvements	2.09		
353	Station Equipment	2.20		
354	Towers and Fixtures	1.92		
355	Poles and Fixtures	3.33		
356	Overhead Conductors and Devices	2.15		
	Total Transmission		3,435,581	2,820,907
361	Structures and Improvements	2.08		
362	Station Equipment	1.89		
364	Poles, Towers and Fixtures	4.35		
365	Overhead Conductors and Devices	3.77		
366	Underground Conduit	3.92		
367	Underground Conductors and Devices	3.59		
368	Line Transformers	2.78		
369	Services	5.00		
370	Meters	2.27		
371	Installations on Customers' Premises	5.80		
373	Street Lighting and Signal Systems	3.13		
	Total Distribution		14,797,512	13,213,450

**The Empire District Electric Company
Depreciation Rates and Accruals**

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		A	B	C
		Actual	Test Year Accrual	
Plant	Account	Depreciation	Total	Missouri
<u>Number</u>	<u>Plant Account</u>	<u>Rates</u>	<u>Company</u>	<u>Jurisdictional</u>
390	Structures and Improvements	2.75		
391.1	Office Furniture and Equipment	5.00		
391.2	Computer Equipment	10.00		
393	Stores Equipment	3.17		
394	Tools, Shop and Garage Equipment	4.50		
395	Laboratory Equipment	2.63		
397	Communication Equipment	4.00		
398	Miscellaneous Equipment	4.55		
	Total General		2,389,108	2,034,514
	Amortization of Electric Plant		777,954	662,489
	Amount Charged to Operations		32,187,116	27,588,383
312.5	Unit Coal Trains (Iatan)		0	0
312.7	Unit Coal Trains (Asbury)	6.67	372,142	305,561
392	Transportation Equipment	7.08	550,904	469,139
396	Power Operated Equipment	6.33	656,010	558,644
	Total Depreciation Provision less amount charged to fuel		\$33,394,031	\$28,616,166

The Empire District Electric Company
Normalized Depreciation Expense

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Plant Account <u>Number</u> <u>Plant Account</u>	A <u>Total Company</u>	B <u>Missouri Jurisdictional</u>	C 09/30/2005 <u>Approved Rate</u>	D <u>Proposed Rate</u>	E <u>Normalized</u>
Riverton Station (Steam Production)					
310 Land and Land Rights	397,725	326,566			
311 Structures and Improvements	8,574,541	7,040,435	1.05	1.05	73,925
312 Boiler Plant and Equipment	22,244,568	18,264,701	1.86	1.86	339,723
314 Turbo Generator Units	6,514,048	5,348,593	1.59	1.59	85,043
315 Accessory Electric Equipment	1,299,877	1,067,310	1.79	1.79	19,105
316 Miscellaneous Power Plant Equipment	1,078,074	885,192	1.96	1.96	17,350
Total Riverton	40,108,833	32,932,797			535,145
Asbury Station (Steam Production)					
310 Land and Land Rights	387,547	318,209			
311 Structures and Improvements	9,324,073	7,655,865	1.06	1.06	81,152
312 Boiler Plant and Equipment	72,992,798	59,933,357	1.87	1.87	1,120,754
312.7 Unit Train	5,580,296	4,581,903	6.67	6.67	305,613
314 Turbo Generator Units	21,103,409	17,327,711	1.60	1.60	277,243
315 Accessory Electric Equipment	2,373,177	1,948,583	1.79	1.79	34,880
316 Miscellaneous Power Plant Equipment	1,815,131	1,490,379	1.95	1.95	29,062
Total Asbury	113,576,433	93,256,007			1,848,704
Iatan Station (Steam Production)					0
310 Land and Land Rights	122,418	100,516			
311 Structures and Improvements	4,017,989	3,299,114	1.06	1.06	34,971
312 Boiler Plant and Equipment	31,415,826	25,795,092	1.89	1.89	487,527
312.5 Unit Train	0	0	0.00	0.00	0
314 Turbo Generator Units	8,399,773	6,896,935	1.62	1.62	111,730
315 Accessory Electric Equipment	3,693,869	3,032,983	1.81	1.81	54,897
316 Miscellaneous Power Plant Equipment	910,913	747,938	1.95	1.95	14,585
Total Iatan	48,560,788	39,872,578			703,710
Total Steam Production	202,246,053	166,061,382			3,087,559

The Empire District Electric Company
Normalized Depreciation Expense

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Plant Account Number	A Total Company	B Missouri Jurisdictional	C 09/30/2005 Approved Rate	D Proposed Rate	E Normalized
<u>Plant Account</u>					
Ozark Beach Station (Hydroelectric)					
330 Land and Land Rights	224,480	184,317			
331 Structures and Improvements	556,389	456,843	1.66	1.66	7,584
332 Reservoirs, Dams and Waterways	1,469,845	1,206,869	1.67	1.67	20,155
333 Water Wheels, Turbines & Generators	1,631,522	1,339,620	1.47	1.47	19,692
334 Accessory Electric Equipment	812,324	666,988	1.44	1.44	9,605
335 Miscellaneous Power Plant Equipment	349,181	286,707	2.44	2.44	6,996
Total Ozark Beach	5,043,741	4,141,344			64,031
Riverton Station (Combustion Turbine)					
341 Structures and Improvements	193,357	158,763	1.82	1.82	2,889
342 Fuel Holders, Producers & Accessories	87,123	71,535	3.85	3.85	2,754
343 Prime Movers	10,161,539	8,343,496	1.92	1.92	160,195
344 Generators	926,850	761,024	1.82	1.82	13,851
345 Accessory Electric Equipment	315,835	259,328	3.57	3.57	9,258
346 Miscellaneous Power Plant Equipment	93,475	76,751	4.00	4.00	3,070
Total Riverton	11,778,180	9,670,898			192,017
Energy Center (Combustion Turbine)					
340 Land and Land Rights	163,097	133,916			
341 Structures and Improvements	1,933,279	1,587,388	1.82	1.82	28,890
342 Fuel Holders, Producers & Accessories	1,238,497	1,016,912	3.85	3.85	39,151
343 Prime Movers	26,425,192	21,697,352	1.92	1.92	416,589
344 Generators	4,516,458	3,708,400	1.82	1.82	67,493
345 Accessory Electric Equipment	339,416	278,690	3.57	3.57	9,949
346 Miscellaneous Power Plant Equipment	1,273,734	1,045,845	4.00	4.00	41,834
Total Energy Center Combustion Turbine	35,889,672	29,468,503			603,907
Energy Center Aero Units					
341 Structures and Improvements	1,116,141	916,447	1.82	1.82	16,679
342 Fuel Holders, Producers & Accessories	10,327	8,479	0.00	0.00	0
344 Generators	40,181,059	32,992,101	1.82	1.82	600,456
345 Accessory Electric Equipment	2,275,485	1,868,369	3.57	3.57	66,701
346 Miscellaneous Power Plant Equipment	12,329,672	10,123,720	3.99	3.99	403,936
Total Energy Center Aero Units	55,912,683	45,909,115			1,087,773
State Line (Combustion Turbine)					
340 Land and Land Rights	288,554	236,928			
341 Structures and Improvements	4,133,564	3,394,011	1.82	1.82	61,771
342 Fuel Holders, Producers & Accessories	3,380,804	2,775,930	3.85	3.85	106,873
343 Prime Movers	43,003,986	35,309,966	1.93	1.93	681,482
344 Generators	11,268,284	9,252,229	1.82	1.82	168,391
345 Accessory Electric Equipment	3,710,093	3,046,305	3.57	3.57	108,753
346 Miscellaneous Power Plant Equipment	154,983	127,254	3.99	3.99	5,077
Total State Line Combustion Turbine	65,940,267	54,142,623			1,132,348
State Line (Combined Cycle)					
341 Structures and Improvements	7,215,595	5,924,623	2.86	2.86	169,444
342 Fuel Holders, Producers & Accessories	7,971,760	6,545,500	2.86	2.86	187,201
343 Prime Movers	84,204,057	69,138,763	2.86	2.86	1,977,369
344 Generators	23,328,589	19,154,775	2.86	2.86	547,827
345 Accessory Electric Equipment	7,782,697	6,390,262	2.86	2.86	182,762
346 Miscellaneous Power Plant Equipment	101,781	83,571	2.85	2.85	2,382
Total State Line CC	130,604,478	107,237,495			3,066,984
Total Production Plant	507,415,074	416,631,360			9,234,619

