

Settlement Sch. A

6-20-2016

Schedule JAR(DEP)-td1
The Empire District Electric Company
Staff Recommended Annual Depreciation Rates
ER-2016-0023

| Account Number | Account Description | Remaining Life (years) | Recommended Net Salvage | Recommened Depreciation Rate (%) |
|-----------------------------------|--------------------------------------|------------------------|-------------------------|----------------------------------|
| STEAM PRODUCTION PLANT | | | | |
| Riverton | | | | |
| 311 | Structures and Improvements | 3 | -10.00% | 10.00% |
| 312 | Boiler Plant Equipment | 3 | -10.00% | 10.00% |
| 314 | Turbogenerator Units | 3 | -10.00% | 10.00% |
| 315 | Accessory Electric Equipment | 3 | -10.00% | 10.00% |
| 316 | Miscellaneous Power Plant Equipment | 3 | -10.00% | 10.00% |
| Asbury | | | | |
| 311 | Structures and Improvements | 20 | -10.00% | 4.29% |
| 312 | Boiler Plant Equipment | 20 | -10.00% | 4.82% |
| 314 | Turbogenerator Units | 20 | -10.00% | 4.89% |
| 315 | Accessory Electric Equipment | 20 | -10.00% | 3.78% |
| 316 | Miscellaneous Power Plant Equipment | 20 | -10.00% | 3.26% |
| Iatan 1 | | | | |
| 311 | Structures and Improvements | 25 | -10.00% | 1.93% |
| 312 | Boiler Plant Equipment | 25 | -10.00% | 2.78% |
| 312 | Unit Train | 11 | 0.00% | 6.67% |
| 314 | Turbogenerator Units | 25 | -10.00% | 2.74% |
| 315 | Accessory Electric Equipment | 25 | -10.00% | 2.81% |
| 316 | Miscellaneous Power Plant Equipment | 25 | -10.00% | 2.80% |
| Iatan 2 | | | | |
| 311 | Structures and Improvements | 55 | -10.00% | 1.53% |
| 312 | Boiler Plant Equipment | 55 | -10.00% | 1.53% |
| 314 | Turbogenerator Units | 55 | -10.00% | 1.53% |
| 315 | Accessory Electric Equipment | 55 | -10.00% | 1.54% |
| 316 | Miscellaneous Power Plant Equipment | 55 | -10.00% | 1.66% |
| Iatan Common | | | | |
| 311 | Structures and Improvements | 55 | -10.00% | 1.92% |
| 312 | Boiler Plant Equipment | 55 | -10.00% | 1.80% |
| 314 | Turbogenerator Units | 55 | -10.00% | 1.92% |
| 315 | Accessory Electric Equipment | 55 | -10.00% | 1.92% |
| 316 | Miscellaneous Power Plant Equipment | 55 | -10.00% | 1.89% |
| Plum Point | | | | |
| 311 | Structures and Improvements | 45 | -10.00% | 2.44% |
| 312 | Boiler Plant Equipment | 45 | -10.00% | 2.26% |
| 312 | Unit Train | 10 | 0.00% | 6.67% |
| 314 | Turbogenerator Units | 45 | -10.00% | 2.26% |
| 315 | Accessory Electric Equipment | 45 | -10.00% | 2.20% |
| 316 | Miscellaneous Power Plant Equipment | 45 | -10.00% | 2.15% |
| HYDRAULIC PRODUCTION PLANT | | | | |
| 331 | Structures and Improvements | 38 | -10.00% | 1.80% |
| 332 | Reservoirs, Dams and Waterways | 38 | -10.00% | 1.82% |
| 333 | Waterwheels, Turbines and Generators | 38 | -10.00% | 2.45% |
| 334 | Accessory Electric Equipment | 38 | -10.00% | 2.38% |
| 335 | Miscellaneous Power Plant Equipment | 38 | -10.00% | 1.72% |

