

MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT

COST OF SERVICE

REVENUE REQUIREMENT

APPENDIX 2

**Support for Staff
Cost of
Capital Recommendations**

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2012-0345

*Jefferson City, Missouri
November 2012*

AN ANALYSIS OF THE COST OF CAPITAL

FOR

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2012-0345

SCHEDULES

BY

SHANA ATKINSON

UTILITY SERVICES

MISSOURI PUBLIC SERVICE COMMISSION

NOVEMBER 2012

The Empire District Electric Company
Case No. ER-2012-0345

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**The Empire District Electric Company
Case No. ER-2012-0345**

Federal Reserve Discount Rates Changes and Federal Reserve Funds Rates Changes

Date	Federal Reserve Discount Rate	Federal Reserve Funds Rate	Date	Federal Reserve Discount Rate	Federal Reserve Funds Rate
01/01/83	8.50%		06/30/99	4.50%	5.00%
12/31/83	8.50%		08/24/99	4.75%	5.25%
04/09/84	9.00%		11/16/99	5.00%	5.50%
11/21/84	8.50%		02/02/00	5.25%	5.75%
12/24/84	8.00%		03/21/00	5.50%	6.00%
05/20/85	7.50%		05/19/00	6.00%	6.50%
03/07/86	7.00%		01/03/01	5.75%	6.00%
04/21/86	6.50%		01/04/01	5.50%	6.00%
07/11/86	6.00%		01/31/01	5.00%	5.50%
08/21/86	5.50%		03/20/01	4.50%	5.00%
09/04/87	6.00%		04/18/01	4.00%	4.50%
08/09/88	6.50%		05/15/01	3.50%	4.00%
02/24/89	7.00%		06/27/01	3.25%	3.75%
07/13/90		8.00% *	08/21/01	3.00%	3.50%
10/29/90		7.75%	09/17/01	2.50%	3.00%
11/13/90		7.50%	10/02/01	2.00%	2.50%
12/07/90		7.25%	11/06/01	1.50%	2.00%
12/18/90		7.00%	12/11/01	1.25%	1.75%
12/19/90	6.50%		11/06/02	0.75%	1.25%
01/09/91		6.75%	01/09/03	2.25%**	1.25%
02/01/91	6.00%	6.25%	06/25/03	2.00%	1.00%
03/08/91		6.00%	06/30/04	2.25%	1.25%
04/30/91	5.50%	5.75%	08/10/04	2.50%	1.50%
08/06/91		5.50%	09/21/04	2.75%	1.75%
09/13/91	5.00%	5.25%	11/10/04	3.00%	2.00%
10/31/91		5.00%	12/14/04	3.25%	2.25%
11/06/91	4.50%	4.75%	02/02/05	3.50%	2.50%
12/06/91		4.50%	03/22/05	3.75%	2.75%
12/20/91	3.50%	4.00%	05/03/05	4.00%	3.00%
04/09/92		3.75%	06/30/05	4.25%	3.25%
07/02/92	3.00%	3.25%	08/09/05	4.50%	3.50%
09/04/92		3.00%	09/20/05	4.75%	3.75%
01/01/93			11/01/05	5.00%	4.00%
12/31/93	No Changes	No Changes	12/13/05	5.25%	4.25%
02/04/94		3.25%	01/31/06	5.50%	4.50%
03/22/94		3.50%	03/28/06	5.75%	4.75%
04/18/94		3.75%	05/10/06	6.00%	5.00%
05/17/94	3.50%	4.25%	06/29/06	6.25%	5.25%
08/16/94	4.00%	4.75%	08/17/07	5.75%	5.25%
11/15/94	4.75%	5.50%	09/18/07	5.25%	4.75%
02/01/95	5.25%	6.00%	10/31/07	5.00%	4.50%
07/06/95		5.75%	12/11/07	4.75%	4.25%
12/19/95		5.50%	01/22/08	4.00%	3.50%
01/31/96	5.00%	5.25%	01/30/08	3.50%	3.00%
03/25/97		5.50%	03/16/08	3.25%	
12/12/97	5.00%		03/18/08	2.50%	2.25%
01/09/98	5.00%		04/30/08	2.25%	2.00%
03/06/98	5.00%		10/08/08	1.75%	1.50%
09/29/98		5.25%	10/28/08	1.25%	1.00%
10/15/98	4.75%	5.00%	12/30/08	0.50%	0% - .25%
11/17/98	4.50%	4.75%	02/19/10	0.75%	

* Staff began tracking the Federal Funds Rate.

**Revised discount window program begins. Reflects rate on primary credit. This revised discount window policy results in incomparability of the discount rates after January 9, 2003 to discount rates before January 9, 2003.

Source:

Federal Reserve Discount rate
Federal Reserve Funds rate

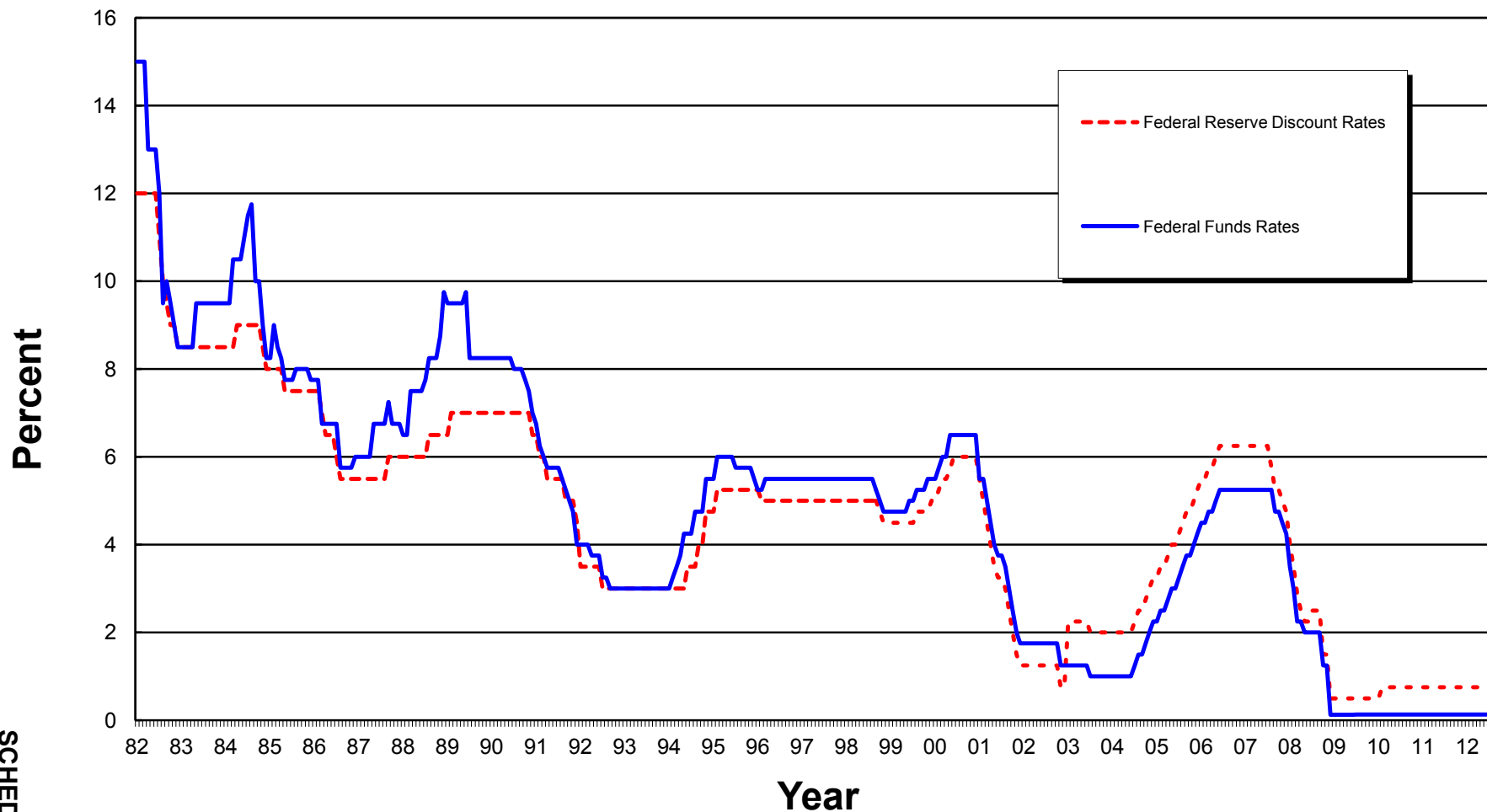
<http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>
<http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate.html>

Note: Interest rates as of December 31 for each year are underlined.

SCHEDULE 2-1

The Empire District Electric Company
Case No. ER-2012-0345

Federal Reserve Discount Rates and Federal Funds Rates
1982 - 2012



SCHEDULE 2-2

SCHEDULE 2-2

APPENDIX 2

The Empire District Electric Company
Case No. ER-2012-0345

Rate of Inflation

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	13.90	Jan 1984	4.20	Jan 1988	4.00	Jan 1992	2.60	Jan 1996	2.70	Jan 2000	2.70	Jan 2004	1.90	Jan 2008	4.30	Jan 2012	2.90
Feb	14.20	Feb	4.60	Feb	3.90	Feb	2.80	Feb	2.70	Feb	3.20	Feb	1.70	Feb	4.00	Feb	2.90
Mar	14.80	Mar	4.80	Mar	3.90	Mar	3.20	Mar	2.80	Mar	3.70	Mar	1.70	Mar	4.00	Mar	2.70
Apr	14.70	Apr	4.60	Apr	3.90	Apr	3.20	Apr	2.90	Apr	3.00	Apr	2.30	Apr	3.90	Apr	2.30
May	14.40	May	4.20	May	3.90	May	3.00	May	2.90	May	3.20	May	3.10	May	4.20	May	1.70
Jun	14.40	Jun	4.20	Jun	4.00	Jun	3.10	Jun	2.80	Jun	3.70	Jun	3.30	Jun	5.00	Jun	1.70
Jul	13.10	Jul	4.20	Jul	4.10	Jul	3.20	Jul	3.00	Jul	3.70	Jul	3.00	Jul	5.60	Jul	1.40
Aug	12.90	Aug	4.30	Aug	4.00	Aug	3.10	Aug	2.90	Aug	3.40	Aug	2.70	Aug	5.40	Aug	1.70
Sep	12.60	Sep	4.30	Sep	4.20	Sep	3.00	Sep	3.00	Sep	3.50	Sep	2.50	Sep	4.90	Sep	2.00
Oct	12.80	Oct	4.30	Oct	4.20	Oct	3.20	Oct	3.00	Oct	3.40	Oct	3.30	Oct	3.70	Oct	2.20
Nov	12.60	Nov	4.10	Nov	4.20	Nov	3.00	Nov	3.30	Nov	3.40	Nov	3.50	Nov	1.10		
Dec	12.50	Dec	3.90	Dec	4.40	Dec	2.90	Dec	3.30	Dec	3.40	Dec	3.30	Dec	0.10		
Jan 1981	11.80	Jan 1985	3.50	Jan 1989	4.70	Jan 1993	3.30	Jan 1997	3.00	Jan 2001	3.70	Jan 2005	3.00	Jan 2009	0.00		
Feb	11.40	Feb	3.50	Feb	4.80	Feb	3.20	Feb	3.00	Feb	3.50	Feb	3.00	Feb	0.20		
Mar	10.50	Mar	3.70	Mar	5.00	Mar	3.10	Mar	2.80	Mar	2.90	Mar	3.10	Mar	-0.40		
Apr	10.00	Apr	3.70	Apr	5.10	Apr	3.20	Apr	2.50	Apr	3.30	Apr	3.50	Apr	-0.70		
May	9.80	May	3.80	May	5.40	May	3.20	May	2.20	May	3.60	May	2.80	May	-1.28		
Jun	9.60	Jun	3.80	Jun	5.20	Jun	3.00	Jun	2.30	Jun	3.20	Jun	2.50	Jun	-1.40		
Jul	10.80	Jul	3.60	Jul	5.00	Jul	2.80	Jul	2.20	Jul	2.70	Jul	3.20	Jul	-2.10		
Aug	10.80	Aug	3.30	Aug	4.70	Aug	2.80	Aug	2.20	Aug	2.70	Aug	3.60	Aug	-1.50		
Sep	11.00	Sep	3.10	Sep	4.30	Sep	2.70	Sep	2.20	Sep	2.60	Sep	4.70	Sep	-1.30		
Oct	10.10	Oct	3.20	Oct	4.50	Oct	2.80	Oct	2.10	Oct	2.10	Oct	4.30	Oct	-0.20		
Nov	9.60	Nov	3.50	Nov	4.70	Nov	2.70	Nov	1.80	Nov	1.90	Nov	3.50	Nov	1.80		
Dec	8.90	Dec	3.80	Dec	4.60	Dec	2.70	Dec	1.70	Dec	1.60	Dec	3.40	Dec	2.70		
Jan 1982	8.40	Jan 1986	3.90	Jan 1990	5.20	Jan 1994	2.50	Jan 1998	1.60	Jan 2002	1.10	Jan 2006	4.00	Jan 2010	2.60		
Feb	7.60	Feb	3.10	Feb	5.30	Feb	2.50	Feb	1.40	Feb	1.10	Feb	3.60	Feb	2.10		
Mar	6.80	Mar	2.30	Mar	5.20	Mar	2.50	Mar	1.40	Mar	1.50	Mar	3.40	Mar	2.30		
Apr	6.50	Apr	1.60	Apr	4.70	Apr	2.40	Apr	1.40	Apr	1.60	Apr	3.50	Apr	2.20		
May	6.70	May	1.50	May	4.40	May	2.30	May	1.70	May	1.20	May	4.20	May	2.00		
Jun	7.10	Jun	1.80	Jun	4.70	Jun	2.50	Jun	1.70	Jun	1.10	June	4.30	Jun	1.10		
Jul	6.40	Jul	1.60	Jul	4.80	Jul	2.90	Jul	1.70	Jul	1.50	July	4.10	Jul	1.20		
Aug	5.90	Aug	1.60	Aug	5.60	Aug	3.00	Aug	1.60	Aug	1.80	Aug	3.80	Aug	1.10		
Sep	5.00	Sep	1.80	Sep	6.20	Sep	2.60	Sep	1.50	Sep	1.50	Sep	2.10	Sep	1.10		
Oct	5.10	Oct	1.50	Oct	6.30	Oct	2.70	Oct	1.50	Oct	2.00	Oct	1.30	Oct	1.20		
Nov	4.60	Nov	1.30	Nov	6.30	Nov	2.70	Nov	1.50	Nov	2.20	Nov	2.00	Nov	1.10		
Dec	3.80	Dec	1.10	Dec	6.10	Dec	2.80	Dec	1.60	Dec	2.40	Dec	2.50	Dec	1.50		
Jan 1983	3.70	Jan 1987	1.50	Jan 1991	5.70	Jan 1995	2.90	Jan 1999	1.70	Jan 2003	2.60	Jan 2007	2.10	Jan 2011	1.60		
Feb	3.50	Feb	2.10	Feb	5.30	Feb	2.90	Feb	1.60	Feb	3.00	Feb	2.40	Feb	2.10		
Mar	3.60	Mar	3.00	Mar	4.90	Mar	3.10	Mar	1.70	Mar	3.00	Mar	2.80	Mar	2.70		
Apr	3.90	Apr	3.80	Apr	4.90	Apr	2.40	Apr	2.30	Apr	2.20	Apr	2.60	Apr	3.20		
May	3.50	May	3.90	May	5.00	May	3.20	May	2.10	May	2.10	May	2.70	May	3.60		
Jun	2.60	Jun	3.70	Jun	4.70	Jun	3.00	Jun	2.00	Jun	2.10	Jun	2.70	Jun	3.60		
Jul	2.50	Jul	3.90	Jul	4.40	Jul	2.80	Jul	2.10	Jul	2.10	Jul	2.40	Jul	3.60		
Aug	2.60	Aug	4.30	Aug	3.80	Aug	2.60	Aug	2.30	Aug	2.20	Aug	2.00	Aug	3.80		
Sep	2.90	Sep	4.40	Sep	3.40	Sep	2.50	Sep	2.60	Sep	2.30	Sep	2.80	Sep	3.90		
Oct	2.90	Oct	4.50	Oct	2.90	Oct	2.80	Oct	2.60	Oct	2.00	Oct	3.50	Oct	3.50		
Nov	3.30	Nov	4.50	Nov	3.00	Nov	2.60	Nov	2.60	Nov	1.80	Nov	4.30	Nov	3.40		
Dec	3.80	Dec	4.40	Dec	3.10	Dec	2.50	Dec	2.70	Dec	1.90	Dec	4.10	Dec	3.00		