The Empire District Electric Company
Normalized Depreciation Expense

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		A	B	C	D	E
Plant				09/30/2005		
Account		Total	Missouri	Approved	Proposed	
<u>Number</u>	<u>Plant Account</u>	<u>Company</u>	<u>Jurisdictional</u>	<u>Rate</u>	<u>Rate</u>	<u>Normalized</u>
Transmission Plant						
350	Land and Land Rights	8,698,254	7,142,014			
352	Structures and Improvements	2,335,614	1,917,740	2.09	2.09	40,081
353	Station Equipment	81,958,723	67,295,151	2.20	2.20	1,480,493
354	Towers and Fixtures	777,080	638,049	1.92	1.92	12,251
355	Poles and Fixtures	28,165,538	23,126,326	3.33	3.33	770,107
356	Overhead Conductors and Devices	52,906,168	43,440,508	2.15	2.15	933,971
Total Transmission		174,841,377	143,559,788			3,236,902
Distribution Plant						
360	Land and Land Rights	1,651,978	1,475,374			
361	Structures and Improvements	9,244,200	8,255,953	2.08	2.08	171,724
362	Station Equipment	62,347,983	55,682,698	1.89	1.89	1,052,403
364	Poles, Towers and Fixtures	97,742,452	87,293,336	4.35	4.35	3,797,260
365	Overhead Conductors and Devices	111,652,405	99,716,252	3.77	3.77	3,759,303
366	Underground Conduit	18,409,899	16,441,796	3.92	3.92	644,518
367	Underground Conductors and Devices	38,371,547	34,269,453	3.59	3.59	1,230,273
368	Line Transformers	71,274,329	63,654,777	2.78	2.78	1,769,603
369	Services	50,310,593	44,932,160	5.00	5.00	2,246,608
370	Meters	15,843,759	14,149,989	2.27	2.27	321,205
371	Installations on Customers' Premises	13,218,212	11,805,124	5.80	5.80	684,697
373	Street Lighting and Signal Systems	11,368,205	10,152,892	3.13	3.13	317,786
Total Distribution		501,435,562	447,829,805			15,995,380
General Plant						
389	Land and Land Rights	691,217	588,626			
390	Structures and Improvements	9,301,493	7,920,958	2.75	2.75	217,826
391.1	Office Furniture and Equipment	3,459,481	2,946,022	5.00	5.00	147,301
391.2	Computer Equipment	11,049,742	9,409,730	10.00	10.00	940,973
392	Transportation Equipment	6,964,149	5,930,524	7.08	7.08	419,881
393	Stores Equipment	343,778	292,754	3.17	3.17	9,280
394	Tools, Shop and Garage Equipment	3,386,661	2,884,010	4.50	4.50	129,780
395	Laboratory Equipment	903,300	769,232	2.63	2.63	20,231
396	Power Operated Equipment	10,165,351	8,656,602	6.33	6.33	547,963
397	Communication Equipment	10,396,845	8,853,737	4.00	4.00	354,149
398	Miscellaneous Equipment	273,437	232,854	4.55	4.55	10,595
Total General		56,935,453	48,485,048			2,797,980
Total Depreciable Plant		\$1,240,627,466	\$1,056,506,001			\$31,264,881

The Empire District Electric Company
Summary of Depreciation and Amortization

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	Missouri <u>Jurisdiction</u>	Total <u>Company</u>
Total Depreciation	\$31,264,881	\$36,384,741
Total Amortization	<u>662,489</u>	<u>777,954</u>
Total depreciation & amortization	31,927,371	37,162,695
Amount Cleared: (Account 392 & 396)	967,844	1,136,528
Unit Train Depreciation - Asbury	305,613	372,206
Unit Train Depreciation - Iatan	0	0
Total Depreciation Charged to Operations less fuel and clearings	30,653,914	35,653,960
Total Book Depreciation Charged to Operations	27,588,383	32,187,116
Depreciation Adjustment	\$3,065,531	\$3,466,844