Schedule JAR(DEP)-td1
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ER-2016-0023

| Account Number | Account Description | Remaining Life (years) | Recommended Net Salvage | Recommended Remaining Life Depreciation Rate (%) |
|------------------------------------|-------------------------------------|------------------------|-------------------------|--|
| OTHER PRODUCTION PLANT | | | | |
| Riverton 10 &11 | | | | |
| 341 | Structures and Improvements | 18 | -5.00% | 4.52% |
| 342 | Fuel Holders, Producers and Access. | 18 | -5.00% | 2.98% |
| 343 | Prime Movers | 18 | 5.00% | 2.54% |
| 344 | Generators | 18 | 5.00% | 2.43% |
| 345 | Accessory Electric Equipment | 18 | -5.00% | 3.56% |
| 346 | Miscellaneous Power Plant Equipment | 18 | -5.00% | 3.31% |
| Riverton 12 CC | | | | |
| 341 | Structures and Improvements | 41 | -5.00% | 2.55% |
| 342 | Fuel Holders, Producers and Access. | 41 | -5.00% | 2.08% |
| 343 | Prime Movers | 41 | 5.00% | 2.28% |
| 344 | Generators | 41 | 5.00% | 2.06% |
| 345 | Accessory Electric Equipment | 41 | -5.00% | 2.41% |
| 346 | Miscellaneous Power Plant Equipment | 41 | -5.00% | 2.20% |
| Energy Center 1&2 | | | | |
| 341 | Structures and Improvements | 10 | -5.00% | 4.50% |
| 342 | Fuel Holders, Producers and Access. | 10 | -5.00% | 4.50% |
| 343 | Prime Movers | 10 | 5.00% | 3.42% |
| 344 | Generators | 10 | 5.00% | 3.50% |
| 345 | Accessory Electric Equipment | 10 | -5.00% | 5.47% |
| 346 | Miscellaneous Power Plant Equipment | 10 | -5.00% | 4.50% |
| Energy Center 3&4 (FT8) | | | | |
| 341 | Structures and Improvements | 28 | -5.00% | 3.20% |
| 342 | Fuel Holders, Producers and Access. | 28 | -5.00% | 2.87% |
| 343 | Prime Movers | 28 | 5.00% | 2.84% |
| 344 | Generators | 28 | 5.00% | 3.15% |
| 345 | Accessory Electric Equipment | 28 | -5.00% | 2.99% |
| 346 | Miscellaneous Power Plant Equipment | 28 | -5.00% | 2.78% |
| Stateline CT | | | | |
| 341 | Structures and Improvements | 25 | -5.00% | 1.80% |
| 342 | Fuel Holders, Producers and Access. | 25 | -5.00% | 1.50% |
| 343 | Prime Movers | 25 | 5.00% | 1.84% |
| 344 | Generators | 25 | 5.00% | 1.30% |
| 345 | Accessory Electric Equipment | 25 | -5.00% | 1.82% |
| 346 | Miscellaneous Power Plant Equipment | 25 | -5.00% | 1.80% |
| Stateline CC | | | | |
| 341 | Structures and Improvements | 36 | -5.00% | 2.08% |
| 342 | Fuel Holders, Producers and Access. | 36 | -5.00% | 2.08% |
| 343 | Prime Movers | 36 | 5.00% | 1.88% |
| 344 | Generators | 36 | 5.00% | 2.18% |
| 345 | Accessory Electric Equipment | 36 | -5.00% | 2.01% |
| 346 | Miscellaneous Power Plant Equipment | 36 | -5.00% | 2.43% |

