

The Empire District Electric Company

Statement of Missouri Revenue Increase Request

The amount of annual revenue, from Missouri electric customers, which would result from the application of the proposed rates in this case, would be \$30,717,288 more than the annual revenue under existing rates. This would represent a 7.569% increase in the State of Missouri jurisdictional revenues. As a result of the rebasing of fuel and purchase power currently flowed through the FAC, the net increase to customers will be \$22,076,366 or 5.32%.

Explanation of Why Rate Relief is Needed

The major factor driving Empire's proposed rate increase is the ongoing increase in Empire's operating costs after the May 2011 Joplin tornado.

Missouri Counties and Communities Affected

Barry County	Greene County (cont.)	Lawrence County (cont.)	Newton County (cont.)
Butterfield	Walnut Grove	Halltown	Silver Creek
Purdy	Willard	Hoberg	Stark City
		Marionville	Stella
Barton County	Hickory County	Miller	Wentworth
Golden City	Cross Timbers	Phelps *	
Kenoma *	Hermitage	Pierce City	Polk County
	Preston	Stotts City	Aldrich
Cedar County	Weaubleau	Verona	Bolivar
Caplinger Mills *	Wheatland		Brighton*
Stockton		McDonald County	Dunnegan*
	Jasper County	Anderson	Fair Play
Christian County	Airport Drive	Ginger Blue	Flemington
Billings	Alba	Goodman	Halfway
Clever	Asbury	Lanagan	Humansville
Fremont Hills	Avilla	Noel	Morrisville
Ozark	Brooklyn Heights	Pineville	Pleasant Hope
Sparta	Carl Junction	Southwest City	
	Carterville		St Clair County
Dade County	Duneweg	Newton County	Collins
Arcola	Duquesne	Cliff Village	Gerster
Everton	Fidelity	Dennis Acres	Vista
Greenfield	Jasper	Diamond	
South Greenfield	Joplin	Fairview	Stone County
	LaRussell	Fort Crowder *	Branson West
Dallas County	Neck City	Granby	Galena
Buffalo	Oronogo	Leawood	Hurley
Louisburg	Purcell	Loma Linda	Reeds Spring
Urbana	Reeds	Neosho	
	Sarcoxie	Newtonia	Taney County
Greene County	Waco	Redings Mill	Branson
Ash Grove	Webb City	Ritchey	Forsyth
Bois D'Arc *		Saginaw	Forsyth Sub*
Fair Grove	Lawrence County	Seneca	Hollister
Republic	Aurora	Shoal Creek Drive	Mount Branson*
Strafford	Freistatt	Shoal Creek Estates	Powersite *

* Not Incorporated

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Allocation of Increase

	<u>Increase</u>		<u>Increase %</u>	<u>Increase %</u>
RESIDENTIAL	122,237		7.6030%	
Schedule PL	14,254,501		7.6030%	
Schedule RG		14,376,738		7.6030%
COMMERCIAL				
Schedule CB	2,676,846		7.6030%	
Schedule GP	3,805,498		7.6030%	
Schedule LP	625,066		7.6030%	
Schedule LS	2,649		7.6030%	
Schedule MS	8		7.6030%	
Schedule PL	192,300		7.6030%	
Schedule RG	-		7.6030%	
Schedule SH	730,177		7.6030%	
Schedule TEB	2,501,535		7.6030%	
		10,534,078		7.6030%
INDUSTRIAL				
Schedule CB	12,208		7.6030%	
Schedule GP	1,717,375		7.6030%	
Schedule LP	2,981,988		7.6030%	
Schedule PFM	4,327		7.6030%	
Schedule PL	5,801		7.6030%	
Schedule SC-P	245,040		7.6030%	
Schedule SH	3,040		7.6030%	
Schedule TEB	53,233		7.6030%	
		5,023,013		7.6030%
STREET & HIGHWAY LIGHTING				
Schedule CB	19,661		7.6030%	
Schedule GP	1,608		7.6030%	
Schedule LS	6,650		7.6030%	
Schedule MS	973		7.6030%	
Schedule PL	1,611		7.6030%	
Schedule SH	-		7.6030%	
Schedule SPL	150,605		7.6030%	
		181,108		7.6030%
PUBLIC AUTHORITIES				
Schedule CB	156,476		7.6030%	
Schedule GP	393,384		7.6030%	
Schedule LS	197		7.6030%	
Schedule PL	266		7.6030%	
Schedule RG	249		7.6030%	
Schedule SH	7,747		7.6030%	
Schedule TEB	34,880		7.6030%	
		593,199		7.6030%
INTERDEPARTMENTAL				
Schedule CB	2,045		7.6030%	
Schedule GP	7,083		7.6030%	
Schedule PL	25		7.6030%	
		9,152		7.6030%
TOTAL RETAIL BASE REVENUE		30,717,288		7.6030%