The Empire District Electric Company
Taxes Charged to Electric Operations

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Schedule 1
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	A	B	Twelve Months Ended September 30, 2005				F
		Total Company	C		D		Missouri Jurisdictional
	<u>Actual</u>	<u>Adjustments</u>	<u>Pro Forma</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Pro Forma</u>	
Taxes Other Than Income Taxes							
1. Real and Property	\$10,684,770	\$108,966	\$10,793,737	\$9,098,928	\$92,794	\$9,191,722	
2. Federal Insurance Contribution Act	2,110,197	137,517	2,247,714	1,750,420	116,828	1,867,248	
3. Federal Unemployment	27,371	315	27,686	22,704	262	22,966	
4. State Unemployment	19,590	(251)	19,340	16,250	(209)	16,042	
5. Corporation Franchise	211,013	0	211,013	191,705	0	191,705	
6. City Tax or Fee	6,088,533	0	6,088,533	5,531,419	0	5,531,419	
7. Total Taxes Other Than Income Taxes	19,141,475	246,547	19,388,022	16,611,427	209,674	16,821,101	
8. Federal Income Taxes	12,431,932	(3,248,280)	9,183,652	11,073,758	(1,337,786)	9,735,972	
9. State Income Taxes	900,549	113,839	1,014,388	801,195	371,709	1,172,904	
10. Total Taxes Charged to Electric Operations	\$32,473,956	(\$2,887,893)	\$29,586,062	\$28,486,379	(\$756,402)	\$27,729,977	

The Empire District Electric Company
Calculation of Provision for Income Taxes Payable
Twelve Months Ended September 30,2005

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	A		Adjusted Total Company	B	C	D
	Total Company	Adjustments	Company	Missouri Jurisdictional	Adjustments	Adjusted Missouri
1. Net Income from Section J, Schedule 1	\$55,551,262	(\$11,009,370)	\$44,541,891	\$49,409,096	(\$7,861,970)	\$41,547,126
2. Adjustments						
3. Adjusted Net Income	55,551,262	(11,009,370)	44,541,891	49,409,096	(7,861,970)	41,547,126
Add:						
4. Current Income Tax	9,458,777	(1,989,191)	7,469,586	8,415,224	221,616	8,636,841
5. Deferred Income Taxes	3,873,704	(1,145,250)	2,728,454	3,459,728	(1,187,693)	2,272,035
6. Total Income Tax	13,332,481	(3,134,441)	10,198,040	11,874,952	(966,076)	10,908,876
7. Net Operating Income Before Income Taxes	68,883,743	(14,143,811)	54,739,932	61,284,048	(8,828,046)	52,456,002
Add:						
8. Book Depreciation	33,394,031	3,466,844	36,860,875	28,616,166	3,065,531	31,681,697
9. Nondeductible Expenses (Meals)	100,650		100,650	89,546	0	89,546
10. Contributions in Aid of Construction	1,364,982		1,364,982	1,214,388	0	1,214,388
11. Non-deductible Club Dues	21,540		21,540	19,164	0	19,164
12. Total Additions	34,881,203	3,466,844	38,348,047	29,939,264	3,065,531	33,004,795
Less:						
13. Interest Sync	25,959,652		25,959,652	22,078,553		22,078,553
14. Tax Depreciation	46,639,370	0	46,639,370	39,966,423	0	39,966,423
15. Excess Cost of Removal over Salvage	1,031,146	0	1,031,146	917,383	0	917,383
16. Total Deductions	73,630,168	0	73,630,168	62,962,360	0	62,962,360
17. Net Taxable Income	30,134,778	(10,676,967)	19,457,811	28,260,952	(5,762,515)	22,498,437
Provision for Federal Income Tax:						
18. Income Before Income Taxes	30,134,778	(10,676,967)	19,457,811	28,260,952	(5,762,515)	22,498,437
19. Less: Missouri Income Tax - 100%	1,571,007	(556,619)	1,014,388	1,473,320	(300,415)	1,172,904
20. Federal Taxable Income	28,563,770	(10,120,348)	18,443,423	26,787,632	(5,462,100)	21,325,533
21. Federal Income Tax @ 35%	9,997,320	(3,542,122)	6,455,198	9,375,671	(1,911,735)	7,463,936
Provision for Missouri Income Tax:						
22. Income Before Income Taxes	30,134,778	(10,676,967)	19,457,811	28,260,952	(5,762,515)	22,498,437
23. Less: One-Half of Federal Income Tax	4,998,660	(1,771,061)	3,227,599	4,687,836	(955,867)	3,731,968
24. Missouri Taxable Income	25,136,118	(8,905,906)	16,230,212	23,573,117	(4,806,648)	18,766,469
25. Provision for Missouri Income Tax @ 6.25	\$1,571,007	(\$556,619)	\$1,014,388	\$1,473,320	(\$300,415)	\$1,172,904

The Empire District Electric Company
Calculation of Provision for Income Taxes Payable
Twelve Months Ended September 30,2005

Section L
Schedule 2
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	A		Adjusted Total Company	B	C	D
	Total Company	Adjustments	Company	Missouri Jurisdictional	Adjustments	Adjusted Missouri
Deferred Taxes:						
1. Depreciation - Tax	\$46,639,370	\$0	\$46,639,370	\$39,966,423	\$0	\$39,966,423
2. Depreciation Book	33,394,031	3,466,844	36,860,875	28,616,166	3,065,531	31,681,697
3. Depreciation - S/L Life Differences	835,000	0	835,000	715,532	0	715,532
4. Total Depreciation (1-2+3)	14,080,339	(3,466,844)	10,613,495	12,065,789	(3,065,531)	9,000,258
5. Interest Capitalized for Tax (Excess over AFUDC Debt)	0	0	0	0	0	0
6. Contributions in Aid of Construction	(1,364,982)	0	(1,364,982)	(1,214,388)	0	(1,214,388)
7. Total Deferral Items	\$12,715,357	(\$3,466,844)	\$9,248,513	\$10,851,401	(\$3,065,531)	\$7,785,870
8. Deferral Rate	0.3839	0.3839	0.3839	0.3839	0.3839	0.3839
9. Amount Deferred (7x8)	\$4,881,251	(\$1,330,874)	\$3,550,377	\$4,165,704	(\$1,176,815)	\$2,988,888
10. State Tax Flowed Through Prior to 8/15/94	130,431	0	130,431	130,431	0	130,431
11. Amortization of Excess Deferred	(412,547)	0	(412,547)	(367,032)	0	(367,032)
12. Deferred Taxes (9+10+11)	4,599,135	(1,330,874)	3,268,261	3,929,102	(1,176,815)	2,752,287
13. ITC - Net	(539,807)	0	(539,807)	(480,252)	0	(480,252)
14. Net Deferred Taxes (12+13)	\$4,059,328	(\$1,330,874)	\$2,728,454	\$3,448,850	(\$1,176,815)	\$2,272,035

THE EMPIRE DISTRICT ELECTRIC COMPANY

Bases of Allocation of Property and Expenses

Section M, Schedule 2 shows in detail the bases of allocation, total Company pro forma figures and the pro forma amounts allocated to each of the four states with each separate item necessary to properly allocate rate base components and net electric operating revenue components to each of the four states.