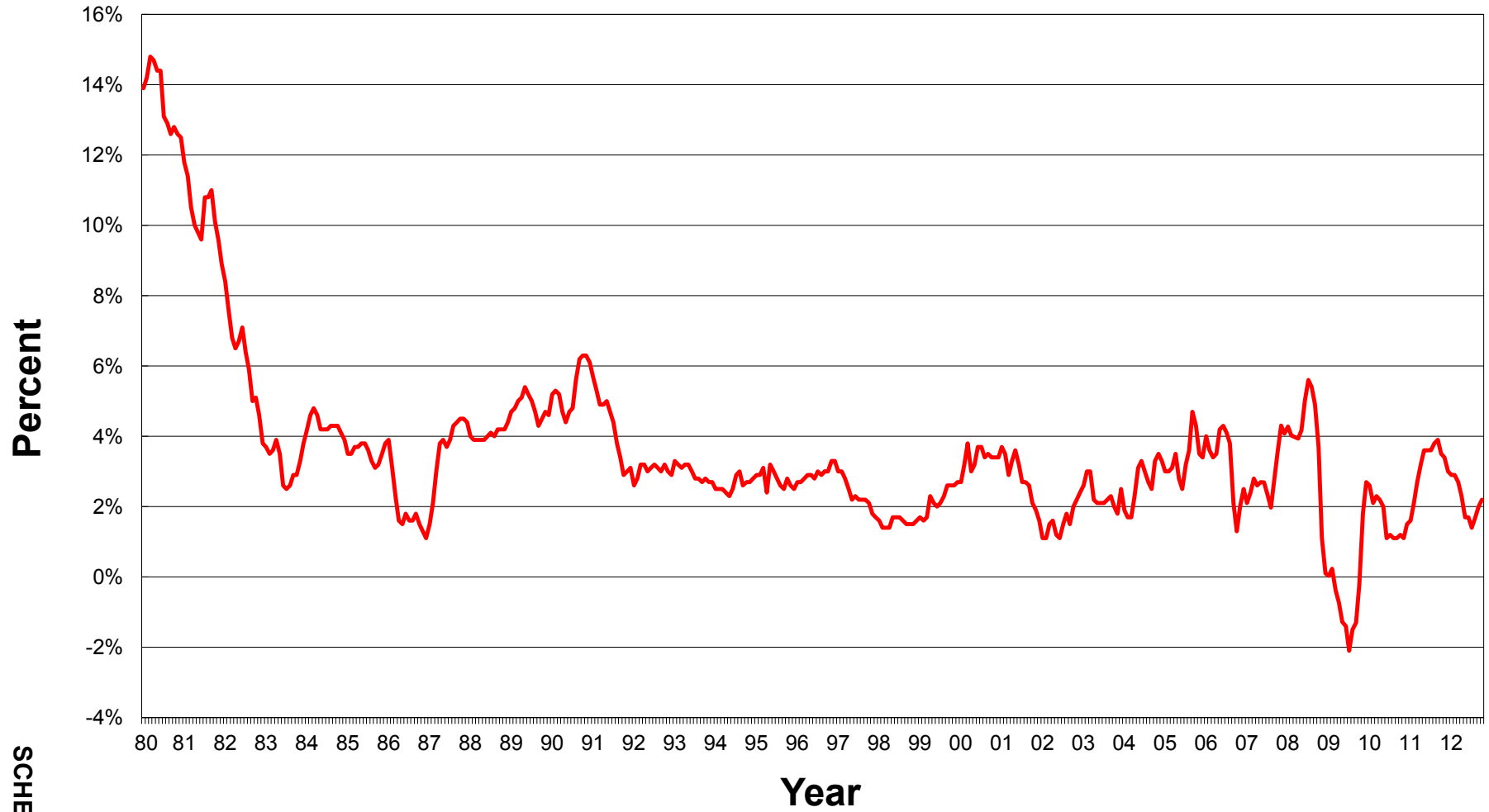
Source: U.S. Dept of Labor, Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers,
Change for 12-Month Period, Bureau of Labor Statistics,
http://www.bls.gov/schedule/archives/cpi_nr.htm

SCHEDULE 3-1

SCHEDULE 3-1

The Empire District Electric Company
Case No. ER-2012-0345

Rate of Inflation
1980 - 2012



SCHEDULE 3-2

SCHEDULE 3-2

APPENDIX 2

The Empire District Electric Company
Case No. ER-2012-0345

Average Yields on AA, A and BBB Public Utility Bonds

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	12.12	Jan 1984	13.40	Jan 1988	10.75	Jan 1992	8.67	Jan 1996	7.20	Jan 2000	8.22	Jan 2004	6.23	Jan 2008	6.08	Jan 2012	4.97
Feb	13.48	Feb	13.50	Feb	10.11	Feb	8.77	Feb	7.37	Feb	8.10	Feb	6.17	Feb	6.28	Feb	4.99
Mar	14.33	Mar	14.03	Mar	10.11	Mar	8.84	Mar	7.72	Mar	8.14	Mar	6.01	Mar	6.29	Mar	5.13
Apr	13.50	Apr	14.30	Apr	10.53	Apr	8.79	Apr	7.88	Apr	8.14	Apr	6.38	Apr	6.36	Apr	5.05
May	12.17	May	14.95	May	10.75	May	8.72	May	7.99	May	8.55	May	6.68	May	6.38	May	4.84
Jun	11.87	Jun	15.16	Jun	10.71	Jun	8.64	Jun	8.07	Jun	8.22	Jun	6.53	Jun	6.50	Jun	4.67
Jul	12.12	Jul	14.92	Jul	10.96	Jul	8.46	Jul	8.02	Jul	8.17	Jul	6.34	Jul	6.50	Jul	4.56
Aug	12.82	Aug	14.29	Aug	11.09	Aug	8.34	Aug	7.84	Aug	8.05	Aug	6.18	Aug	6.48	Aug	4.71
Sep	13.29	Sep	14.04	Sep	10.56	Sep	8.32	Sep	8.01	Sep	8.16	Sep	6.01	Sep	6.59	Sep	4.75
Oct	13.53	Oct	13.68	Oct	9.92	Oct	8.44	Oct	7.76	Oct	8.08	Oct	5.95	Oct	7.70	Oct	4.69
Nov	14.07	Nov	13.15	Nov	9.89	Nov	8.53	Nov	7.48	Nov	8.03	Nov	5.97	Nov	7.80		
Dec	14.48	Dec	12.96	Dec	10.02	Dec	8.36	Dec	7.58	Dec	7.79	Dec	5.93	Dec	6.87		
Jan 1981	14.22	Jan 1985	12.88	Jan 1989	10.02	Jan 1993	8.23	Jan 1997	7.79	Jan 2001	7.76	Jan 2005	5.80	Jan 2009	6.77		
Feb	14.84	Feb	13.00	Feb	10.02	Feb	8.00	Feb	7.68	Feb	7.69	Feb	5.64	Feb	6.72		
Mar	14.86	Mar	13.66	Mar	10.16	Mar	7.85	Mar	7.92	Mar	7.59	Mar	5.86	Mar	6.85		
Apr	15.32	Apr	13.42	Apr	10.14	Apr	7.76	Apr	8.08	Apr	7.81	Apr	5.72	Apr	6.90		
May	15.84	May	12.89	May	9.92	May	7.78	May	7.94	May	7.88	May	5.60	May	6.83		
Jun	15.27	Jun	11.91	Jun	9.49	Jun	7.68	Jun	7.77	Jun	7.75	Jun	5.39	June	6.54		
Jul	15.87	Jul	11.88	Jul	9.34	Jul	7.53	Jul	7.52	Jul	7.71	Jul	5.50	July	6.15		
Aug	16.33	Aug	11.93	Aug	9.37	Aug	7.21	Aug	7.57	Aug	7.57	Aug	5.51	Aug	5.80		
Sep	16.89	Sep	11.95	Sep	9.43	Sep	7.01	Sep	7.50	Sep	7.73	Sep	5.54	Sep	5.60		
Oct	16.76	Oct	11.84	Oct	9.37	Oct	6.99	Oct	7.37	Oct	7.64	Oct	5.79	Oct	5.64		
Nov	15.50	Nov	11.33	Nov	9.33	Nov	7.30	Nov	7.24	Nov	7.61	Nov	5.88	Nov	5.71		
Dec	15.77	Dec	10.82	Dec	9.31	Dec	7.33	Dec	7.16	Dec	7.86	Dec	5.83	Dec	5.86		
Jan 1982	16.73	Jan 1986	10.66	Jan 1990	9.44	Jan 1994	7.31	Jan 1998	7.03	Jan 2002	7.69	Jan 2006	5.77	Jan 2010	5.83		
Feb	16.72	Feb	10.16	Feb	9.66	Feb	7.44	Feb	7.09	Feb	7.62	Feb	5.83	Feb	5.94		
Mar	16.07	Mar	9.33	Mar	9.75	Mar	7.83	Mar	7.13	Mar	7.83	Mar	5.98	Mar	5.90		
Apr	15.82	Apr	9.02	Apr	9.87	Apr	8.20	Apr	7.12	Apr	7.74	Apr	6.28	Apr	5.87		
May	15.60	May	9.52	May	9.89	May	8.32	May	7.11	May	7.76	May	6.39	May	5.59		
Jun	16.18	Jun	9.51	Jun	9.69	Jun	8.31	Jun	6.99	Jun	7.67	June	6.39	June	5.62		
Jul	16.04	Jul	9.19	Jul	9.66	Jul	8.47	Jul	6.99	Jul	7.54	July	6.37	July	5.41		
Aug	15.22	Aug	9.15	Aug	9.84	Aug	8.41	Aug	6.96	Aug	7.34	Aug	6.20	Aug	5.10		
Sep	14.56	Sep	9.42	Sep	10.01	Sep	8.65	Sep	6.88	Sep	7.23	Sep	6.03	Sep	5.10		
Oct	13.88	Oct	9.39	Oct	9.94	Oct	8.88	Oct	6.88	Oct	7.43	Oct	6.01	Oct	5.20		
Nov	13.58	Nov	9.15	Nov	9.76	Nov	9.00	Nov	6.96	Nov	7.31	Nov	5.82	Nov	5.45		
Dec	13.55	Dec	8.96	Dec	9.57	Dec	8.79	Dec	6.84	Dec	7.20	Dec	5.83	Dec	5.61		
Jan 1983	13.46	Jan 1987	8.77	Jan 1991	9.56	Jan 1995	8.77	Jan 1999	6.87	Jan 2003	7.13	Jan 2007	5.96	Jan 2011	5.69		
Feb	13.60	Feb	8.81	Feb	9.31	Feb	8.56	Feb	7.00	Feb	6.92	Feb	5.91	Feb	5.82		
Mar	13.28	Mar	8.75	Mar	9.39	Mar	8.41	Mar	7.18	Mar	6.80	Mar	5.87	Mar	5.74		
Apr	13.03	Apr	9.30	Apr	9.30	Apr	8.30	Apr	7.16	Apr	6.68	Apr	6.01	Apr	5.76		
May	13.00	May	9.82	May	9.29	May	7.93	May	7.42	May	6.35	May	6.03	May	5.57		
Jun	13.17	Jun	9.87	Jun	9.44	Jun	7.62	Jun	7.70	Jun	6.21	June	6.34	June	5.52		
Jul	13.28	Jul	10.01	Jul	9.40	Jul	7.73	Jul	7.66	Jul	6.54	July	6.28	July	5.61		
Aug	13.50	Aug	10.33	Aug	9.16	Aug	7.86	Aug	7.86	Aug	6.78	Aug	6.28	Aug	5.26		
Sep	13.35	Sep	11.00	Sep	9.03	Sep	7.62	Sep	7.87	Sep	6.58	Sep	6.24	Sep	5.01		
Oct	13.19	Oct	11.32	Oct	8.99	Oct	7.46	Oct	8.02	Oct	6.50	Oct	6.17	Oct	5.11		
Nov	13.33	Nov	10.82	Nov	8.93	Nov	7.40	Nov	7.86	Nov	6.44	Nov	6.04	Nov	5.00		
Dec	13.48	Dec	10.99	Dec	8.76	Dec	7.21	Dec	8.04	Dec	6.36	Dec	6.23	Dec	4.96		