Schedule JAR(DEP)-td1
The Empire District Electric Company
Staff Recommended Annual Depreciation Rates
ER-2016-0023

| Account Number | Account Description | Retirement Rate (%) | Recommended Net Salvage | Reccomended Depreciation Rate (%) |
|---------------------------|--------------------------------|---------------------|-------------------------|-----------------------------------|
| TRANSMISSION PLANT | | | | |
| 352 | Structures & Improvements | 1.82% | -10.00% | 2.00% |
| 353 | Station Equipment | 1.67% | -10.00% | 1.83% |
| 354 | Towers & Fixtures | 1.54% | -10.00% | 1.69% |
| 355 | Poles & Fixtures | 1.67% | -100.00% | 3.33% |
| 356 | Overhead Conductors | 1.43% | -25.00% | 1.79% |
| DISTRIBUTION PLANT | | | | |
| 361 | Structures & Improvements | 1.67% | -10.00% | 1.83% |
| 362 | Station Equipment | 2.00% | -10.00% | 2.20% |
| 364 | Poles, Towers & Fixtures | 1.82% | -100.00% | 3.64% |
| 365 | Overhead Conductors | 1.79% | -100.00% | 3.57% |
| 366 | Underground Conduit | 2.50% | -35.00% | 3.38% |
| 367 | Underground Conductors | 3.13% | -15.00% | 3.59% |
| 368 | Transformers | 2.22% | -10.00% | 2.44% |
| 369 | Services | 2.22% | -100.00% | 4.44% |
| 370 | Meters | 2.27% | 0.00% | 2.27% |
| 371 | Meter Installations | 3.33% | -40.00% | 4.67% |
| 373 | Street Lighting | 2.22% | -50.00% | 3.33% |
| GENERAL PLANT | | | | |
| 390 | Structures & Improvements | 2.38% | -10.00% | 2.62% |
| 391.1 | Office Furniture and Equipment | 4.17% | 0.00% | 4.17% |
| 391.2 | Computer Equipment | 10.00% | 0.00% | 10.00% |
| 392 | Transportation Equipment | 7.14% | 10.00% | 6.43% |
| 393 | Stores Equipment | 2.86% | 0.00% | 2.86% |
| 394 | Tools, Shop & Garage Equipment | 5.00% | 0.00% | 5.00% |
| 395 | Laboratory Equipment | 2.38% | 0.00% | 2.38% |
| 396 | Power Operated Equipment | 5.56% | 5.00% | 5.28% |
| 397 | Communication Equipment | 4.55% | 0.00% | 4.55% |
| 398 | Miscellaneous Equipment | 3.70% | 0.00% | 3.70% |

Settlement Sch. B

6-20-2016

ESTIMATED ACCRUED DEPRECIATION ADJUSTMENTS
EMPIRE DISTRICT ELECTRIC COMPANY
ER-2016-0023
2005-2015

| Plant/ Facility | Depreciation Group | | Adjustment |
|--------------------|--------------------|-------------------------------------|-------------|
| Energy Center | 342E | Fuel Holders, Producers & Access. | \$480,325 |
| | 344E | Generators | \$742,576 |
| | 345E | Accessory Electric Equipment | \$60,329 |
| | 346E | Miscellaneous Power Plant Equipment | \$537,488 |
| | Plant Total | | \$1,820,717 |
| Energy Center FT8 | 342FT | Fuel Holders, Producers & Access. | \$3,354 |
| Iatan | 312IT | Boiler Plant Equipment | \$15,724 |
| | 316IT | Miscellaneous Power Plant Equipment | \$35,459 |
| | Plant Total | | \$51,183 |
| Iatan 2 | 316I2 | Miscellaneous Power Plant Equipment | \$526,273 |
| Iatan Common | 314IC | Turbogenerator Units | \$2 |
| | 315IC | Accessory Electric Equipment | \$25 |
| | Plant Total | | \$27 |
| Iatan Transmission | 352I | Structures & Improvements | \$25,213 |
| | 353I | Station Equipment | \$11,339 |
| | Plant Total | | \$36,552 |
| Riverton | 314R | Turbogenerator Units | \$166,558 |
| | 315R | Accessory Electric Equipment | \$94,621 |
| | 316R | Miscellaneous Power Plant Equipment | \$24 |
| | Plant Total | | \$261,203 |
| Stateline | 341S | Structures & Improvements | \$227,197 |
| | 346S | Miscellaneous Power Plant Equipment | \$85,345 |
| | Plant Total | | \$312,542 |
| Stateline CC | 342C | Fuel Holders, Producers & Access. | \$62,170 |
| | 354 | Towers & Fixtures | \$8,345 |
| GRAND TOTAL | | | \$3,082,367 |