In this process of allocation by states, there are two exceptions to the basic uniform procedure. Those portions of the rate base components and net operating revenue components which relate to off-system wholesale and to on-system wholesale are allocated by procedures using different factors than those used for all other customers.

Kilowatt-hour sales by states are used as the basis of allocating energy costs. However, large volumes of kilowatt-hours have been sold to other utility companies and systems for resale, with such transactions carried out over Company high-voltage transmission facilities installed, used and necessary for on-system operation and protection of service continuity to Empire's own customers. Such off-system kilowatt-hour sales for resale are not a proper basis for allocation of property or operating expenses related to the Company's retail business and are; therefore, deducted from the total.

Three towns in Missouri and one town in Kansas are supplied by Empire at wholesale rates. Amounts of fixed generation property and expense and common transmission property and expense allocated to these on-system wholesale transactions are assigned on the basis of coincident peak demands of these wholesale customers in relation to the total Company system demand. All other property and expense allocations to these seven wholesale customers are made on the same uniform bases used for retail customers.

The Company's generation and transmission system is required by and was constructed to meet the needs of the Company's own customers. Since amounts earned from these off-system wholesale transactions are made possible by the use of these facilities constructed for service to and supported by all of the Company's customers in all four states, the net operating revenue from these off-system wholesale transactions is allocated to on-system jurisdictions based on a twelve-month average coincident peak demand.

After deductions for property and expenses applicable to wholesale transactions, the remaining property and operating costs are then allocated on uniform bases to all retail customers in each of the four states.

Variable production expenses are allocated on the basis of kilowatt-hour sales by jurisdiction. Fixed production expenses are allocated based on a twelve-month average coincident peak demand.

Twelve-month average retail coincident peak demands by states are used as the basis for allocation of remaining property and expenses related to generation and transmission facilities.

All distribution property and related expenses are allocated to states on the basis of actual physical location, except that those portions applicable to on-system wholesale are assigned separately.

Customer accounts expenses are allocated to states on the basis of the number of customers served.

Customer assistance expenses are allocated on the basis of a composite of revenues and number of customers served.

Sales expenses are allocated on the basis of on-system revenues by states.

General property is allocated on the basis of the ratios by states of the sum of all other classes of property as allocated.

Administrative and general expenses are allocated on the basis of the ratio by states of the sum of all other operation and maintenance expenses as allocated except Electric Power Research Institute research and development costs, franchise requirements and regulatory commission expenses, which are assigned directly to jurisdiction of origin.

Depreciation expense is allocated by functional groups of property on the basis of depreciable electric plant in service by functional classes as allocated by states.

Real and personal property taxes are allocated on the basis of electric plant in service as allocated, payroll taxes on the basis of allocated operation and maintenance expenses, and other taxes by state of origin.

Income taxes are calculated on the basis of taxable income by states.

Prepayments are allocated on the basis of electric plant in service as allocated by states.

Fuel inventory is allocated on the basis of kilowatt-hour sales.

Other materials and supplies related to generating plants are allocated on the same basis as allocated generation plant, with the remainder of materials and supplies on the basis of distribution property by states.

Deferred income tax and investment tax credit balances are allocated on the basis of total electric plant in service.

Customer deposits are directly assigned to state of origin.

The Empire District Electric Company
Allocation of Rate Base

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	A Basis of Allocation Reference	B Total Company	C On-System Wholesale		D Kansas	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
			Missouri							
Electric Utility Plant:										
1. Production Plant	22	507,856,437	30,875,998	1,599,969	475,380,469	416,993,757	0	29,490,907	13,373,601	15,523,104
Adjustments		0	0	0	0	0	0	0	0	0
Production Plant Adjusted		507,856,437	30,875,998	1,599,969	475,380,469	416,993,757	0	29,490,907	13,373,601	15,523,104
%		100.0000%	6.0797%	0.3150%	93.6053%	82.1086%	5.8068%	5.8068%	2.6333%	3.0566%
2. Transmission Plant	22	174,841,377	10,629,780	550,827	163,660,771	143,559,788	0	10,152,620	4,604,173	5,344,189
Adjustments		0	0	0	0	0	0	0	0	0
Transmission Plant Adjusted		174,841,377	10,629,780	550,827	163,660,771	143,559,788	0	10,152,620	4,604,173	5,344,189
%		100.0000%	6.0797%	0.3150%	93.6053%	82.1086%	5.8068%	5.8068%	2.6333%	3.0566%
3. Distribution Plant	58	501,435,562	2,304,580	97,861	499,033,120	447,829,805	0	28,267,868	13,146,719	9,788,728
Adjustments		0	0	0	0	0	0	0	0	0
Distribution Plant Adjusted		501,435,562	2,304,580	97,861	499,033,120	447,829,805	0	28,267,868	13,146,719	9,788,728
%		100.0000%	0.4596%	0.0195%	99.5209%	89.3095%	5.6374%	5.6374%	2.6218%	1.9521%
4. Plant Subtotal		1,184,133,376	43,810,359	2,248,657	1,138,074,360	1,008,383,350	0	67,910,495	31,124,494	30,656,021
Adjustments		0	0	0	0	0	0	0	0	0
Production, Transmission & Distribution Plant Adjusted		1,184,133,376	43,810,359	2,248,657	1,138,074,360	1,008,383,350	0	67,910,495	31,124,494	30,656,021
%		100.0000%	3.6998%	0.1899%	96.1103%	85.1579%	5.7350%	5.7350%	2.6285%	2.5889%
5. General Plant*	4	57,750,535	2,136,644	109,668	55,504,223	49,179,154	0	3,312,015	1,517,951	1,495,103
Adjustments		0	0	0	0	0	0	0	0	0
General Plant Adjusted		57,750,535	2,136,644	109,668	55,504,223	49,179,154	0	3,312,015	1,517,951	1,495,103
%		100.0000%	3.6998%	0.1899%	96.1103%	85.1579%	5.7350%	5.7350%	2.6285%	2.5889%
6. Intangible Plant	4,59	8,838,777	327,016	16,785	8,494,976	7,526,918	0	506,907	232,324	228,827
Adjustments		0	0	0	0	0	0	0	0	0
Intangible Plant Adjusted		8,838,777	327,016	16,785	8,494,976	7,526,918	0	506,907	232,324	228,827
%		100.0000%	3.6998%	0.1899%	96.1103%	85.1579%	5.7350%	5.7350%	2.6285%	2.5889%
7. Total Electric Utility Plant		1,250,722,687	46,274,018	2,375,109	1,202,073,560	1,065,089,423	0	71,729,417	32,874,768	32,379,952
Adjustments		0	0	0	0	0	0	0	0	0
Total Electric Utility Plant Adjusted		1,250,722,687	46,274,018	2,375,109	1,202,073,560	1,065,089,423	0	71,729,417	32,874,768	32,379,952
%		100.0000%	3.6998%	0.1899%	96.1103%	85.1579%	5.7350%	5.7350%	2.6285%	2.5889%