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Number of Customers Affected by Rate Classification

RESIDENTIAL		
Schedule PL *	173	
Schedule RG	125,215	
		125,388
COMMERCIAL		
Schedule CB	15,868	
Schedule GP	1,373	
Schedule LP	9	
Schedule LS	53	
Schedule PL *	170	
Schedule RG	-	
Schedule SH	3,001	
Schedule TEB	909	
		21,381
INDUSTRIAL		
Schedule CB	58	
Schedule GP	169	
Schedule LP	29	
Schedule PFM	7	
Schedule SC-P	1	
Schedule SH	9	
Schedule TEB	9	
		282
STREET & HIGHWAY LIGHTING		
Schedule CB	285	
Schedule GP	1	
Schedule LS	87	
Schedule MS	1	
Schedule SH	1	
Schedule SPL	6	
		381
PUBLIC AUTHORITIES		
Schedule CB	1,078	
Schedule GP	158	
Schedule LS	1	
Schedule RG	3	
Schedule SH	42	
Schedule TEB	15	
		1,297
INTERDEPARTMENTAL		
Schedule CB	27	
Schedule GP	5	
		32
TOTAL RETAIL CUSTOMERS		
		148,761



PRESS RELEASE

FOR IMMEDIATE RELEASE

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THE EMPIRE DISTRICT ELECTRIC COMPANY FILES FOR NEW MISSOURI ELECTRIC RATES

JOPLIN, MO – July 6, 2012 – The Empire District Electric Company (NYSE:EDE) announced today it has filed a request with the Missouri Public Service Commission (MPSC) for changes in rates for its Missouri electric customers. The Company is seeking an annual increase in base rate revenues of approximately \$30.7 million. The Fuel Adjustment Clause revenue will decrease \$8.6 million resulting in a net impact to customers of \$22.1 million, or about 5.3 percent. If approved by the MPSC, a residential customer using 1,000 kilowatt hours would see a monthly net increase in rates of about \$6.60.

Empire is asking to recover:

Operation and maintenance expenses and capital costs associated with the May 22, 2011, tornado recovery, as well as cost of service post tornado.

Southwest Power Pool transmission charges. The Federal Energy Regulatory Commission has encouraged the addition of new transmission lines within the Southwest Power Pool (SPP) to improve the region's transmission system and make it more robust. As a member of SPP, Empire is allocated a portion of the costs.

Operating systems replacement expenses. Empire is installing new software systems. These systems were required as the existing systems approached the end of their useful lives and vendor support is no longer offered.

Vegetation management costs. The Missouri Public Service Commission has established rules governing vegetation management requiring Empire to inspect and trim trees every four years in urban areas and every six years in rural areas. Since 2006, outages due to vegetation in primary distribution lines have decreased by over 63 percent.

(more)

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New depreciation rates. The change in ongoing depreciation expense includes the recovery of increased depreciation expense on Empire's Riverton units 7 and 8 due to their retirement as a result of new Environmental Protection Agency (EPA) standards.

The Company is also asking to continue the use of the Fuel Adjustment Clause (FAC). The continuation of the FAC will allow the Company to adjust customers' bills twice each year, on June 1 and December 1, based on the varying costs of fuel used to generate electricity at the Company's generating units and electric energy the Company purchases on behalf of its customers.

In making the announcement, Brad Beecher, president and CEO, stated, "We are asking the Commission to implement the \$6.2 million portion of the case related to tornado recovery costs and the post-tornado cost of service through interim rates to take effect in 30 days. The remainder of the case is mainly associated with actions needed for compliance with various regulations and mandates. We anticipate any new permanent rates approved by the MPSC would not become effective until June 2013."

After today's filing, the MPSC will perform an audit of Empire's operations, hold public hearings, and hold an evidentiary hearing.

Based in Joplin, Missouri, The Empire District Electric Company (NYSE: EDE) is an investor-owned, regulated utility providing electric, natural gas (through its wholly owned subsidiary The Empire District Gas Company), and water service, with approximately 215,000 customers in Missouri, Kansas, Oklahoma, and Arkansas. A subsidiary of the company provides fiber optic services. For more information regarding Empire, visit www.empiredistrict.com.

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Certain matters discussed in this press release are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address future plans, objectives, expectations, and events or conditions concerning various matters. Actual results in each case could differ materially from those currently anticipated in such statements, by reason of the factors noted in our filings with the SEC, including the most recent Form 10-K and Form 10-Q.