

September 28, 2012

\$150 million First Mortgage Bonds

Dear Investor:

On behalf of The Empire District Electric Company ("Empire" or the "Company"), UBS Securities LLC ("UBS") is pleased to confirm the following pricing and allocations with respect to the Company's First Mortgage Bonds (the "Bonds").

The pricing details for the Bonds are as follows:

Offering Summary		
	20-year	30-year
Benchmark US Treasury	Interpolated 20yr UST	2.750% Aug-2042
Quoted Yield*	2.23%	2.82%
Credit Spread (bps)	135	135
Delay Premium	15	15
Fixed Coupon	3.73%	4.32%

*As shown on page PX1 of Bloomberg and on page 2 of this memo

The allocation details for the Bonds are as follows:

Investors			
	20-year	30-year	Total (US\$mm)
TIAA-CREF	-	40	40
John Hancock	-	38	38
Prudential	30	-	30
Babson	-	22	22
CUNA Mutual	-	10	10
Great West Life	-	10	10
Total (US\$mm)	30	120	150

ICUR20

INTERPOLATED US YIELD FOR 9/23/32 (7300 DAYS) IS: 2.230

United States

1) Actions

2) Tools

3) Settings

Fixed Income Trading

12:02

4) Actives

5) Bills

6) Notes

7) TIPS

8) Strips

9) Spreads

10) Curves

11) WI

5) Bills

31) 10/25/12 0.050 / 0.045 0.046 +0.005

32) 12/27/12 0.090 / 0.085 0.086 --

33) 03/28/13 0.130 / 0.125 0.127 --

34) 09/19/13 0.155 / 0.150 0.152 -0.005

6) Notes

35) 0¹/₈ 714 99-25+ / 25³/₄ 0.232 + 01¹/₈

36) 0¹/₄ 814 100-00⁵/₈ / 00⁷/₈ 0.236 + 00⁷/₈

37) 0¹/₄ 914 2YR 100-00³/₄ / 01 0.234 + 01

38) 0¹/₄ 715 99-27+ / 27³/₄ 0.298 + 02

39) 0¹/₄ 815 99-27 / 27³/₄ 0.302 + 02

40) 0¹/₄ 915 3YR 99-26³/₄ / 26+ 0.308 + 02

41) 0¹/₄ 717 99-17³/₄ / 17+ 0.595 + 03+

42) 0⁵/₈ 817 100-03³/₄ / 03+ 0.602 + 03³/₄

43) 0⁵/₈ 917 5YR 100-00+ / 00³/₄ 0.620 + 03³/₄

44) 1 819 99-26+ / 27 1.023 + 05

45) 1 919 7YR 99-22+ / 23 1.042 + 05

46) 2 222 104-02 / 02+ 1.531 + 06+

47) 1³/₄ 522 101-15 / 15+ 1.583 + 07

48) 1⁵/₈ 822 10YR 99-30³/₄ / 30³/₄ 1.629 + 07³/₄

6) Bonds

49) 3¹/₈ 242 106-19+ / 21 2.791 + 13+

50) 3 542 103-31 / 00 2.800 + 13+

51) 2³/₄ 842 30YR 98-19 / 20 2.818 + 13

7) TIPS

52) 0¹/₈ 417 107-20+ / 107-24+ -1.521 --

53) 0¹/₈ 722 109-08+ / 109-12+ -0.796 --

54) 0³/₄ 242 109-05 / 109-19³/₄ 0.403 - 00+

10) Curve Trades

55) 2yr vs 5yr 38.199 / -38.751 -0.817

56) 2yr vs 10yr 139.186 / -139.750 -0.840

57) 5yr vs 10yr 100.827 / -101.158 -0.023

Other Markets

58) US Long(CBT) 11:52 d 149-25 + 0-09

59) 10yr Fut (CBT) 11:52 d 133-20+ + 0-04+

60) 5Yr Fut(CBT) 11:52 d 124-22¹/₄ + 0-03

61) Dow Jones Ind 12:02 13425.082 - 60.888

62) S&P 500 Ind 12:02 1440.080 - 7.070

63) NYM WTI Crd 11:52 d 91.890 + 0.040

64) Gold 12:02 1774.500 - 2.750

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000

Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2012 Bloomberg Finance L.P.

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