*Includes 58% of property under capital lease

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A Basis of Allocation Reference	B Total Company	C On-System Wholesale	D	E	F	G	H	I
		Missouri	Kansas	Total	Missouri	Kansas	Oklahoma	Arkansas
Electric Utility Depreciation Reserve:								
8. Production Reserve	165,307,980	10,050,181	520,792	154,737,007	135,732,051	9,599,039	4,353,126	5,052,792
Adjustments	0	0	0	0	0	0	0	0
Production Reserve Adjusted	165,307,980	10,050,181	520,792	154,737,007	135,732,051	9,599,039	4,353,126	5,052,792
9. Transmission Reserve	52,747,500	3,206,874	166,178	49,374,448	43,310,228	3,062,921	1,389,023	1,612,276
Adjustments	0	0	0	0	0	0	0	0
Transmission Reserve Adjusted	52,747,500	3,206,874	166,178	49,374,448	43,310,228	3,062,921	1,389,023	1,612,276
10. Distribution Reserve	186,929,660	857,505	36,098	186,036,056	166,918,985	10,550,663	4,910,872	3,655,537
Adjustments	0	0	0	0	0	0	0	0
Distribution Reserve Adjusted	186,929,660	857,505	36,098	186,036,056	166,918,985	10,550,663	4,910,872	3,655,537
11. General Reserve	29,364,490	1,086,422	55,763	28,222,305	25,006,189	1,684,065	771,834	760,217
Adjustments	0	0	0	0	0	0	0	0
General Reserve Adjusted	29,364,490	1,086,422	55,763	28,222,305	25,006,189	1,684,065	771,834	760,217
12. Amortization of Electric Plant	5,118,580	189,376	9,720	4,919,484	4,358,876	293,552	134,540	132,515
Adjustments	0	0	0	0	0	0	0	0
Amortization of Electric Plant Adjusted	5,118,580	189,376	9,720	4,919,484	4,358,876	293,552	134,540	132,515
13. Total Electric Utility Depreciation*	439,468,210	15,390,359	788,551	423,289,300	375,326,329	25,190,240	11,559,394	11,213,337
Reserve and Amortization	0	0	0	0	0	0	0	0
Total Electric Utility Depreciation	439,468,210	15,390,359	788,551	423,289,300	375,326,329	25,190,240	11,559,394	11,213,337
14. Construction Work in Progress:								
Production	22,737,728	1,382,379	71,634	21,283,715	18,669,628	1,320,325	598,762	695,000
Adjustments	0	0	0	0	0	0	0	0
Production Adjusted	22,737,728	1,382,379	71,634	21,283,715	18,669,628	1,320,325	598,762	695,000
Transmission	451,052	27,422	1,421	422,209	370,352	26,192	11,878	13,787
Adjustments	0	0	0	0	0	0	0	0
Transmission Adjusted	451,052	27,422	1,421	422,209	370,352	26,192	11,878	13,787
Distribution	5,979,920	0	0	5,979,920	5,812,835	4,064	51,744	111,277
Adjustments	0	0	0	0	0	0	0	0
Distribution Adjusted	5,979,920	0	0	5,979,920	5,812,835	4,064	51,744	111,277
General	1,180,459	43,674	2,242	1,134,543	1,005,254	67,700	31,028	30,561
Adjustments	0	0	0	0	0	0	0	0
General Adjusted	1,180,459	43,674	2,242	1,134,543	1,005,254	67,700	31,028	30,561
Strategic Planning	34,317	1,270	65	32,982	29,224	1,968	902	888
Adjustments	0	0	0	0	0	0	0	0
Strategic Planning Adjusted	34,317	1,270	65	32,982	29,224	1,968	902	888
Total Construction Work in Progress	30,383,476	1,454,746	75,362	28,853,369	25,887,293	1,420,249	694,314	851,513
Adjustments	0	0	0	0	0	0	0	0
Total Construction Work in Progress	30,383,476	1,454,746	75,362	28,853,369	25,887,293	1,420,249	694,314	851,513

* Includes Other 1-loc. Other Items from Schedule IX

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A Basis of Allocation Reference	B Total Company	C On-System Wholesale	D Kansas	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
15. Materials and Supplies (13-Month Avg):								
Fuel								
Adjustments								
Fuel Adjusted	9,134,544	587,104	25,868	8,521,571	7,510,324	477,115	254,618	279,514
Other Production Materials								
Adjustments	9,015,673	548,123	28,403	8,439,146	7,402,642	523,519	237,414	275,572
Other Production Materials Adjusted	9,015,673	548,123	28,403	8,439,146	7,402,642	523,519	237,414	275,572
Transmission & Distribution Materials								
Adjustments	10,514,594	48,325	2,052	10,464,217	9,390,536	592,748	275,673	205,260
Transmission & Distribution Materials Adjusted	319,940	1,471	62	318,407	285,737	18,036	8,388	6,246
Clearing Account Materials								
Adjustments	65,002	2,405	123	62,474	55,354	3,728	1,709	1,683
Clearing Account Materials Adjusted	65,002	2,405	123	62,474	55,354	3,728	1,709	1,683
Total Materials and Supplies	28,729,812	1,185,957	56,447	27,487,408	24,358,856	1,597,110	769,413	762,029
Adjustments	319,940	1,471	62	318,407	285,737	18,036	8,388	6,246
Total Materials and Supplies Adjusted	29,049,752	1,187,428	56,509	27,805,815	24,644,593	1,615,146	777,801	768,275
16. Prepayments - 13-Month Average								
Adjustments	2,002,583	74,091	3,803	1,924,689	1,705,358	114,849	52,637	51,845
Prepayments Adjusted	2,002,583	74,091	3,803	1,924,689	1,705,358	114,849	52,637	51,845
17. Cash Working Capital	2,539,620			2,539,620				
Deferred Income Taxes:								
18. Liberalized Depreciation	115,239,106	4,547,801	233,425	110,457,880	97,249,994	7,105,577	3,149,448	2,952,860
Adjustments								
Liberalized Depreciation Adjusted	115,239,106	4,547,801	233,425	110,457,880	97,249,994	7,105,577	3,149,448	2,952,860
Investment Tax Credit:								
19. Prior 1971 Additions	675	25	1	649	575	39	18	17
20. Customer Deposits								
	6,130,116	0	0	6,130,116	5,481,261	261,731	202,357	184,767
21. Kilowatt-Hour Sales								
Less Off-System Wholesale	5,164,739,876							
System Kilowatt-Hour Sales	329,606,000	310,768,400	13,692,800	4,510,672,676	3,975,395,397	252,548,340	134,775,221	147,953,718
%	4,835,133,876	6,4273%	0.2832%	93.2895%	82.2189%	5.2232%	2.7874%	3.0600%
22. 12-Month Average Coincident Peak Demand								
%	870,250	52,908	2,742	814,600	714,550	50,533	22,917	26,600
%	100.0000%	6.0797%	0.3150%	93.6053%	82.1086%	5.8068%	2.6333%	3.0366%
Depreciable Distribution Plant:								
23. Total Distribution Plant	501,435,562	2,304,580	97,861	499,033,120	447,829,805	28,267,868	13,146,719	9,788,728
Less Nondepreciable Distribution Plant	1,651,978	11,916	1,347	1,638,715	1,547,665	59,139	16,791	15,120
Depreciable Distribution Plant	499,783,584	2,292,664	96,514	497,394,405	446,282,140	28,208,729	13,129,928	9,773,608
%	100.0000%	0.4587%	0.0193%	99.5220%	89.2951%	5.6442%	2.6271%	1.9556%