Source: Mergent Bond Record (through November 2010); BondsOnline (December 2010 to present)

SCHEDULE 4-1

SCHEDULE 4-1

The Empire District Electric Company
Case No. ER-2012-0345

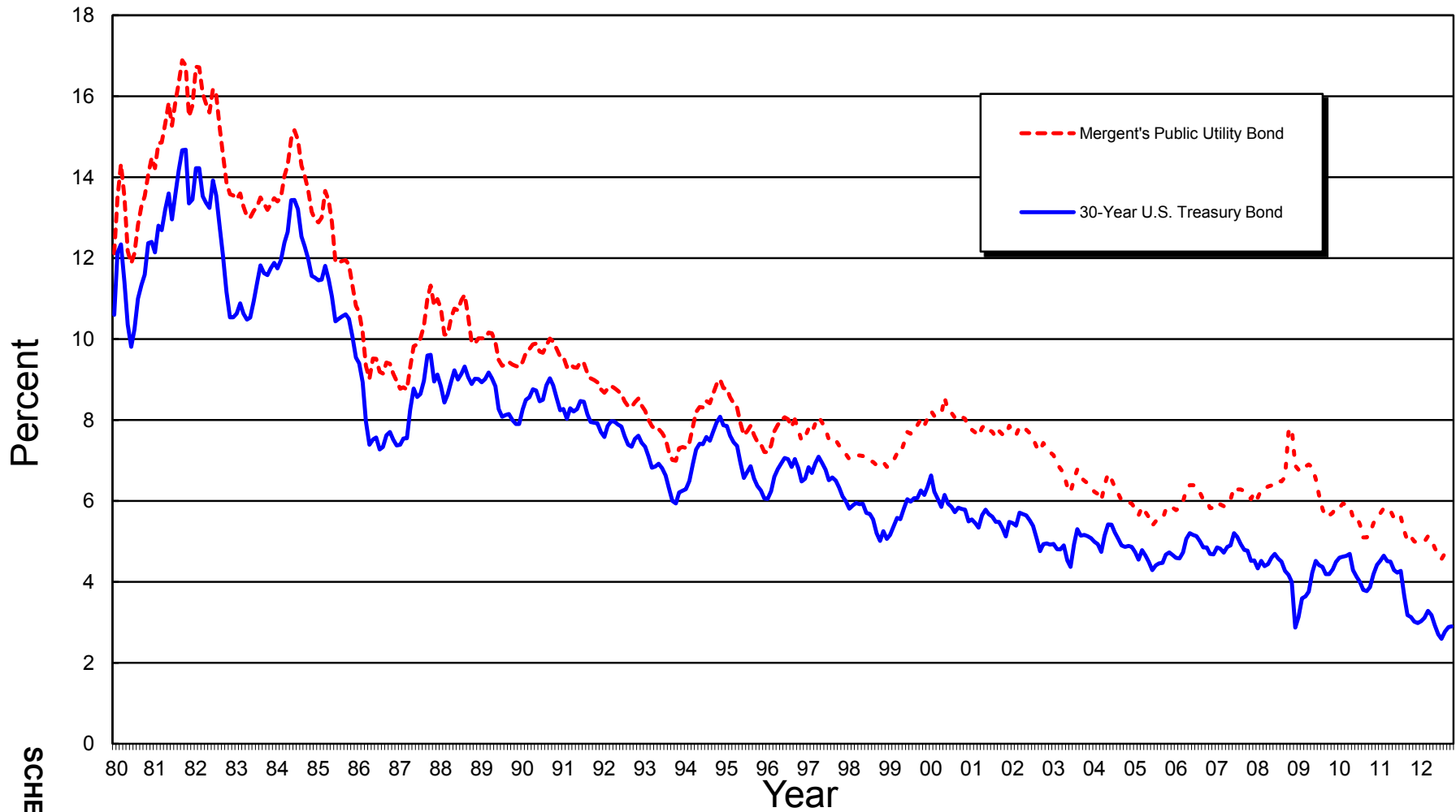
Average Yields on Thirty-Year U.S. Treasury Bonds

Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)	Mo/Year	Rate (%)
Jan 1980	10.60	Jan 1984	11.75	Jan 1988	8.83	Jan 1992	7.58	Jan 1996	6.05	Jan 2000	6.63	Jan 2004	4.99	Jan 2008	4.33	Jan 2012	3.03
Feb	12.13	Feb	11.95	Feb	8.43	Feb	7.85	Feb	6.24	Feb	6.23	Feb	4.93	Feb	4.52	Feb	3.11
Mar	12.34	Mar	12.38	Mar	8.63	Mar	7.97	Mar	6.60	Mar	6.05	Mar	4.74	Mar	4.39	Mar	3.28
Apr	11.40	Apr	12.65	Apr	8.95	Apr	7.96	Apr	6.79	Apr	5.85	Apr	5.14	Apr	4.44	Apr	3.18
May	10.36	May	13.43	May	9.23	May	7.89	May	6.93	May	6.15	May	5.42	May	4.60	May	2.93
Jun	9.81	Jun	13.44	Jun	9.00	Jun	7.84	Jun	7.06	Jun	5.93	Jun	5.41	Jun	4.69	Jun	2.70
Jul	10.24	Jul	13.21	Jul	9.14	Jul	7.60	Jul	7.03	Jul	5.85	Jul	5.22	Jul	4.57	Jul	2.59
Aug	11.00	Aug	12.54	Aug	9.32	Aug	7.39	Aug	6.84	Aug	5.72	Aug	5.06	Aug	4.50	Aug	2.77
Sep	11.34	Sep	12.29	Sep	9.06	Sep	7.34	Sep	7.03	Sep	5.83	Sep	4.90	Sep	4.27	Sep	2.88
Oct	11.59	Oct	11.98	Oct	8.89	Oct	7.53	Oct	6.81	Oct	5.80	Oct	4.86	Oct	4.17	Oct	2.90
Nov	12.37	Nov	11.56	Nov	9.02	Nov	7.61	Nov	6.48	Nov	5.78	Nov	4.89	Nov	4.00		
Dec	12.40	Dec	11.52	Dec	9.01	Dec	7.44	Dec	6.55	Dec	5.49	Dec	4.86	Dec	2.87		
Jan 1981	12.14	Jan 1985	11.45	Jan 1989	8.93	Jan 1993	7.34	Jan 1997	6.83	Jan 2001	5.54	Jan 2005	4.73	Jan 2009	3.13		
Feb	12.80	Feb	11.47	Feb	9.01	Feb	7.09	Feb	6.69	Feb	5.45	Feb	4.55	Feb	3.59		
Mar	12.69	Mar	11.81	Mar	9.17	Mar	6.82	Mar	6.93	Mar	5.34	Mar	4.78	Mar	3.64		
Apr	13.20	Apr	11.47	Apr	9.03	Apr	6.85	Apr	7.09	Apr	5.65	Apr	4.65	Apr	3.76		
May	13.60	May	11.05	May	8.83	May	6.92	May	6.94	May	5.78	May	4.49	May	4.23		
Jun	12.96	Jun	10.44	Jun	8.27	Jun	6.81	Jun	6.77	Jun	5.67	Jun	4.29	Jun	4.52		
Jul	13.59	Jul	10.50	Jul	8.08	Jul	6.63	Jul	6.51	Jul	5.61	Jul	4.41	July	4.41		
Aug	14.17	Aug	10.56	Aug	8.12	Aug	6.32	Aug	6.58	Aug	5.48	Aug	4.46	Aug	4.37		
Sep	14.67	Sep	10.61	Sep	8.15	Sep	6.00	Sep	6.50	Sep	5.48	Sep	4.47	Sep	4.19		
Oct	14.68	Oct	10.50	Oct	8.00	Oct	5.94	Oct	6.33	Oct	5.32	Oct	4.67	Oct	4.19		
Nov	13.35	Nov	10.06	Nov	7.90	Nov	6.21	Nov	6.11	Nov	5.12	Nov	4.73	Nov	4.31		
Dec	13.45	Dec	9.54	Dec	7.90	Dec	6.25	Dec	5.99	Dec	5.48	Dec	4.66	Dec	4.49		
Jan 1982	14.22	Jan 1986	9.40	Jan 1990	8.26	Jan 1994	6.29	Jan 1998	5.81	Jan 2002	5.44	Jan 2006	4.59	Jan 2010	4.60		
Feb	14.22	Feb	8.93	Feb	8.50	Feb	6.49	Feb	5.89	Feb	5.39	Feb	4.58	Feb	4.62		
Mar	13.53	Mar	7.96	Mar	8.56	Mar	6.91	Mar	5.95	Mar	5.71	Mar	4.73	Mar	4.64		
Apr	13.37	Apr	7.39	Apr	8.76	Apr	7.27	Apr	5.92	Apr	5.67	Apr	5.06	Apr	4.69		
May	13.24	May	7.52	May	8.73	May	7.41	May	5.93	May	5.64	May	5.20	May	4.29		
Jun	13.92	Jun	7.57	Jun	8.46	Jun	7.40	Jun	5.70	Jun	5.52	Jun	5.16	Jun	4.13		
Jul	13.55	Jul	7.27	Jul	8.50	Jul	7.58	Jul	5.68	Jul	5.38	July	5.13	July	3.99		
Aug	12.77	Aug	7.33	Aug	8.86	Aug	7.49	Aug	5.54	Aug	5.08	Aug	5.00	Aug	3.80		
Sep	12.07	Sep	7.62	Sep	9.03	Sep	7.71	Sep	5.20	Sep	4.76	Sep	4.85	Sep	3.77		
Oct	11.17	Oct	7.70	Oct	8.86	Oct	7.94	Oct	5.01	Oct	4.93	Oct	4.85	Oct	3.87		
Nov	10.54	Nov	7.52	Nov	8.54	Nov	8.08	Nov	5.25	Nov	4.95	Nov	4.69	Nov	4.19		
Dec	10.54	Dec	7.37	Dec	8.24	Dec	7.87	Dec	5.06	Dec	4.92	Dec	4.68	Dec	4.42		
Jan 1983	10.63	Jan 1987	7.39	Jan 1991	8.27	Jan 1995	7.85	Jan 1999	5.16	Jan 2003	4.94	Jan 2007	4.85	Jan 2011	4.52		
Feb	10.88	Feb	7.54	Feb	8.03	Feb	7.61	Feb	5.37	Feb	4.81	Feb	4.82	Feb	4.65		
Mar	10.63	Mar	7.55	Mar	8.29	Mar	7.45	Mar	5.58	Mar	4.80	Mar	4.72	Mar	4.51		
Apr	10.48	Apr	8.25	Apr	8.21	Apr	7.36	Apr	5.55	Apr	4.90	Apr	4.86	Apr	4.50		
May	10.53	May	8.78	May	8.27	May	6.95	May	5.81	May	4.53	May	4.90	May	4.29		
Jun	10.93	Jun	8.57	Jun	8.47	Jun	6.57	Jun	6.04	Jun	4.37	Jun	5.20	Jun	4.23		
Jul	11.40	Jul	8.64	Jul	8.45	Jul	6.72	Jul	5.98	Jul	4.93	July	5.11	Jul	4.27		
Aug	11.82	Aug	8.97	Aug	8.14	Aug	6.86	Aug	6.07	Aug	5.30	Aug	4.93	Aug	3.65		
Sep	11.63	Sep	9.59	Sep	7.95	Sep	6.55	Sep	6.07	Sep	5.14	Sep	4.79	Sep	3.18		
Oct	11.58	Oct	9.61	Oct	7.93	Oct	6.37	Oct	6.26	Oct	5.16	Oct	4.77	Oct	3.13		
Nov	11.75	Nov	8.95	Nov	7.92	Nov	6.26	Nov	6.15	Nov	5.13	Nov	4.52	Nov	3.02		
Dec	11.88	Dec	9.12	Dec	7.70	Dec	6.06	Dec	6.35	Dec	5.08	Dec	4.53	Dec	2.98		

