

**EMPIRE DISTRICT ELECTRIC COMPANY  
NET PRESENT VALUE CALCULATION  
\$60M BOND FINANCING  
December 2014**

**FMB Issued 12/01/2014, \$60M @4.27%, Maturing 12/01/2044**

	Unamortized Discount *	Discount *	New Bond Interest	Annual	NPV ** Factor 3.220%	NPV Total
	Balance	Expense	Expense	Expense		Expense
12/01/2014	514,884					
12/31/2014	513,426	1,458	217,595	219,053	0.984	\$215,526
12/31/2015	496,263	17,163	2,562,000	2,579,163	0.952	2,455,926
12/31/2016	479,100	17,163	2,562,000	2,579,163	0.922	2,376,845
12/31/2017	461,938	17,163	2,562,000	2,579,163	0.892	2,300,311
12/31/2018	444,775	17,163	2,562,000	2,579,163	0.863	2,226,241
12/31/2019	427,612	17,163	2,562,000	2,579,163	0.835	2,154,556
12/31/2020	410,449	17,163	2,562,000	2,579,163	0.808	2,085,179
12/31/2021	393,286	17,163	2,562,000	2,579,163	0.782	2,018,037
12/31/2022	376,124	17,163	2,562,000	2,579,163	0.757	1,953,056
12/31/2023	358,961	17,163	2,562,000	2,579,163	0.733	1,890,167
12/31/2024	341,798	17,163	2,562,000	2,579,163	0.709	1,829,304
12/31/2025	324,635	17,163	2,562,000	2,579,163	0.686	1,770,400
12/31/2026	307,472	17,163	2,562,000	2,579,163	0.664	1,713,394
12/31/2027	290,310	17,163	2,562,000	2,579,163	0.643	1,658,222
12/31/2028	273,147	17,163	2,562,000	2,579,163	0.622	1,604,828
12/31/2029	255,984	17,163	2,562,000	2,579,163	0.602	1,553,152
12/31/2030	238,821	17,163	2,562,000	2,579,163	0.583	1,503,141
12/31/2031	221,658	17,163	2,562,000	2,579,163	0.564	1,454,739
12/31/2032	204,496	17,163	2,562,000	2,579,163	0.546	1,407,897
12/31/2033	187,333	17,163	2,562,000	2,579,163	0.528	1,362,563
12/31/2034	170,170	17,163	2,562,000	2,579,163	0.511	1,318,688
12/31/2035	153,007	17,163	2,562,000	2,579,163	0.495	1,276,226
12/31/2036	135,844	17,163	2,562,000	2,579,163	0.479	1,235,132
12/31/2037	118,682	17,163	2,562,000	2,579,163	0.463	1,195,361
12/31/2038	101,519	17,163	2,562,000	2,579,163	0.449	1,156,870
12/31/2039	84,356	17,163	2,562,000	2,579,163	0.434	1,119,619
12/31/2040	67,193	17,163	2,562,000	2,579,163	0.420	1,083,567
12/31/2041	50,030	17,163	2,562,000	2,579,163	0.407	1,048,676
12/31/2042	32,868	17,163	2,562,000	2,579,163	0.394	1,014,909
12/31/2043	15,705	17,163	2,562,000	2,579,163	0.381	982,229
12/01/2044	-	15,705	2,344,405	2,360,110	0.369	869,865
		<u>514,884</u>	<u>76,860,000</u>	<u>77,374,884</u>		
<b>Total NPV of expenses</b>						<b><u>\$47,834,626</u></b>

\* 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 30-year Treasury yield used as the basis for pricing the 4.27% Series First Mortgage Bonds issued December 1, 2014 .