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	A Basis of Allocation Reference	B Total Company	C On-System Wholesale	D Kansas	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
Electric Operating Revenues:									
24. Residential Adjustments Residential Adjusted	58	142,962,690 7,454,572 150,417,262	0 0 0	0 0 0	142,962,690 7,454,572 150,417,262	127,483,555 7,454,572 134,938,127	8,381,700 0 8,381,700	4,298,715 0 4,298,715	2,798,719 0 2,798,719
25. Commercial Adjustments Commercial Adjusted	58	101,893,580 2,079,036 103,972,616	0 0 0	0 0 0	101,893,580 2,079,036 103,972,616	93,596,630 2,079,036 95,675,666	3,856,180 0 3,856,180	2,440,712 0 2,440,712	2,000,057 0 2,000,057
26. Industrial Adjustments Industrial Adjusted	58	57,004,923 8,833,184 65,838,107	0 0 0	0 0 0	57,004,923 8,833,184 65,838,107	47,130,367 8,833,184 55,963,551	3,891,310 0 3,891,310	2,584,234 0 2,584,234	3,399,013 0 3,399,013
27. Public Street & Hwy Lighting Adjustments Public Street & Hwy Lighting Adjusted	58	2,341,488 0 2,341,488	0 0 0	0 0 0	2,341,488 0 2,341,488	2,120,947 0 2,120,947	76,959 0 76,959	86,535 0 86,535	57,047 0 57,047
28. Other Public Authorities Adjustments Other Public Authorities Adjusted	58	5,710,951 0 5,710,951	0 0 0	0 0 0	5,710,951 0 5,710,951	5,041,934 0 5,041,934	276,634 0 276,634	204,317 0 204,317	188,066 0 188,066
29. Interdepartmental Adjustments Interdepartmental Adjusted	58	95,345 0 95,345	0 0 0	0 0 0	95,345 0 95,345	95,345 0 95,345	0 0 0	0 0 0	0 0 0
30. On-System Wholesale	58	15,393,739	14,714,215	679,523	0	0	0	0	0
Total On-System Revenue from Sale of Electricity Adjustments	58	325,402,715 18,366,792	14,714,215 0	679,523 0	310,008,977 18,366,792	275,468,778 18,366,792	16,482,783 0	9,614,514 0	8,442,901 0
Total On-System Revenue from Sale of Electricity Adjusted Less Provision for Rate Refund Total On-System Revenue Adjusted Less Provision for Rate Refund		343,769,507 0 343,769,507	14,714,215 0 14,714,215	679,523 0 679,523	328,375,769 0 328,375,769	293,835,570 0 293,835,570	16,482,783 0 16,482,783	9,614,514 0 9,614,514	8,442,901 0 8,442,901
32. Other Electric Operating Revenues Other Electric Operating Revenues Adjusted*	58	3,247,123 3,235,139 328,649,838	0 (729) 14,714,215	0 (38) 679,523	3,247,123 3,235,139 313,256,099	2,890,717 2,880,877 278,359,495	188,643 187,947 16,671,426	104,702 104,387 9,719,216	63,061 62,694 8,505,962
33. Total On-System Electric Revenues %		100,000,000% 18,354,808 (11,984) 347,004,646	4,4772% (729) (729) 14,713,487	0.2068% (38) (38) 679,486	95,3161% (729) (11,218) 331,611,674	84,6979% 18,356,952 (9,840) 296,716,447	5,0727% (696) (696) 16,670,730	2,9573% (316) (316) 9,718,901	2,5882% (366) (366) 8,505,595
* Adjustment to Other Elec Operating Rev #32. Total On-System Revenues Adjusted									
34. Off-System Wholesale Adjustments Off-System Wholesale Adjusted	22	13,201,035 (1,322,166) 11,878,869	802,579 (80,383) 722,196	41,589 (4,165) 37,424	12,356,866 (1,237,617) 11,119,249	10,839,184 (1,085,612) 9,753,572	766,552 (76,775) 689,777	347,629 (34,817) 312,811	403,502 (40,413) 363,089
35. Total Electric Operating Revenues Adjustments Total Electric Operating Revenues Adjusted		341,850,873 17,032,642 358,883,515	15,516,795 (81,112) 15,435,683	721,112 (4,203) 716,909	325,612,966 17,117,957 342,730,923	289,198,679 17,271,340 306,470,019	17,437,979 (77,471) 17,360,508	10,066,845 (35,133) 10,031,712	8,909,464 (40,780) 8,868,684