Sources:
<http://finance.yahoo.com/g/hp?s=^TYX>
<http://research.stlouisfed.org/fred2/data/GS30.txt>

The Empire District Electric Company
Case No. ER-2012-0345

Average Yields on Mergent's Public Utility Bonds and
Thirty-Year U.S. Treasury Bonds (1980 - 2012)

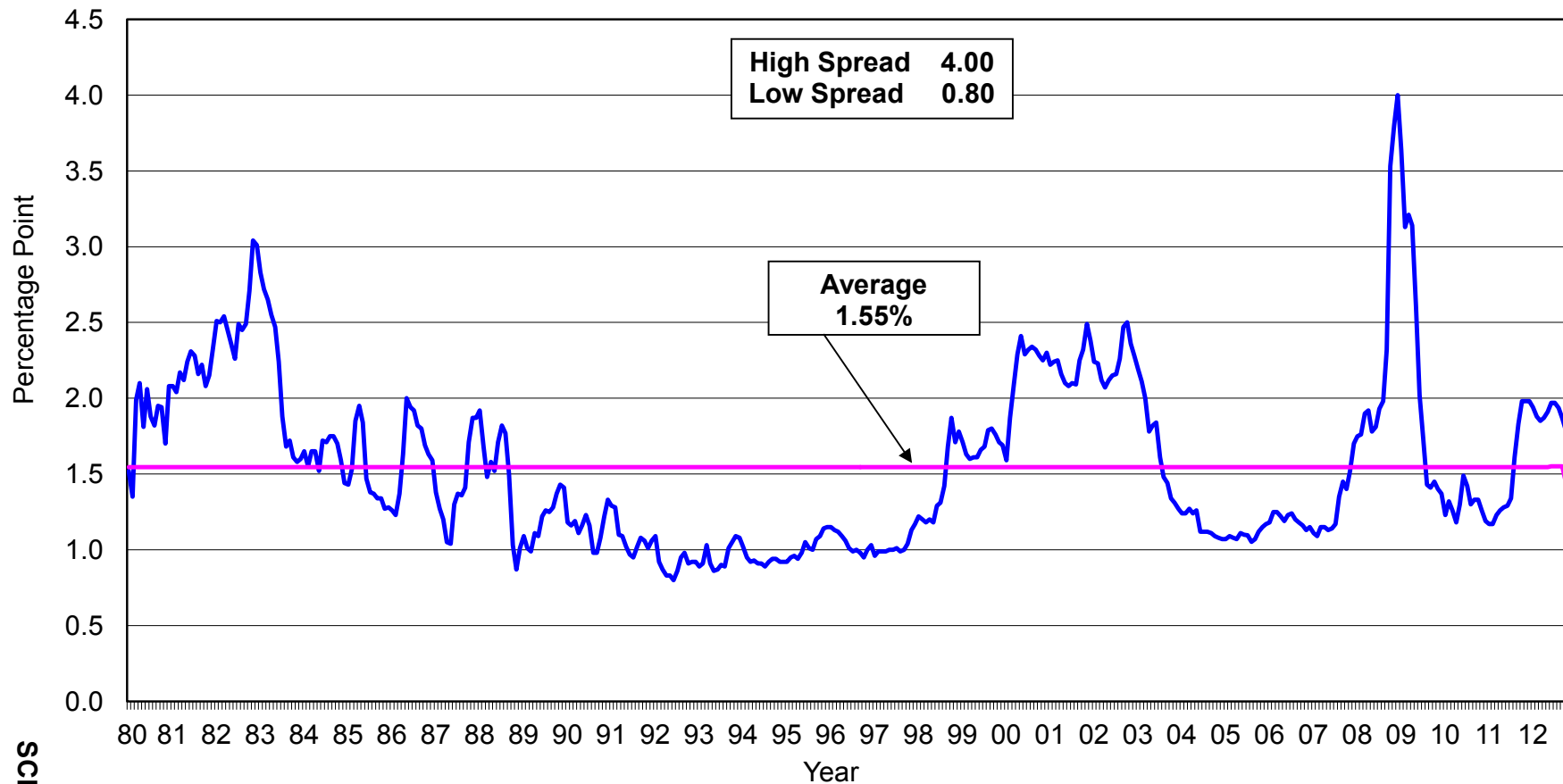


SCHEDULE 4-3

SCHEDULE 4-3

The Empire District Electric Company
Case No. ER-2012-0345

Monthly Spreads Between Yields on Mergent's Public Utility Bonds and
Thirty-Year U.S. Treasury Bonds (1980 - 2012)

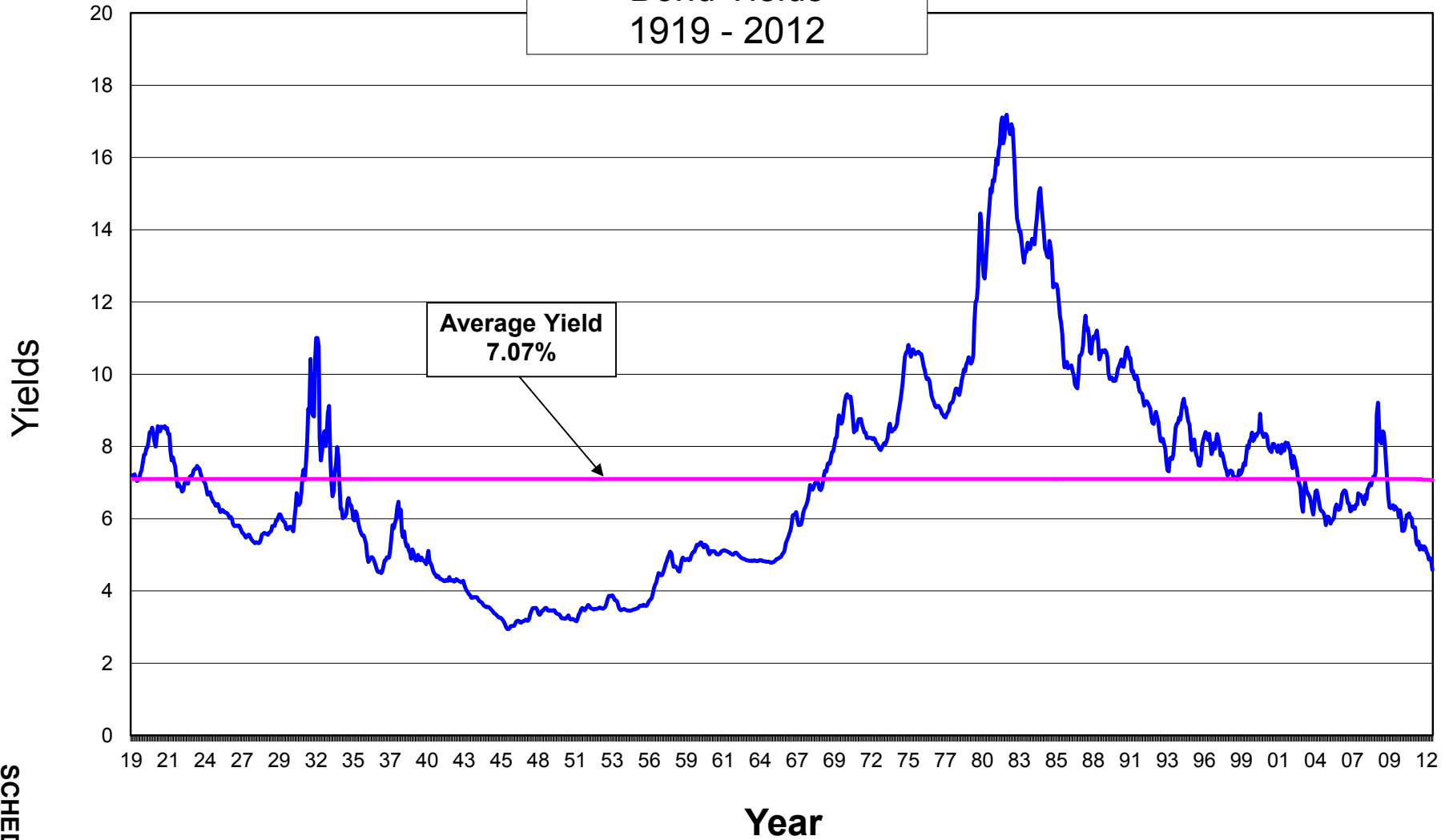


SCHEDULE 4-4

SCHEDULE 4-4

The Empire District Electric Company
Case No. ER-2012-0345

Moody's Baa Corporate
Bond Yields
1919 - 2012



SCHEDULE 4-5

Source: St. Louis Federal Reserve Website: <http://stlouisfed.org>

SCHEDULE 4-5

**The Empire District Electric Company
Case No. ER-2012-0345**

Historical Consolidated Capital Structures for The Empire District Electric Company

<u>Capital Components</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>5-Year Average</u>
Common Equity	\$539,176,000.0	\$528,872,000.0	\$600,150,000.0	\$657,624,000.0	\$693,989,000.0	\$603,962,200.0
Preferred Stock	0.0	0.0	0.0	0.0	0.0	\$0.0
Long-Term Debt	541,880,000.0 *	611,567,000.0 *	640,156,000.0 *	693,072,000.0 *	692,259,000.0 *	\$635,786,800.0
Short-Term Debt	33,040,000.0	102,000,000.0	50,500,000.0	24,000,000.0	12,000,000.0	\$44,308,000.0
Total	<u>\$1,114,096,000.0</u>	<u>\$1,242,439,000.0</u>	<u>\$1,290,806,000.0</u>	<u>\$1,374,696,000.0</u>	<u>\$1,398,248,000.0</u>	<u>\$1,284,057,000.0</u>

<u>Capital Components</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>5-Year Average</u>
Common Equity	48.40%	42.57%	46.49%	47.84%	49.63%	46.99%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long-Term Debt	48.64%	49.22%	49.59%	50.42%	49.51%	49.48%
Short-Term Debt	2.97%	8.21%	3.91%	1.75%	0.86%	3.54%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Empire District Electric Company's 2007, 2008, 2009, 2010 and 2011 Annual Reports.

Note: * The amount of long-term debt includes current maturities and capital leases.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Embedded Cost of Long-Term Debt
as of June 30, 2012**

	<u>Amount Outstanding</u>	<u>Annual Cost</u>
Bonds and Unsecured Notes Series:		
7.2% Series, Due 2016	\$25,000,000	\$1,800,000
6.375% Series due 2018	\$90,000,000	\$5,737,500
5.2% Series, due in 2040	\$50,000,000	\$2,600,000
6.7% Sr. Notes, Series, Due 2033	\$62,000,000	\$4,154,000
5.8% Sr. Notes, Series, Due 7/1/2035	\$40,000,000	\$2,320,000
4.65% Series, Due 6/1/2020	\$100,000,000	\$4,650,000
4.5% Sr. Notes, Series, Due 2013	\$98,000,000	\$4,410,000
5.875%, Due 2037	\$80,000,000	\$4,700,000
6.82% Series, Due 6/1/2036-EDG	\$55,000,000	\$3,751,000
3.58% Series, due 4-2-2027	\$88,000,000	\$3,150,400
Premium, Discount and Expense	-\$17,449,614 ¹	\$2,345,435 ¹
Total	<u><u>\$670,550,386</u></u>	<u><u>\$39,618,335</u></u>

Embedded Cost of Long-term Debt

5.91%

Source: Response to DR No. 0152

¹ Adjustment made for disallowance associated with Empire's debt expenses incurred to amend its mortgage bond indenture in order to provide additional flexibility to pay its dividend.

The Empire District Electric Company
Case No. ER-2012-0345

Capital Structure as of June 30, 2012
The Empire District Electric Company

Capital Component	Dollar Amount (000's)	Percentage of Capital
Common Stock Equity	\$ 699,470,906	51.06%
Preferred Stock	\$ -	0.00%
Long-Term Debt	\$ 670,550,386	48.94%
Short-Term Debt	\$ -	0.00%
Total Capitalization	\$ 1,370,021,292	100.00%

Source: Response to Staff DR No. 0152.

