

Empire District Electric Company
ER-2011-0004
Revenue Requirement Reconciliation
May 6, 2011

Line No.			
1	Company Revenue Requirement Per Reconciliation		32,266,831
2	Unreconciled Difference		
3	Company Revenue Requirement		32,266,831
4			
5	Rate of Return & Capital Structure		
6	Capital Structure Issue - Staff Debt Disallowance	(263,444)	
7	Capital Structure Impact on Interest Expense Deduction	244,462	
8	Rev. Req. Value of Return on Equity	<u>(12,445,210)</u>	
9	Sub-Total Rate of Return and Capital Structure Differences		(\$12,464,193)
10			
11	Rate Base Issues :		
12	Iatan AQCS Plant Disallowance	(41,492)	
13	Iatan 2 Plant Disallowance	(453,511)	
14	Iatan Common Plant Disallowance	(57,770)	
15	Employee Compensation (capitalized management incentive)	(46,178)	
16	Cash Working Capital	(192,350)	
17	Regulatory Asset/Iatan Carrying Costs	(370,761)	
18	Regulatory Asset/Demand Side Management	(44,647)	
19	Deferred Income Taxes - FAS 123 and Iatan Disallowances	<u>2,952</u>	
20	Sub Total - Rate Base Issues		(\$1,203,759)
21			
22	Income Statement - Revenue Issues		
23	Reclassify Emission Allowances (SO2) to Operating Income	1,462	
24	Sub Total - Revenue Adjustments		\$1,462
25			
26	Income Statement - Expense Issues		
27	Fuel/Purchased Power Expense	(12,411,533)	
28	Normalize Bad Debt Expense	(410,120)	
29	Rate Case Expense	(189,565)	
30	Remediation Expense	(393,611)	
31	Payroll Annualization (Incentive Compensation)	(934,770)	
32	401(k) (Incentive Compensation)	(33,919)	
33	Depreciation Expense	(4,313,779)	
34	Other Amortization Expense Differences	(31,829)	
35	DSM Amortization Expense	(647,056)	
36	Iatan Carrying Costs Amortization Expense	(142,480)	
37	Property Taxes	236,791	
38	Payroll Taxes	<u>118,970</u>	
39	Total Oper. & Maint. Expense		(\$19,152,901)
40			
41	Impact on Income Tax Expense of Depreciation Difference	340,529	
42	Sub Total - Expense Adjustments		\$340,529
43			
44	Total Value of All Issues		(\$32,478,861)
45	Unreconciled Difference-due to Rounding		(\$12)
46	Staff Revenue Requirement		(\$212,042)
47			
48	OPC Issues		
49			
50	Rate Base Issues :		
51	SWPA Capacity Loss Reimbursement Deferred Tax Asset	<u>(1,063,311)</u>	
52	Sub Total - Rate Base Issues		(\$1,063,311)
53			
54	Income Statement - Expense Issues		
55	Written-Off/Non-Recurring Costs	(616,035)	
56	Bad Debt Expense	(96,937)	
57	Rate Case Expense	(30,304)	
58	2007 Ice Storm Amortization	<u>(1,850,928)</u>	
59	Sub Total - Expense Adjustments		(\$2,594,204)
60			
61	Total Value of All Issues		(\$3,657,515)
62			
63	OPC Revenue Requirement		(\$3,869,557)