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A Basis of Allocation Reference	B Total Company	C On-System Wholesale	D Missouri	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
36. Electric Operating Expenses:								
Production Expense:								
Off-System Wholesale	8,572,479	521,179	27,007	8,024,294	7,038,742	497,783	225,743	262,026
Adjustments	0	0	0	0	0	0	0	0
Off-System Wholesale Adjusted	8,572,479	521,179	27,007	8,024,294	7,038,742	497,783	225,743	262,026
a. Variable Production Expense	129,064,250	8,295,342	365,502	120,403,405	106,115,247	6,741,274	3,597,556	3,949,329
Adjustments	0	0	0	0	0	0	0	0
Variable Production Expense Adjusted	129,064,250	8,295,342	365,502	120,403,405	106,115,247	6,741,274	3,597,556	3,949,329
b. Fixed Production Expense	29,657,476	1,803,077	93,434	27,760,965	24,351,335	1,722,139	780,983	906,508
Adjustments	0	0	0	0	0	0	0	0
Fixed Production Expense Adjusted	29,657,476	1,803,077	93,434	27,760,965	24,351,335	1,722,139	780,983	906,508
c. Total On-System Production Expense	158,721,726	10,098,419	458,936	148,164,371	130,466,582	8,463,413	4,378,539	4,855,838
Adjustments	24,953,037	1,603,806	70,665	23,278,565	20,516,120	1,303,345	695,545	763,556
Total On-System Production Expense	183,674,762	11,702,225	529,601	171,442,936	150,982,702	9,766,758	5,074,083	5,619,393
Adjusted								
37. Transmission Expense	3,717,346	226,002	11,711	3,479,633	3,052,261	215,857	97,890	113,624
Adjustments	(204,253)	(12,418)	(643)	(191,192)	(167,710)	(11,861)	(5,379)	(6,243)
Transmission Expense Adjusted	3,513,093	213,584	11,068	3,288,441	2,884,551	203,997	92,512	107,381
38. Distribution Expense	12,643,835	58,111	2,468	12,583,256	11,292,151	712,782	331,498	246,825
Adjustments	187,532	862	37	186,633	167,484	10,572	4,917	3,661
Distribution Expense Adjusted	12,831,366	58,973	2,504	12,769,889	11,459,634	723,354	336,415	250,486
39. Customer Accounts Expense	7,527,329	141	47	7,527,140	6,595,379	485,462	255,370	190,930
Adjustments	129,977	2	1	129,982	114,634	7,997	4,206	3,145
Customer Accounts Expense Adjusted	7,657,306	144	48	7,657,122	6,710,013	493,459	259,576	194,075
40. Customer Assistance Expense	1,074,076	20	7	1,074,049	941,096	69,271	36,439	27,244
Adjustments	20,899	0	0	20,899	18,312	1,348	709	530
Customer Assistance Expense Adjusted	1,094,975	21	7	1,094,948	959,408	70,619	37,148	27,774
41. Sales Expense	333,602	0	0	333,602	296,439	17,754	10,350	9,058
Adjustments	6,491	0	0	6,491	5,768	345	201	176
Sales Expense Adjusted	340,093	0	0	340,093	302,207	18,100	10,552	9,235
42. Subtotal	192,390,392	10,903,872	500,176	181,186,344	159,682,648	10,462,322	5,335,829	5,705,545
Less Off-System Wholesale	8,572,479	521,179	27,007	8,024,294	7,038,742	497,783	225,743	262,026
System Subtotal	184,017,913	10,382,694	473,169	173,162,051	152,643,906	9,964,539	5,110,086	5,443,519
%	100.0000	5.6422	0.2571	94.1007	82.9506	5.4150	2.7770	2.9581
Adjustments	25,093,682	1,592,252	70,059	23,431,379	20,654,608	1,311,746	700,199	764,825
System Subtotal Adjusted	209,111,595	11,974,946	543,228	196,593,430	173,298,515	11,276,285	5,810,286	6,208,344

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	A Basis of Allocation Reference	B Total Company	C On-System Wholesale		D Kansas	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
			Missouri	Wholesale						
43. Administrative and General Expenses:										
a. Research and Development Adjustments	58	0	0	0	0	0	0	0	0	0
Research and Development Adjusted										
b. Franchise Requirements Adjustments	58	0	0	0	0	0	0	0	0	0
Franchise Requirements Adjusted										
c. Regulatory Commission Adjustments	58	808,241	66,795		3,515	737,931	607,010	22,237	66,565	42,119
Regulatory Commission Adjusted		431,805			431,805				0	
		1,240,046	66,795		3,515	1,169,736	1,038,815	22,237	66,565	42,119
d. Other Administrative & General Adjustments	42	28,239,905	1,593,357		72,614	26,573,934	23,425,162	1,529,186	784,208	835,378
Other Administrative & General Adjusted		1,594,995	66,122		3,013	1,525,860	1,395,189	63,459	32,544	34,667
		29,834,901	1,659,480		75,627	28,099,794	24,820,351	1,592,646	816,752	870,045
e. Total Administrative & General Expense Adjustments		29,048,147	1,660,153		76,129	27,311,865	24,032,172	1,551,423	850,773	877,497
Total Administrative & General Adjusted		2,026,800	66,122		3,013	1,957,665	1,826,994	63,459	32,544	34,667
		31,074,947	1,726,275		79,143	29,269,530	25,859,167	1,614,882	883,317	912,164
44. Total System Electric Operating Expense Adjustments		213,066,060	12,042,846		549,298	200,473,916	176,676,079	11,515,962	5,960,859	6,321,016
Adjusted System Electric Operating Expense Plus Off-System Wholesale		27,120,483	1,658,375		73,073	25,389,043	22,481,602	1,375,206	732,743	799,492
Total Adjusted System Electric Operating Expense		240,186,543	13,701,221		622,371	225,862,959	199,157,681	12,891,167	6,693,602	7,120,508
		8,572,479	521,179		27,007	8,024,294	7,038,742	497,783	225,743	262,026
		248,759,022	14,222,399		649,378	233,887,253	206,196,423	13,388,951	6,919,345	7,382,534
Depreciation and Amortization Expense:										
45. Production Adjustments	1	10,786,962	655,812		33,984	10,097,167	8,857,022	626,373	284,058	329,714
Production Adjusted		87,669	5,330		276	82,063	71,984	5,091	2,309	2,680
		10,874,631	661,142		34,260	10,179,229	8,929,006	631,464	286,366	332,393
46. Transmission Adjustments	2	3,435,581	208,872		10,824	3,215,885	2,820,907	199,496	90,471	105,012
Transmission Adjusted		506,640	30,802		1,596	474,242	415,995	29,419	13,342	15,486
		3,942,221	239,674		12,420	3,690,127	3,236,902	228,915	103,812	120,498
47. Distribution Adjustments	23	14,797,512	67,881		2,858	14,726,774	13,213,450	835,200	388,749	289,375
Distribution Adjusted		3,112,534	189,232		9,806	2,913,496	2,781,930	72,611	33,797	25,158
		17,910,046	257,113		12,663	17,640,270	15,995,380	907,811	422,546	314,533
48. General Adjustments	5	2,389,108	88,392		4,537	2,296,179	2,034,514	137,016	62,797	61,852
General Adjusted		(239,999)	(14,591)		(756)	(224,652)	(204,378)	(10,616)	(4,865)	(4,792)
		2,149,109	73,801		3,781	2,071,527	1,830,136	126,400	57,931	57,059
49. Amortization of Electric Plant Adjustments	4	777,954	28,783		1,477	747,694	662,489	44,616	20,448	20,140
Amortization of Electric Plant Adjusted		777,954	28,783		1,477	747,694	662,489	44,616	20,448	20,140
50. Total Depreciation Expense Adjustments		32,187,116	1,049,739		53,679	31,083,698	27,588,383	1,842,701	846,522	806,093
Total Depreciation Expense Adjusted		3,466,844	210,773		10,922	3,245,149	3,065,531	96,505	44,582	38,531
		35,653,960	1,260,512		64,601	34,328,848	30,653,914	1,939,206	891,104	844,624