SCHEDULE 7

The Empire District Electric Company
Case No. ER-2012-0345

Criteria for Selecting Comparable Electric Utility Companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
ValueLine		Stock Publicly Traded	Regulated Electric Utility (EEL)	% Electric Revenues \geq 70%	10-Year Value Line Historical Growth Available	No Reduced Dividend since 2009	Projected Growth Available from Value Line and Reuters	At Least Investment Grade S&P Corporate Credit Rating	S&P Excellent Business-risk Profile	Generation Assets	No Announced Merger or Acquisition	Comparable Company Met All Criteria
Electric Utility Companies	Ticker											
ALLETE	ALE	Yes	Yes	Yes	No							
Alliant Energy	LNT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Amer. Elec. Power	AEP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ameren Corp.	AEE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No			
Avista Corp.	AVA	Yes	Yes	No								
Black Hills	BKH	Yes	No									
Can. Vermont Pub. Serv.	CV	Yes	Yes	NA								
CenterPoint Energy	CNP	Yes	No									
CH Energy Group	CHG	Yes	Yes	No								
Cleco Corp.	CNL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CMS Energy Corp.	CMS	Yes	Yes	No								
Consol. Edison	ED	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No ²		
Dominion Resources	D	Yes	No									
DTE Energy	DTE	Yes	Yes	No								
Duke Energy	DUK	Yes	No									
Edison Int'l	EIX	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No			
El Paso Electric	EE	Yes	Yes	Yes	Yes	Yes	No ¹					
Empire Dist. Elec.	EDE	Yes	Yes	Yes	Yes	Yes	No					
Entergy Corp.	ETR	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No			
Exelon Corp.	EXC	Yes	No									
FirstEnergy Corp.	FE	Yes	No									
Fortis Inc.	FTS.TO	Yes	NA									
G't Plains Energy	GXP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hawaiian Elec.	HE	Yes	No									
IDACORP, Inc.	IDA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Integrus Energy	TEG	Yes	Yes	No								
ITC Holdings	ITC	Yes	NA									
MGE Energy	MGEE	Yes	No									
NextEra Energy	FPL	Yes	No									
Northeast Utilities	NU	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
NorthWestern Corp	NWE	Yes	Yes	Yes	No							
NV Energy Inc.	NVE	Yes	Yes	Yes	Yes	Yes	Yes	No				
OGE Energy	OGE	Yes	No									
Otter Tail Corp.	OTTR	Yes	No									
Pepco Holdings	POM	Yes	No									
PG&E Corp.	PCG	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No			
Pinnacle West Capital	PNW	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PNM Resources	PNM	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Portland General	POR	Yes	Yes	Yes	No							
PPL Corp.	PPL	Yes	No									
Public Serv. Enterprise	PEG	Yes	No									
SCANA Corp.	SCG	Yes	No									
Sempra Energy	SRE	Yes	No									
Southern Co.	SO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TECO Energy	TE	Yes	Yes	No								
UIL Holdings	UIL	Yes	Yes	No								
UNS Energy	UNS	Yes	Yes	Yes	Yes	Yes	Yes	NA				
UNITIL Corp.	UTL	Yes	Yes	No								
Vectren Corp.	VVC	Yes	Yes	No								
Westar Energy	WR	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Wilmington Capital Management	WCM/A.TO	Yes	NA									
Wisconsin Energy	WEC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Xcel Energy Inc.	XEL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Columns 1, 2, 3, 6, 7, 8 and 11 = The Value Line Investment Survey: Ratings & Reports.

Column 4 = Edison Electric Institute 2011 Financial Review

Column 5 = October 2012 AUS Utility Reports.

Column 8 = Reuters.com on October 10, 2012.

Columns 9 and 10 = S&P RatingsDirect

Notes:

1. No dividends per share.

2. Purchases most of its power.

NA = Not available.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Comparable Electrical Utility Companies
for The Empire District Electric Company**

Number	Ticker Symbol	Company Name	S&P Corporate Credit Rating
1	LNT	Alliant Energy	BBB+
2	AEP	American Electric Power	BBB
3	CNL	Cleco Corp.	BBB
4	GXP	Great Plains Energy	BBB
5	IDA	IDACORP, Inc.	BBB
6	PNW	Pinnacle West Capital	BBB
7	PNM	PNM Resources	BBB-
8	SO	Southern Company	A
9	WR	Westar Energy, Inc.	BBB
10	WEC	Wisconsin Energy	A-
11	XEL	Xcel Energy	A-
		Average	<u>BBB+</u>
		The Empire District Electric Company	BBB-

**The Empire District Electric Company
Case No. ER-2012-0345**

**Ten-Year Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Comparable Electric Utility Companies**

Company Name	DPS	EPS	BVPS	Average of 10 Year Annual Compound Growth Rates
Alliant Energy	-3.00%	2.00%	0.50%	-0.17%
American Electric Power	-3.00%	2.00%	1.00%	0.00%
Cleco Corp.	1.50%	5.00%	8.00%	4.83%
Great Plains Energy	-6.50%	-2.50%	4.50%	-1.50%
IDACORP, Inc.	-4.50%	-0.50%	3.50%	-0.50%
Pinnacle West Capital	4.00%	-2.00%	2.00%	1.33%
PNM Resources	-0.50%	-7.50%	1.50%	-2.17%
Southern Company	3.00%	3.00%	3.50%	3.17%
Westar Energy, Inc.	-4.50%	--	-3.00%	-3.75%
Wisconsin Energy	3.00%	9.00%	6.50%	6.17%
Xcel Energy	-4.00%	-1.00%	--	-2.50%
Average	-1.32%	0.75%	2.80%	0.45%

Source: The Value Line Investment Survey: Ratings & Reports, September 21, November 2 and November 23, 2012

SCHEDULE 10-1

SCHEDULE 10-1

**The Empire District Electric Company
Case No. ER-2012-0345**

**Five-Year Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Comparable Electric Utility Companies**

Company Name	5-Year Annual Compound Growth Rates			Average of 5 Year Annual Compound Growth Rates
	DPS	EPS	BVPS	
Alliant Energy	8.00%	5.00%	3.50%	5.50%
American Electric Power	4.00%	1.50%	5.00%	3.50%
Cleco Corp.	2.00%	10.00%	10.00%	7.33%
Great Plains Energy	-13.00%	-9.50%	5.50%	-5.67%
IDACORP, Inc.	--	8.50%	5.00%	6.75%
Pinnacle West Capital	1.50%	1.00%	--	1.25%
PNM Resources	-8.00%	-12.00%	-1.00%	-7.00%
Southern Company	4.00%	3.00%	6.00%	4.33%
Westar Energy, Inc.	7.00%	1.00%	6.00%	4.67%
Wisconsin Energy	14.00%	10.00%	7.00%	10.33%
Xcel Energy	3.50%	4.50%	4.50%	4.17%
Average	2.09%	2.09%	4.68%	3.20%

Source: The Value Line Investment Survey: Ratings & Reports, September 21, November 2 and November 23, 2012

**The Empire District Electric Company
Case No. ER-2012-0345**

**Five-Year Projected Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Comparable Electric Utility Companies**

Company Name	5-Year Projected Compound Growth Rates			Average of 5 Year Annual Compound Growth Rates
<u>Company Name</u>	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>	<u>Growth Rates</u>
Alliant Energy	5.50%	6.50%	4.00%	5.33%
American Electric Power	3.50%	3.00%	4.00%	3.50%
Cleco Corp.	11.50%	6.50%	6.00%	8.00%
Great Plains Energy	5.00%	5.50%	2.00%	4.17%
IDACORP, Inc.	8.00%	2.00%	4.00%	4.67%
Pinnacle West Capital	2.50%	5.00%	3.50%	3.67%
PNM Resources	12.00%	16.00%	3.00%	10.33%
Southern Company	4.00%	5.00%	5.00%	4.67%
Westar Energy, Inc.	3.00%	6.50%	5.00%	4.83%
Wisconsin Energy	13.50%	6.50%	4.00%	8.00%
Xcel Energy	5.00%	6.00%	4.50%	5.17%
Average	<u>6.68%</u>	<u>6.23%</u>	<u>4.09%</u>	<u>5.67%</u>

Source: The Value Line Investment Survey: Ratings & Reports, September 21, November 2 and November 23, 2012.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Historical and Projected Growth Rates
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)
	Historical	Historical	Projected			
	10-Year	5-Year	5-Year	Projected		
	Compound	Compound	Compound	5-Year	Projected	Average
	Growth Rates	Growth Rates	Growth Rates	EPS Growth	3-5 Year	Projected
	(DPS, EPS and	(DPS, EPS and	(DPS, EPS and	Reuters	EPS Growth	EPS Growth
Company Name	BVPS)	BVPS)	BVPS)	(Mean)	Value Line	Growth
Alliant Energy	-0.17%	5.50%	5.33%	5.52%	6.50%	6.01%
American Electric Power	0.00%	3.50%	3.50%	3.36%	3.00%	3.18%
Cleco Corp.	4.83%	7.33%	8.00%	3.00%	6.50%	4.75%
Great Plains Energy	-1.50%	-5.67%	4.17%	8.90%	5.50%	7.20%
IDACORP, Inc.	-0.50%	6.75%	4.67%	4.00%	2.00%	3.00%
Pinnacle West Capital	1.33%	1.25%	3.67%	5.05%	5.00%	5.03%
PNM Resources	-2.17%	-7.00%	10.33%	9.04%	16.00%	12.52%
Southern Company	3.17%	4.33%	4.67%	5.24%	5.00%	5.12%
Westar Energy, Inc.	-3.75%	4.67%	4.83%	7.67%	6.50%	7.09%
Wisconsin Energy	6.17%	10.33%	8.00%	6.86%	6.50%	6.68%
Xcel Energy	-2.50%	4.17%	5.17%	4.88%	6.00%	5.44%
Average	0.45%	3.20%	5.67%	5.77%	6.23%	6.00%

Proposed Range of Growth for Comparables:

5.00%-6.00%

Column 5 = [(Column 3 + Column 4) / 2]

Sources: Column 1 = Schedule 9-1.

Column 2 = Schedule 9-2.

Column 3 = Schedule 9-3.

Column 4 = Reuters.com on November 15, 2012.

Column 5 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012

SCHEDULE 10-4

SCHEDULE 10-4

**The Empire District Electric Company
Case No. ER-2012-0345**

**Historical and Projected Growth Rates
for the Comparable Electric Utility Companies (not including PNM Resources)**

	(1)	(2)	(3)	(4)	(5)	(6)
	Historical 10-Year Compound Growth Rates (DPS, EPS and BVPS)	Historical 5-Year Compound Growth Rates (DPS, EPS and BVPS)	Projected 5-Year Compound Growth Rates (DPS, EPS and BVPS)	Projected 5-Year EPS Growth Reuters (Mean)	Projected 3-5 Year EPS Growth Value Line	Average Projected EPS Growth Growth
Alliant Energy	-0.17%	5.50%	5.33%	5.52%	6.50%	6.01%
American Electric Power	0.00%	3.50%	3.50%	3.36%	3.00%	3.18%
Cleco Corp.	4.83%	7.33%	8.00%	3.00%	6.50%	4.75%
Great Plains Energy	-1.50%	-5.67%	4.17%	8.90%	5.50%	7.20%
IDACORP, Inc.	-0.50%	6.75%	4.67%	4.00%	2.00%	3.00%
Pinnacle West Capital	1.33%	1.25%	3.67%	5.05%	5.00%	5.03%
Southern Company	3.17%	4.33%	4.67%	5.24%	5.00%	5.12%
Westar Energy, Inc.	-3.75%	4.67%	4.83%	7.67%	6.50%	7.09%
Wisconsin Energy	6.17%	10.33%	8.00%	6.86%	6.50%	6.68%
Xcel Energy	-2.50%	4.17%	5.17%	4.88%	6.00%	5.44%
Average	<u>0.71%</u>	<u>4.22%</u>	<u>5.20%</u>	<u>5.45%</u>	<u>5.25%</u>	<u>5.35%</u>

Proposed Range of Growth for Comparables:

4.40%-5.40%

Column 5 = [(Column 3 + Column 4) / 2]

Sources: Column 1 = Schedule 9-1.

Column 2 = Schedule 9-2.

Column 3 = Schedule 9-3.

Column 4 = Reuters.com on November 15, 2012.

Column 5 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012

**The Empire District Electric Company
Case No. ER-2012-0345**

**Average High / Low Stock Price for August 2012 through October 2012
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	-- August 2012 --		-- September 2012 --		--October 2012 --		Average High/Low Stock Price (08/12 - 10/12)
Company Name	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	High Stock Price	Low Stock Price	
Alliant Energy	47.50	44.08	45.38	42.95	45.66	43.06	44.77
American Electric Power	43.96	41.52	44.84	42.83	45.41	43.68	43.71
Cleco Corp.	45.30	40.75	42.80	40.09	43.19	41.15	42.21
Great Plains Energy	22.50	21.15	22.68	21.31	22.85	21.99	22.08
IDACORP, Inc.	43.09	41.00	44.03	41.25	44.96	42.65	42.83
Pinnacle West Capital	54.56	51.19	53.99	51.39	54.20	52.35	52.95
PNM Resources	21.19	20.09	21.59	20.17	22.21	20.78	21.01
Southern Company	48.57	45.10	46.40	44.64	47.09	45.31	46.19
Westar Energy, Inc.	33.04	28.96	30.17	29.01	30.29	29.21	30.11
Wisconsin Energy	41.48	37.92	38.88	36.64	38.93	37.35	38.53
Xcel Energy	29.92	27.63	28.39	27.25	28.33	27.40	28.15

Notes:

Column 7 = [(Column 1 + Column 2 + Column 3 + Column 4 + Column 5 + Column 6) / 6].

Source: <http://finance.yahoo.com>

**The Empire District Electric Company
Case No. ER-2012-0345**

**Constant-Growth Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies**

Company Name	(1) Expected Annual Dividend	(2) Average High/Low Stock Price	(3) Projected Dividend Yield
Alliant Energy	\$1.88	\$44.772	4.21%
American Electric Power	\$1.95	\$43.707	4.46%
Cleco Corp.	\$1.38	\$42.213	3.28%
Great Plains Energy	\$0.88	\$22.080	3.97%
IDACORP, Inc.	\$1.50	\$42.830	3.49%
Pinnacle West Capital	\$2.19	\$52.947	4.13%
PNM Resources	\$0.68	\$21.005	3.24%
Southern Company	\$2.01	\$46.185	4.34%
Westar Energy, Inc.	\$1.35	\$30.113	4.49%
Wisconsin Energy	\$1.33	\$38.533	3.46%
Xcel Energy	\$1.10	\$28.153	3.92%
Average			<u>3.91%</u>

Proposed Dividend Yield: 3.90%

Proposed Range of Growth: 5.00% - 6.00%

Estimated Proxy Cost of Common Equity: 8.90 - 9.90%

Notes: Column 1 = Estimated Dividend Declared per share represents a weighted average of Value Line projected dividends for 2012 and 2013.
Column 3 = (Column 1 / Column 2).