SINGLE SHEET DEPRECIATION AND NET SALVAGE CALCULATIONS
 PLANT BALANCE @ 9/30/2015 FOR OCTOBER 2015 DEPRECIATION

Settlement Sch. C

6-20-2016

| DEPR GRP | FERC DESCR | Adjustments |
|--------------------------|------------------|--------------|
| RIVERTON 7&8 | | |
| 311R | Structures | \$3,442,188 |
| 312R | Boiler Plant | \$4,831,496 |
| 314R | Turbogenerators | \$1,390,628 |
| 315R | Access. Electric | \$410,252 |
| 316R | Misc. Equipment | -\$41,047 |
| IATAN 1 | | |
| 316I | Misc. Equipment | -\$436,275 |
| ENERGY CENTER | | |
| 341E | Structures | -\$697,697 |
| 342E | Fuel Holders | -\$791,573 |
| 344E | Generators | -\$3,894,864 |
| 346E | Misc. Equipment | -\$2,046,394 |
| STATE LINE UNIT 1 | | |
| 341S | Structures | -\$528,654 |
| 346S | Misc. Equipment | -\$127,963 |
| STATE LINE CC | | |
| 342C | Fuel Holders | -\$1,510,097 |

Settlement Sch. D
6-20-2016

| <u>Title</u> | <u>Internal Account Number</u> | <u>FERC Account</u> |
|--------------------------------|--------------------------------|---------------------|
| Conv & Seminar-Operations | 500011 | 500 |
| Opr Spr & Eng-Air Abate&Monit | 500036 | 500 |
| Operation Supervision & Eng | 500039 | 500 |
| Micro Software-Production | 500046 | 500 |
| Regulatory & Environm Report | 500180 | 500 |
| Exp Of Feedwater System | 502093 | 502 |
| Exp Of Steam Boiler | 502108 | 502 |
| Exp-Condens & Cooling H2O Sys | 505112 | 505 |
| Exp Of H2 System | 505119 | 505 |
| Safety Expenses-Prod | 506025 | 506 |
| Misc Steam Power Expenses | 506126 | 506 |
| Exp Of Prime Movers | 548123 | 548 |
| Exp of Environmental Devices | 548124 | 548 |
| Safety Expenses-Comb Turbine | 549025 | 549 |
| Exp of Misc Other Power | 549120 | 549 |
| Maint Supervision & Engineer | 551201 | 551 |
| Exp of Structures | 552121 | 552 |
| Mtce Of Structures - SL | 552135 | 552 |
| Mnt CEM Equip Combustion Turb | 553144 | 553 |
| Mtce of Turbines | 553160 | 553 |
| Mtce Of Hrsg Pressure Parts | 553163 | 553 |
| Mtce of Environmental Devices | 553164 | 553 |
| Mtce of Feedwater Systems | 553166 | 553 |
| Riverton Deferred Maintenance | 553168 | 553 |
| Riverton MtcTrk MO ER2014-0351 | 553169 | 553 |
| Mtce of Generators | 553170 | 553 |
| Mtce of Turbine Aux Equip | 553161 | 553 |
| Mtce of Elec Control System | 553175 | 553 |
| Maint Of Gen & Elect Eq-Other | 553231 | 553 |
| Unit #12 Combustion Turbine | 553232 | 553 |
| Exp of Misc Power Plant Equip | 554110 | 554 |
| Mtce of Misc Plant Systems | 554130 | 554 |
| Mtce Of Misc Plant Tools | 554131 | 554 |
| Dist Substation Equip Maint | 592052 | 592 |