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A Basis of Allocation Reference	B Total Company	C On-System Wholesale	D Kansas	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
51. Taxes Other Than Income Taxes:								
a. Property Taxes								
Adjustments	10,684,770	395,313	20,290	10,269,167	9,098,928	612,776	280,845	276,618
Property Taxes Adjusted	108,966	4,032	207	104,728	92,794	6,249	2,864	2,821
	10,793,737	399,345	20,497	10,373,895	9,191,722	619,025	283,709	279,439
b. Payroll Taxes								
Adjustments	2,157,158	121,712	5,547	2,029,900	1,789,375	116,810	59,903	63,812
Payroll Taxes Adjusted	137,581	6,850	312	130,418	116,881	6,574	3,372	3,592
	2,294,739	128,562	5,859	2,160,318	1,906,256	123,384	63,275	67,403
c. Other Taxes								
Adjustments	6,299,546	0	0	6,299,546	5,723,124	318,412	142,248	115,762
Other Taxes Adjusted	6,299,546	0	0	6,299,546	5,723,124	318,412	142,248	115,762
Total Taxes Other Than Income Taxes	19,141,475	517,025	25,837	18,598,612	16,611,427	1,047,998	482,997	456,191
Adjustments	246,547	10,882	519	235,146	209,674	12,824	6,236	6,413
Total Taxes Other Than Income Taxes Adjusted	19,388,022	527,907	26,356	18,833,759	16,821,101	1,060,821	489,232	462,604
52. Net Elec Operating Income Before Inc. Tax								
Less Off-System Wholesale	68,883,743	1,386,006	65,292	67,432,446	61,284,042	2,533,535	2,550,724	1,064,138
System Net Electric Operating Income	3,306,390	201,018	10,417	3,094,955	2,714,830	191,994	87,069	101,063
Adjustments	65,577,353	1,184,989	54,875	64,337,490	58,569,219	2,341,541	2,463,656	963,075
Net On-System Electric Operating Income	(13,801,232)	(1,961,141)	(88,717)	(11,751,382)	(8,485,467)	(1,562,006)	(818,694)	(885,215)
Before Income Taxes Adjusted	51,776,121	(776,153)	(33,842)	52,586,108	50,083,751	779,536	1,644,962	77,859
53. State Income Taxes								
Less Off-System Wholesale	900,549	18,120	854	881,576	801,195	33,122	33,347	13,912
System State Income Taxes	60,511	3,679	191	56,642	49,685	3,514	1,593	1,850
Adjustments	840,038	14,441	663	824,934	751,510	29,608	31,753	12,062
System State Income Taxes Adjusted	113,839	(47,030)	(2,215)	163,084	371,709	(85,967)	(86,550)	(36,108)
	953,877	(32,589)	(1,553)	988,018	1,123,219	(36,359)	(54,797)	(24,046)
54. Federal Income Taxes								
Less Off-System Wholesale	12,431,932	242,198	11,353	12,178,381	11,073,758	433,087	462,436	189,100
System Federal Income Taxes	575,059	34,962	1,812	538,286	472,173	33,392	15,143	17,377
Adjustments	11,856,873	207,236	9,542	11,640,095	10,601,585	419,695	447,293	171,523
System Federal Income Taxes Adjusted	(3,248,280)	(340,691)	(15,970)	(2,891,619)	(1,337,786)	(637,341)	(650,492)	(266,000)
	8,608,593	(133,455)	(6,429)	8,748,476	9,263,799	(217,646)	(203,199)	(94,477)
55. Net Electric Operating Income								
Less Off-System Wholesale	55,551,262	1,125,689	53,085	54,372,489	49,409,096	2,047,326	2,054,941	861,126
System Net Electric Operating Income	2,670,819	162,377	8,414	2,500,028	2,192,972	155,088	70,332	81,636
Adjustments (Includes Int on Cust Dep)	52,880,443	963,312	44,670	51,872,461	47,216,124	1,892,238	1,984,609	779,490
System Net Electric Operating Income Adjusted	11,009,370	1,573,421	70,531	9,022,847	7,861,970	838,697	81,651	583,108
	41,871,072	(610,109)	(25,861)	42,849,614	39,354,154	1,053,541	1,902,958	196,382

The Empire District Electric Company
Allocation of Revenue and Expense

Section M
Schedule 2
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A Basis of Allocation Reference	B Total Company	C On-System Wholesale	D Kansas	E Total	F Missouri	G Retail Kansas	H Oklahoma	I Arkansas
56. Number of Electric Customers	159,853							
Less Off-System Wholesale	16							
Number of System Electric Customers	159,837	3	1	159,833	140,048	10,308	5,423	4,054
57. Off-System Wholesale:								
Revenues	13,201,035	802,579	41,589	12,356,866	10,839,184	766,552	347,629	403,502
Operating Expenses	8,572,479	521,179	27,007	8,024,294	7,038,742	497,783	225,743	262,026
Income Taxes	635,570	38,641	2,002	594,928	521,858	36,906	16,737	19,427
Net Operating Income	3,992,985	242,760	12,580	3,737,645	3,278,584	231,863	105,149	122,049

58. Assigned directly on basis of location

59. Intangible plant allocated to wholesale pertains to Stockton Line

60. Income taxes calculated by applying appropriate tax rates to taxable income by jurisdictions