Sources: Column 1 =The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012

Column 2 = Schedule 11.

SCHEDULE 12-1

**The Empire District Electric Company
Case No. ER-2012-0345**

**Constant-Growth Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies (not including PNM Resources)**

	(1)	(2)	(3)
Company Name	Expected Annual Dividend	Average High/Low Stock Price	Projected Dividend Yield
Alliant Energy	\$1.88	\$44.772	4.21%
American Electric Power	\$1.95	\$43.707	4.46%
Cleco Corp.	\$1.38	\$42.213	3.28%
Great Plains Energy	\$0.88	\$22.080	3.97%
IDACORP, Inc.	\$1.50	\$42.830	3.49%
Pinnacle West Capital	\$2.19	\$52.947	4.13%
Southern Company	\$2.01	\$46.185	4.34%
Westar Energy, Inc.	\$1.35	\$30.113	4.49%
Wisconsin Energy	\$1.33	\$38.533	3.46%
Xcel Energy	\$1.10	\$28.153	3.92%
Average			<u>3.98%</u>

Proposed Dividend Yield: 4.00%

Proposed Range of Growth: 4.40% - 5.40%

Estimated Proxy Cost of Common Equity: 8.40 - 9.40%

Notes: Column 1 = Estimated Dividend Declared per share represents a weighted average of Value Line projected dividends for 2012 and 2013.
Column 3 = (Column 1 / Column 2).

Sources: Column 1 =The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012

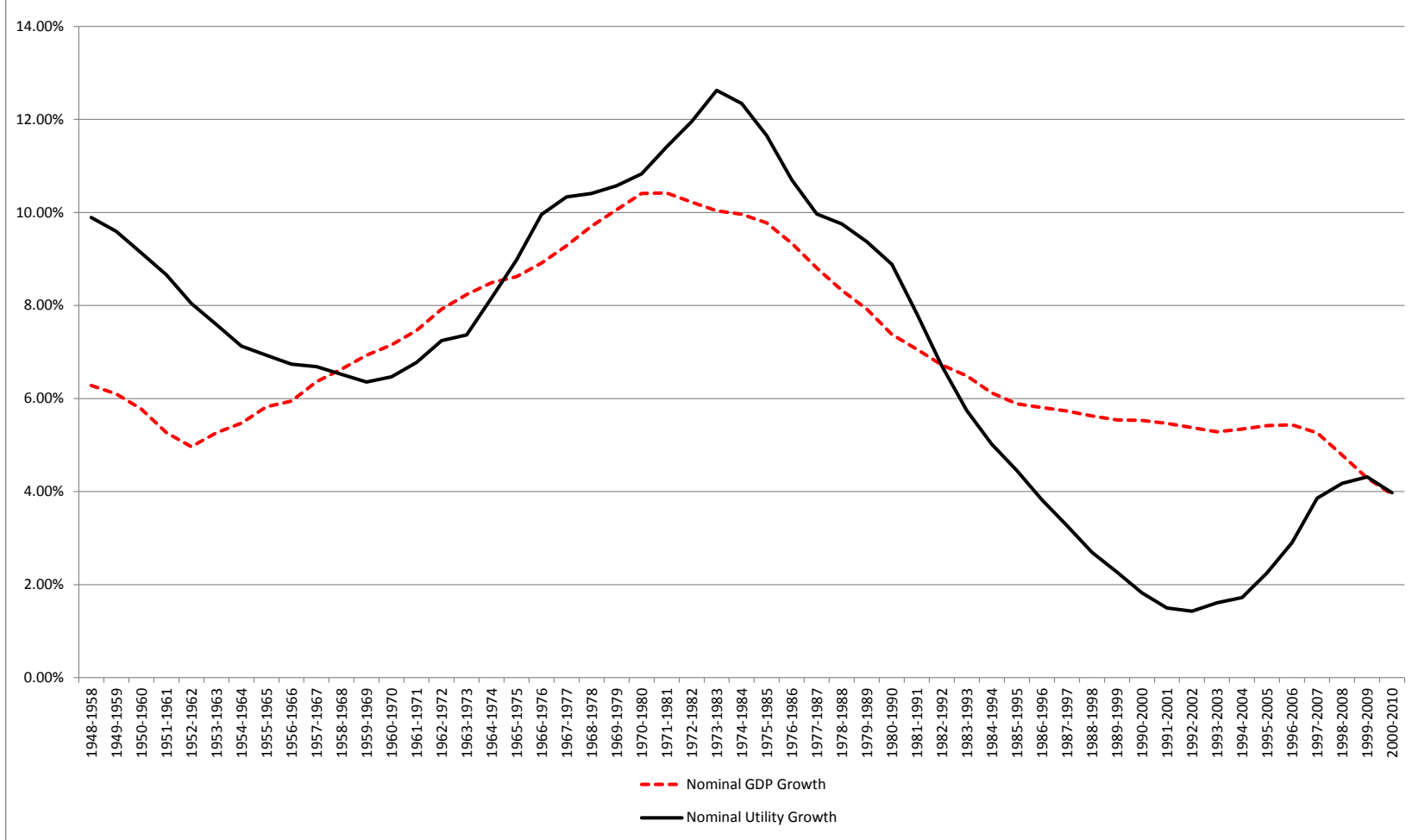
Column 2 = Schedule 11.

SCHEDULE 12-2

APPENDIX 2

The Empire District Electric Company
Case No. ER-2012-0345

Rolling 10-Year Compound Growth Rates
of Nominal GDP and Utility Industry
Contribution to Nominal GDP



SCHEDULE 13

SCHEDULE 13

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.51%	5.01%	4.51%	4.00%	3.50%	3.00%	7.99%
American Electric Power	\$1.88	3.18%	3.15%	3.12%	3.09%	3.06%	3.03%	3.00%	7.48%
Cleco Corp.	\$1.35	4.75%	4.46%	4.17%	3.88%	3.58%	3.29%	3.00%	6.68%
Great Plains Energy	\$0.85	7.20%	6.50%	5.80%	5.10%	4.40%	3.70%	3.00%	8.14%
IDACORP, Inc.	\$1.52	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	6.65%
Pinnacle West Capital	\$2.18	5.03%	4.69%	4.35%	4.01%	3.68%	3.34%	3.00%	7.81%
PNM Resources	\$0.58	12.52%	10.93%	9.35%	7.76%	6.17%	4.59%	3.00%	8.09%
Southern Company	\$1.96	5.12%	4.77%	4.41%	4.06%	3.71%	3.35%	3.00%	7.99%
Westar Energy, Inc.	\$1.32	7.09%	6.40%	5.72%	5.04%	4.36%	3.68%	3.00%	8.78%
Wisconsin Energy	\$1.20	6.68%	6.07%	5.45%	4.84%	4.23%	3.61%	3.00%	7.05%
Xcel Energy	\$1.08	5.44%	5.03%	4.63%	4.22%	3.81%	3.41%	3.00%	7.60%
									7.66%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.59%	5.17%	4.76%	4.34%	3.92%	3.50%	8.36%
American Electric Power	\$1.88	3.18%	3.23%	3.29%	3.34%	3.39%	3.45%	3.50%	7.86%
Cleco Corp.	\$1.35	4.75%	4.54%	4.33%	4.13%	3.92%	3.71%	3.50%	7.08%
Great Plains Energy	\$0.85	7.20%	6.58%	5.97%	5.35%	4.73%	4.12%	3.50%	8.50%
IDACORP, Inc.	\$1.52	3.00%	3.08%	3.17%	3.25%	3.33%	3.42%	3.50%	7.05%
Pinnacle West Capital	\$2.18	5.03%	4.77%	4.52%	4.26%	4.01%	3.75%	3.50%	8.19%
PNM Resources	\$0.58	12.52%	11.02%	9.51%	8.01%	6.51%	5.00%	3.50%	8.46%
Southern Company	\$1.96	5.12%	4.85%	4.58%	4.31%	4.04%	3.77%	3.50%	8.36%
Westar Energy, Inc.	\$1.32	7.09%	6.49%	5.89%	5.29%	4.70%	4.10%	3.50%	9.14%
Wisconsin Energy	\$1.20	6.68%	6.15%	5.62%	5.09%	4.56%	4.03%	3.50%	7.44%
Xcel Energy	\$1.08	5.44%	5.12%	4.79%	4.47%	4.15%	3.82%	3.50%	7.98%

8.04%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

SCHEDULE 14-2

APPENDIX 2

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.68%	5.34%	5.01%	4.67%	4.34%	4.00%	8.74%
American Electric Power	\$1.88	3.18%	3.32%	3.45%	3.59%	3.73%	3.86%	4.00%	8.25%
Cleco Corp.	\$1.35	4.75%	4.63%	4.50%	4.38%	4.25%	4.13%	4.00%	7.49%
Great Plains Energy	\$0.85	7.20%	6.67%	6.13%	5.60%	5.07%	4.53%	4.00%	8.88%
IDACORP, Inc.	\$1.52	3.00%	3.17%	3.33%	3.50%	3.67%	3.83%	4.00%	7.45%
Pinnacle West Capital	\$2.18	5.03%	4.85%	4.68%	4.51%	4.34%	4.17%	4.00%	8.56%
PNM Resources	\$0.58	12.52%	11.10%	9.68%	8.26%	6.84%	5.42%	4.00%	8.83%
Southern Company	\$1.96	5.12%	4.93%	4.75%	4.56%	4.37%	4.19%	4.00%	8.73%
Westar Energy, Inc.	\$1.32	7.09%	6.57%	6.06%	5.54%	5.03%	4.51%	4.00%	9.50%
Wisconsin Energy	\$1.20	6.68%	6.23%	5.79%	5.34%	4.89%	4.45%	4.00%	7.84%
Xcel Energy	\$1.08	5.44%	5.20%	4.96%	4.72%	4.48%	4.24%	4.00%	8.37%

8.42%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

SCHEDULE 14-3

APPENDIX 2

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.73%	5.44%	5.16%	4.87%	4.59%	4.30%	8.96%
American Electric Power	\$1.88	3.18%	3.37%	3.55%	3.74%	3.93%	4.11%	4.30%	8.48%
Cleco Corp.	\$1.35	4.75%	4.68%	4.60%	4.53%	4.45%	4.38%	4.30%	7.73%
Great Plains Energy	\$0.85	7.20%	6.72%	6.23%	5.75%	5.27%	4.78%	4.30%	9.10%
IDACORP, Inc.	\$1.52	3.00%	3.22%	3.43%	3.65%	3.87%	4.08%	4.30%	7.70%
Pinnacle West Capital	\$2.18	5.03%	4.90%	4.78%	4.66%	4.54%	4.42%	4.30%	8.79%
PNM Resources	\$0.58	12.52%	11.15%	9.78%	8.41%	7.04%	5.67%	4.30%	9.06%
Southern Company	\$1.96	5.12%	4.98%	4.85%	4.71%	4.57%	4.44%	4.30%	8.96%
Westar Energy, Inc.	\$1.32	7.09%	6.62%	6.16%	5.69%	5.23%	4.76%	4.30%	9.71%
Wisconsin Energy	\$1.20	6.68%	6.28%	5.89%	5.49%	5.09%	4.70%	4.30%	8.08%
Xcel Energy	\$1.08	5.44%	5.25%	5.06%	4.87%	4.68%	4.49%	4.30%	8.60%
									8.65%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

SCHEDULE 14-4

SCHEDULE 14-4

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies (not including PNM Resources)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.51%	5.01%	4.51%	4.00%	3.50%	3.00%	7.99%
American Electric Power	\$1.88	3.18%	3.15%	3.12%	3.09%	3.06%	3.03%	3.00%	7.48%
Cleco Corp.	\$1.35	4.75%	4.46%	4.17%	3.88%	3.58%	3.29%	3.00%	6.68%
Great Plains Energy	\$0.85	7.20%	6.50%	5.80%	5.10%	4.40%	3.70%	3.00%	8.14%
IDACORP, Inc.	\$1.52	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	6.65%
Pinnacle West Capital	\$2.18	5.03%	4.69%	4.35%	4.01%	3.68%	3.34%	3.00%	7.81%
Southern Company	\$1.96	5.12%	4.77%	4.41%	4.06%	3.71%	3.35%	3.00%	7.99%
Westar Energy, Inc.	\$1.32	7.09%	6.40%	5.72%	5.04%	4.36%	3.68%	3.00%	8.78%
Wisconsin Energy	\$1.20	6.68%	6.07%	5.45%	4.84%	4.23%	3.61%	3.00%	7.05%
Xcel Energy	\$1.08	5.44%	5.03%	4.63%	4.22%	3.81%	3.41%	3.00%	7.60%
									7.62%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies (not including PNM Resources)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.59%	5.17%	4.76%	4.34%	3.92%	3.50%	8.36%
American Electric Power	\$1.88	3.18%	3.23%	3.29%	3.34%	3.39%	3.45%	3.50%	7.86%
Cleco Corp.	\$1.35	4.75%	4.54%	4.33%	4.13%	3.92%	3.71%	3.50%	7.08%
Great Plains Energy	\$0.85	7.20%	6.58%	5.97%	5.35%	4.73%	4.12%	3.50%	8.50%
IDACORP, Inc.	\$1.52	3.00%	3.08%	3.17%	3.25%	3.33%	3.42%	3.50%	7.05%
Pinnacle West Capital	\$2.18	5.03%	4.77%	4.52%	4.26%	4.01%	3.75%	3.50%	8.19%
Southern Company	\$1.96	5.12%	4.85%	4.58%	4.31%	4.04%	3.77%	3.50%	8.36%
Westar Energy, Inc.	\$1.32	7.09%	6.49%	5.89%	5.29%	4.70%	4.10%	3.50%	9.14%
Wisconsin Energy	\$1.20	6.68%	6.15%	5.62%	5.09%	4.56%	4.03%	3.50%	7.44%
Xcel Energy	\$1.08	5.44%	5.12%	4.79%	4.47%	4.15%	3.82%	3.50%	<u>7.98%</u>
									8.00%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies (not including PNM Resources)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.68%	5.34%	5.01%	4.67%	4.34%	4.00%	8.74%
American Electric Powe	\$1.88	3.18%	3.32%	3.45%	3.59%	3.73%	3.86%	4.00%	8.25%
Cleco Corp.	\$1.35	4.75%	4.63%	4.50%	4.38%	4.25%	4.13%	4.00%	7.49%
Great Plains Energy	\$0.85	7.20%	6.67%	6.13%	5.60%	5.07%	4.53%	4.00%	8.88%
IDACORP, Inc.	\$1.52	3.00%	3.17%	3.33%	3.50%	3.67%	3.83%	4.00%	7.45%
Pinnacle West Capital	\$2.18	5.03%	4.85%	4.68%	4.51%	4.34%	4.17%	4.00%	8.56%
Southern Company	\$1.96	5.12%	4.93%	4.75%	4.56%	4.37%	4.19%	4.00%	8.73%
Westar Energy, Inc.	\$1.32	7.09%	6.57%	6.06%	5.54%	5.03%	4.51%	4.00%	9.50%
Wisconsin Energy	\$1.20	6.68%	6.23%	5.79%	5.34%	4.89%	4.45%	4.00%	7.84%
Xcel Energy	\$1.08	5.44%	5.20%	4.96%	4.72%	4.48%	4.24%	4.00%	8.37%
									8.38%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2011
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Comparable Electric Utility Companies (not including PNM Resources)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	Growth Years 8	9	10	Growth in Perpetuity	Cost of Equity
Alliant Energy	\$1.80	6.01%	5.73%	5.44%	5.16%	4.87%	4.59%	4.30%	8.96%
American Electric Power	\$1.88	3.18%	3.37%	3.55%	3.74%	3.93%	4.11%	4.30%	8.48%
Cleco Corp.	\$1.35	4.75%	4.68%	4.60%	4.53%	4.45%	4.38%	4.30%	7.73%
Great Plains Energy	\$0.85	7.20%	6.72%	6.23%	5.75%	5.27%	4.78%	4.30%	9.10%
IDACORP, Inc.	\$1.52	3.00%	3.22%	3.43%	3.65%	3.87%	4.08%	4.30%	7.70%
Pinnacle West Capital	\$2.18	5.03%	4.90%	4.78%	4.66%	4.54%	4.42%	4.30%	8.79%
Southern Company	\$1.96	5.12%	4.98%	4.85%	4.71%	4.57%	4.44%	4.30%	8.96%
Westar Energy, Inc.	\$1.32	7.09%	6.62%	6.16%	5.69%	5.23%	4.76%	4.30%	9.71%
Wisconsin Energy	\$1.20	6.68%	6.28%	5.89%	5.49%	5.09%	4.70%	4.30%	8.08%
Xcel Energy	\$1.08	5.44%	5.25%	5.06%	4.87%	4.68%	4.49%	4.30%	8.60%
									8.61%

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, September 21, November 2, and November 23, 2012.
Column 2 = Reuters.com on October 15, 2012.
Column 8 = See range of averages from Schedule 15-1 through 15-4 and Schedule 16.

**The Empire District Electric Company
Case No. ER-2012-0345**

**Central Region Electric Utility Proxy Group
EPS
10-Year Compound Growth Rate Averages (1968-1999)**

Years	Dayton	Detroit	Empire	IPALCO	Kansas City	Northern	Okla. Gas &	SJM&P	WPS	WI Energy/	Average
	P & L/ DPL	Edison/ DTE			P & L	States Power	Electric/ OGE Energy Corp.		Resources/ Wisconsin Public Serv.	WI Electric Power	
1968-70 to 1978-80	-1.74%	-0.57%	0.24%	4.13%	1.77%	4.13%	1.16%	1.40%	6.23%	6.32%	2.31%
1969-71 to 1979-81	-0.21%	0.05%	-0.64%	4.30%	2.62%	4.02%	0.48%	1.66%	6.60%	6.79%	2.57%
1970-72 to 1980-82	0.98%	-0.46%	0.41%	3.14%	3.24%	4.48%	1.88%	2.66%	6.41%	7.24%	3.00%
1971-73 to 1981-83	2.72%	0.53%	2.64%	2.87%	4.83%	6.11%	2.90%	4.03%	6.92%	7.77%	4.13%
1972-74 to 1982-84	3.71%	1.48%	5.33%	4.69%	6.44%	7.64%	3.02%	5.65%	7.78%	8.25%	5.40%
1973-75 to 1983-85	4.19%	3.60%	6.21%	5.91%	7.60%	8.08%	2.58%	6.94%	8.54%	9.39%	6.30%
1974-76 to 1984-86	4.19%	4.41%	6.50%	5.86%	5.75%	8.03%	2.81%	7.89%	7.98%	9.60%	6.30%
1975-77 to 1985-87	5.10%	4.69%	5.70%	4.19%	4.26%	7.59%	2.90%	8.10%	6.81%	9.18%	5.85%
1976-78 to 1986-88	5.84%	4.29%	5.68%	5.40%	3.02%	7.24%	3.92%	7.95%	5.98%	8.86%	5.82%
1977-79 to 1987-89	6.16%	3.93%	5.49%	5.09%	4.12%	6.73%	5.22%	8.49%	5.08%	8.96%	5.93%
1978-80 to 1988-90	5.61%	4.41%	5.52%	5.11%	3.09%	6.07%	6.65%	8.20%	4.35%	9.08%	5.81%
1979-81 to 1989-91	3.75%	5.35%	6.06%	4.67%	1.90%	5.45%	6.56%	7.68%	3.70%	8.07%	5.32%
1980-82 to 1990-92	2.46%	6.83%	4.65%	4.43%	0.31%	3.15%	3.63%	5.76%	3.91%	6.16%	4.13%
1981-83 to 1991-93	1.00%	6.06%	2.56%	3.11%	-1.01%	1.58%	1.58%	3.37%	3.45%	4.33%	2.60%
1982-84 to 1992-94	1.31%	4.75%	-0.16%	1.44%	-2.03%	0.83%	0.71%	2.88%	2.19%	2.64%	1.46%
1983-85 to 1993-95	1.36%	2.97%	-1.18%	1.78%	-2.21%	1.85%	1.81%	2.46%	1.03%	2.58%	1.24%
1984-86 to 1994-96	1.71%	1.79%	-1.39%	3.31%	-1.08%	2.26%	2.15%	2.56%	0.20%	2.27%	1.38%
1985-87 to 1995-97	1.65%	0.64%	-1.47%	4.22%	0.35%	1.90%	2.19%	1.90%	0.12%	-0.46%	1.10%
1986-88 to 1996-98	2.28%	0.57%	-0.92%	4.59%	1.57%	1.50%	2.11%	1.34%	-0.86%	-2.24%	0.99%
1987-89 to 1997-99	2.62%	1.08%	-0.46%	5.06%	0.15%	0.40%	2.36%	0.49%	-0.38%	-3.07%	0.83%
Average	2.73%	2.82%	2.54%	4.17%	2.23%	4.45%	2.83%	4.57%	4.30%	5.59%	3.62%

Schedule 15-1

Schedule 15-1

**The Empire District Electric Company
Case No. ER-2012-0345**

**Central Region Electric Utility Proxy Group
DPS**

10-Year Compound Growth Rate Averages (1968-1999)

Years	Dayton P & L/ DPL	Detroit Edison/ DTE	Empire	IPALCO	Kansas City P & L	Northern States Power	Okla. Gas & Electric/ OGE Energy Corp.	SJL&P	WPS Resources/ Wisconsin Public Serv.	WI Energy/ WI Electric Power	Average
1968-70 to 1978-80	0.90%	1.17%	2.45%	3.52%	3.34%	3.37%	3.79%	1.89%	4.36%	5.46%	3.03%
1969-71 to 1979-81	0.87%	1.43%	2.17%	4.15%	3.03%	3.76%	3.52%	1.89%	4.69%	5.70%	3.12%
1970-72 to 1980-82	1.04%	1.59%	1.90%	4.69%	3.17%	4.02%	3.32%	2.01%	5.13%	5.98%	3.28%
1971-73 to 1981-83	1.41%	1.64%	1.98%	4.92%	3.56%	4.39%	3.35%	2.28%	5.64%	6.23%	3.54%
1972-74 to 1982-84	1.70%	1.60%	2.32%	4.95%	4.13%	4.88%	3.49%	2.82%	6.18%	6.37%	3.84%
1973-75 to 1983-85	1.89%	1.48%	2.86%	5.03%	4.45%	5.60%	3.62%	3.50%	6.72%	6.52%	4.17%
1974-76 to 1984-86	1.89%	1.48%	3.31%	5.19%	4.12%	6.31%	3.75%	4.32%	7.18%	6.78%	4.43%
1975-77 to 1985-87	2.01%	1.44%	3.77%	5.73%	3.40%	6.78%	3.91%	4.97%	7.38%	7.08%	4.65%
1976-78 to 1986-88	2.26%	1.28%	4.14%	5.65%	2.96%	6.95%	4.04%	5.36%	7.30%	7.34%	4.73%
1977-79 to 1987-89	2.56%	0.94%	4.50%	5.49%	3.16%	6.96%	4.14%	5.72%	7.00%	7.51%	4.80%
1978-80 to 1988-90	2.83%	0.86%	4.81%	4.96%	3.58%	6.86%	4.27%	6.10%	6.66%	7.65%	4.86%
1979-81 to 1989-91	2.92%	0.99%	5.08%	4.80%	3.77%	6.72%	4.33%	6.53%	6.26%	7.68%	4.91%
1980-82 to 1990-92	2.83%	1.38%	5.27%	4.53%	3.78%	6.54%	4.30%	6.63%	5.83%	7.59%	4.87%
1981-83 to 1991-93	2.59%	1.70%	5.18%	4.24%	3.47%	6.22%	4.02%	6.49%	5.30%	7.29%	4.65%
1982-84 to 1992-94	2.59%	1.93%	4.80%	3.96%	3.02%	5.75%	3.64%	6.03%	4.65%	6.89%	4.33%
1983-85 to 1993-95	2.89%	2.06%	4.22%	3.75%	2.72%	5.14%	3.21%	5.50%	3.88%	6.44%	3.98%
1984-86 to 1994-96	3.41%	2.06%	3.58%	3.69%	3.14%	4.49%	2.77%	4.90%	3.15%	6.00%	3.72%
1985-87 to 1995-97	3.79%	2.06%	2.92%	1.92%	3.74%	3.91%	2.33%	4.42%	2.63%	5.54%	3.33%
1986-88 to 1996-98	3.95%	2.06%	2.30%	0.76%	3.99%	3.46%	1.87%	3.92%	2.39%	5.00%	2.97%
1987-89 to 1997-99	3.81%	2.06%	1.74%	-0.41%	3.52%	3.11%	1.42%	3.37%	2.31%	4.36%	2.53%
Average	2.41%	1.56%	3.46%	4.08%	3.50%	5.26%	3.46%	4.43%	5.23%	6.47%	3.99%

The Empire District Electric Company
Case No. ER-2012-0345

Central Region Electric Utility Proxy Group

BVPS

10-Year Compound Growth Rate Averages (1968-1999)

Years	Dayton P & L/ DPL	Detroit Edison/ DTE	Empire	IPALCO	Kansas City P & L	Northern States Power	Okla. Gas & Electric/ OGE Energy Corp.	SJL&P	WPS Resources/ Wisconsin Public Serv.	WI Energy/ WI Electric Power	Average
1968-70 to 1978-80	1.40%	0.04%	2.37%	5.21%	1.88%	4.34%	5.76%	1.28%	4.13%	4.03%	3.05%
1969-71 to 1979-81	0.84%	-0.35%	1.93%	4.93%	1.51%	4.19%	4.58%	1.15%	4.37%	3.71%	2.69%
1970-72 to 1980-82	0.28%	-0.88%	1.63%	4.43%	1.19%	4.15%	3.83%	1.13%	4.50%	3.84%	2.41%
1971-73 to 1981-83	0.16%	-1.30%	1.58%	3.84%	1.20%	4.31%	3.00%	1.31%	4.57%	4.09%	2.27%
1972-74 to 1982-84	0.27%	-1.51%	1.89%	3.77%	1.35%	4.72%	2.66%	1.65%	4.89%	4.49%	2.42%
1973-75 to 1983-85	0.25%	-1.27%	2.32%	3.99%	1.88%	5.18%	2.33%	2.36%	5.27%	5.02%	2.73%
1974-76 to 1984-86	0.30%	-0.77%	2.82%	4.47%	2.26%	5.56%	2.43%	3.27%	5.56%	5.52%	3.14%
1975-77 to 1985-87	0.27%	-0.18%	3.17%	4.63%	2.54%	5.73%	2.33%	4.20%	5.57%	5.86%	3.41%
1976-78 to 1986-88	0.66%	-0.61%	3.51%	4.82%	2.32%	5.80%	2.33%	4.89%	5.42%	6.11%	3.53%
1977-79 to 1987-89	1.13%	-1.05%	3.79%	4.77%	2.28%	5.80%	2.30%	5.41%	5.16%	6.38%	3.60%
1978-80 to 1988-90	1.80%	-1.34%	4.17%	4.79%	2.28%	5.74%	2.57%	5.69%	4.77%	6.69%	3.72%
1979-81 to 1989-91	2.31%	-0.30%	4.59%	4.84%	2.44%	5.65%	2.92%	5.82%	4.27%	6.91%	3.95%
1980-82 to 1990-92	2.29%	0.97%	4.88%	4.92%	2.41%	5.43%	2.96%	5.72%	3.96%	6.94%	4.05%
1981-83 to 1991-93	1.97%	2.03%	4.82%	4.84%	2.10%	5.14%	2.75%	5.41%	3.75%	6.74%	3.95%
1982-84 to 1992-94	1.84%	2.72%	4.36%	4.50%	1.71%	4.77%	2.37%	5.01%	3.57%	6.33%	3.72%
1983-85 to 1993-95	2.33%	2.95%	3.83%	4.15%	1.17%	4.46%	2.16%	4.60%	3.29%	5.91%	3.48%
1984-86 to 1994-96	2.78%	2.82%	3.34%	3.73%	0.78%	4.21%	1.91%	4.27%	2.99%	5.48%	3.23%
1985-87 to 1995-97	3.14%	2.52%	2.92%	2.52%	0.41%	4.01%	1.85%	3.99%	2.77%	4.81%	2.89%
1986-88 to 1996-98	3.26%	3.25%	2.56%	1.45%	0.50%	3.81%	1.86%	3.75%	2.43%	3.99%	2.69%
1987-89 to 1997-99	3.42%	4.16%	2.20%	1.19%	0.42%	3.56%	2.04%	3.47%	2.20%	3.17%	2.58%
Average	1.54%	0.60%	3.13%	4.09%	1.63%	4.83%	2.75%	3.72%	4.17%	5.30%	3.18%

The Empire District Electric Company
Case No. ER-2012-0345

Central Region Electric Utility Proxy Group
DPS, EPS, BVPS & GDP
10-Year Compound Growth Rate Averages (1968-1999)

<u>DPS</u>		<u>EPS</u>		<u>BVPS</u>		<u>GDP</u>	
Years	10 yr compound growth rate avgs	Years	10 yr compound growth rate avgs	Years	10 yr compound growth rate avgs	Years	10 yr compound growth rate avgs
1968-70 to 1978-80	3.03%	1968-70 to 1978-80	2.31%	1968-70 to 1978-80	3.05%	1968-70 to 1978-80	10.05%
1969-71 to 1979-81	3.12%	1969-71 to 1979-81	2.57%	1969-71 to 1979-81	2.69%	1969-71 to 1979-81	10.41%
1970-72 to 1980-82	3.28%	1970-72 to 1980-82	3.00%	1970-72 to 1980-82	2.41%	1970-72 to 1980-82	10.42%
1971-73 to 1981-83	3.54%	1971-73 to 1981-83	4.13%	1971-73 to 1981-83	2.27%	1971-73 to 1981-83	10.22%
1972-74 to 1982-84	3.84%	1972-74 to 1982-84	5.40%	1972-74 to 1982-84	2.42%	1972-74 to 1982-84	10.03%
1973-75 to 1983-85	4.17%	1973-75 to 1983-85	6.30%	1973-75 to 1983-85	2.73%	1973-75 to 1983-85	9.96%
1974-76 to 1984-86	4.43%	1974-76 to 1984-86	6.30%	1974-76 to 1984-86	3.14%	1974-76 to 1984-86	9.77%
1975-77 to 1985-87	4.65%	1975-77 to 1985-87	5.85%	1975-77 to 1985-87	3.41%	1975-77 to 1985-87	9.34%
1976-78 to 1986-88	4.73%	1976-78 to 1986-88	5.82%	1976-78 to 1986-88	3.53%	1976-78 to 1986-88	8.80%
1977-79 to 1987-89	4.80%	1977-79 to 1987-89	5.93%	1977-79 to 1987-89	3.60%	1977-79 to 1987-89	8.32%
1978-80 to 1988-90	4.86%	1978-80 to 1988-90	5.81%	1978-80 to 1988-90	3.72%	1978-80 to 1988-90	7.92%
1979-81 to 1989-91	4.91%	1979-81 to 1989-91	5.32%	1979-81 to 1989-91	3.95%	1979-81 to 1989-91	7.38%
1980-82 to 1990-92	4.87%	1980-82 to 1990-92	4.13%	1980-82 to 1990-92	4.05%	1980-82 to 1990-92	7.06%
1981-83 to 1991-93	4.65%	1981-83 to 1991-93	2.60%	1981-83 to 1991-93	3.95%	1981-83 to 1991-93	6.72%
1982-84 to 1992-94	4.33%	1982-84 to 1992-94	1.46%	1982-84 to 1992-94	3.72%	1982-84 to 1992-94	6.49%
1983-85 to 1993-95	3.98%	1983-85 to 1993-95	1.24%	1983-85 to 1993-95	3.48%	1983-85 to 1993-95	6.12%
1984-86 to 1994-96	3.72%	1984-86 to 1994-96	1.38%	1984-86 to 1994-96	3.23%	1984-86 to 1994-96	5.89%
1985-87 to 1995-97	3.33%	1985-87 to 1995-97	1.10%	1985-87 to 1995-97	2.89%	1985-87 to 1995-97	5.81%
1986-88 to 1996-98	2.97%	1986-88 to 1996-98	0.99%	1986-88 to 1996-98	2.69%	1986-88 to 1996-98	5.73%
1987-89 to 1997-99	2.53%	1987-89 to 1997-99	0.83%	1987-89 to 1997-99	2.58%	1987-89 to 1997-99	5.63%
Average	3.99%	Average	3.62%	Average	3.18%	Average	8.10%
Average of 10-year Rolling Averages EPS, DPS and BVPS			3.59%				

Source: Value Line Investment Survey

Average EPS, DPS and BVPS as a percentage of average GDP: 44.36%

Schedule 15-4

Schedule 15-4

APPENDIX 2

The Empire District Electric Company
Case No. ER-2012-0345

Missouri-Only Utility Proxy Group
DPS, EPS, BVPS & GDP
10-Year Compound Growth Rate Averages (1968-2011)

<u>DPS</u>	<u>EPS</u>		<u>BVPS</u>		<u>Average</u>	<u>GDP</u>		
<u>Years</u>	<u>10 yr compound growth rate avgs</u>	<u>Years</u>	<u>10 yr compound growth rate avgs</u>	<u>Years</u>	<u>10 yr compound growth rate avgs</u>	<u>DPS, EPS and BVPS</u>	<u>Years</u>	<u>10 yr compound growth rate avgs</u>
1968-70 to 1978-80	2.49%	1968-70 to 1978-80	1.01%	1968-70 to 1978-80	1.98%	1.83%	1968-70 to 1978-80	10.05%
1969-71 to 1979-81	2.31%	1969-71 to 1979-81	0.99%	1969-71 to 1979-81	1.46%	1.59%	1969-71 to 1979-81	10.41%
1970-72 to 1980-82	2.30%	1970-72 to 1980-82	1.82%	1970-72 to 1980-82	1.12%	1.75%	1970-72 to 1980-82	10.42%
1971-73 to 1981-83	2.57%	1971-73 to 1981-83	3.73%	1971-73 to 1981-83	1.09%	2.46%	1971-73 to 1981-83	10.22%
1972-74 to 1982-84	3.01%	1972-74 to 1982-84	5.89%	1972-74 to 1982-84	1.38%	3.43%	1972-74 to 1982-84	10.03%
1973-75 to 1983-85	3.44%	1973-75 to 1983-85	6.90%	1973-75 to 1983-85	1.90%	4.08%	1973-75 to 1983-85	9.96%
1974-76 to 1984-86	3.55%	1974-76 to 1984-86	6.13%	1974-76 to 1984-86	2.39%	4.02%	1974-76 to 1984-86	9.77%
1975-77 to 1985-87	3.52%	1975-77 to 1985-87	4.98%	1975-77 to 1985-87	2.56%	3.69%	1975-77 to 1985-87	9.34%
1976-78 to 1986-88	3.49%	1976-78 to 1986-88	4.35%	1976-78 to 1986-88	2.51%	3.45%	1976-78 to 1986-88	8.80%
1977-79 to 1987-89	3.69%	1977-79 to 1987-89	4.81%	1977-79 to 1987-89	2.54%	3.68%	1977-79 to 1987-89	8.32%
1978-80 to 1988-90	3.94%	1978-80 to 1988-90	4.31%	1978-80 to 1988-90	2.77%	3.67%	1978-80 to 1988-90	7.92%
1979-81 to 1989-91	4.14%	1979-81 to 1989-91	3.98%	1979-81 to 1989-91	3.13%	3.75%	1979-81 to 1989-91	7.38%
1980-82 to 1990-92	4.23%	1980-82 to 1990-92	2.48%	1980-82 to 1990-92	3.34%	3.35%	1980-82 to 1990-92	7.06%
1981-83 to 1991-93	4.08%	1981-83 to 1991-93	0.78%	1981-83 to 1991-93	3.27%	2.71%	1981-83 to 1991-93	6.72%
1982-84 to 1992-94	3.78%	1982-84 to 1992-94	-1.10%	1982-84 to 1992-94	2.94%	1.87%	1982-84 to 1992-94	6.49%
1983-85 to 1993-95	3.44%	1983-85 to 1993-95	-1.70%	1983-85 to 1993-95	2.48%	1.41%	1983-85 to 1993-95	6.12%
1984-86 to 1994-96	3.32%	1984-86 to 1994-96	-1.23%	1984-86 to 1994-96	2.07%	1.38%	1984-86 to 1994-96	5.89%
1985-87 to 1995-97	3.24%	1985-87 to 1995-97	-0.56%	1985-87 to 1995-97	1.75%	1.48%	1985-87 to 1995-97	5.81%
1986-88 to 1996-98	3.05%	1986-88 to 1996-98	0.33%	1986-88 to 1996-98	1.64%	1.67%	1986-88 to 1996-98	5.73%
1987-89 to 1997-99	2.63%	1987-89 to 1997-99	-0.55%	1987-89 to 1997-99	1.49%	1.19%	1987-89 to 1997-99	5.63%
1988-90 to 1998-00	2.15%	1988-90 to 1998-00	-0.05%	1988-90 to 1998-00	1.43%	1.18%	1988-90 to 1998-00	5.54%
1989-91 to 1999-01	1.72%	1989-91 to 1999-01	-1.52%	1989-91 to 1999-01	1.08%	0.43%	1989-91 to 1999-01	5.53%
1990-92 to 2000-02	1.32%	1990-92 to 2000-02	-0.10%	1990-92 to 2000-02	1.01%	0.74%	1990-92 to 2000-02	5.47%
1991-93 to 2001-03	0.99%	1991-93 to 2001-03	0.15%	1991-93 to 2001-03	1.02%	0.72%	1991-93 to 2001-03	5.37%
1992-94 to 2002-04	0.72%	1992-94 to 2002-04	1.35%	1992-94 to 2002-04	1.43%	1.17%	1992-94 to 2002-04	5.29%
1993-95 to 2003-05	0.53%	1993-95 to 2003-05	0.55%	1993-95 to 2003-05	1.76%	0.95%	1993-95 to 2003-05	5.34%
1994-96 to 2004-06	0.36%	1994-96 to 2004-06	0.11%	1994-96 to 2004-06	2.00%	0.82%	1994-96 to 2004-06	5.42%
1995-97 to 2005-07	0.21%	1995-97 to 2005-07	-0.06%	1995-97 to 2005-07	2.34%	0.83%	1995-97 to 2005-07	5.43%
1996-98 to 2006-08	0.10%	1996-98 to 2006-08	-1.12%	1996-98 to 2006-08	2.72%	0.57%	1996-98 to 2006-08	5.26%
1997-99 to 2007-09	-1.03%	1997-99 to 2007-09	-1.57%	1997-99 to 2007-09	3.06%	0.15%	1997-99 to 2007-09	4.79%
1998-00 to 2008-10	-2.31%	1998-00 to 2008-10	-2.29%	1998-00 to 2008-10	3.03%	-0.52%	1998-00 to 2008-10	4.29%
1999-01 to 2009-11	-4.44%	1999-01 to 2009-11	-0.36%	1999-01 to 2009-11	3.15%	-0.55%	1999-01 to 2009-11	3.94%

Average 2.08% Average 1.33% Average 2.12% Average 6.99%

Average of 10- year Rolling Averages EPS, DPS and BVPS through 2011 1.84%

Average of 10-year Rolling Averages EPS, DPS and BVPS through 2008 2.06%

Average of 10-year Rolling Averages EPS, DPS and BVPS through 1999 2.62%

Source: Value Line Investment Survey

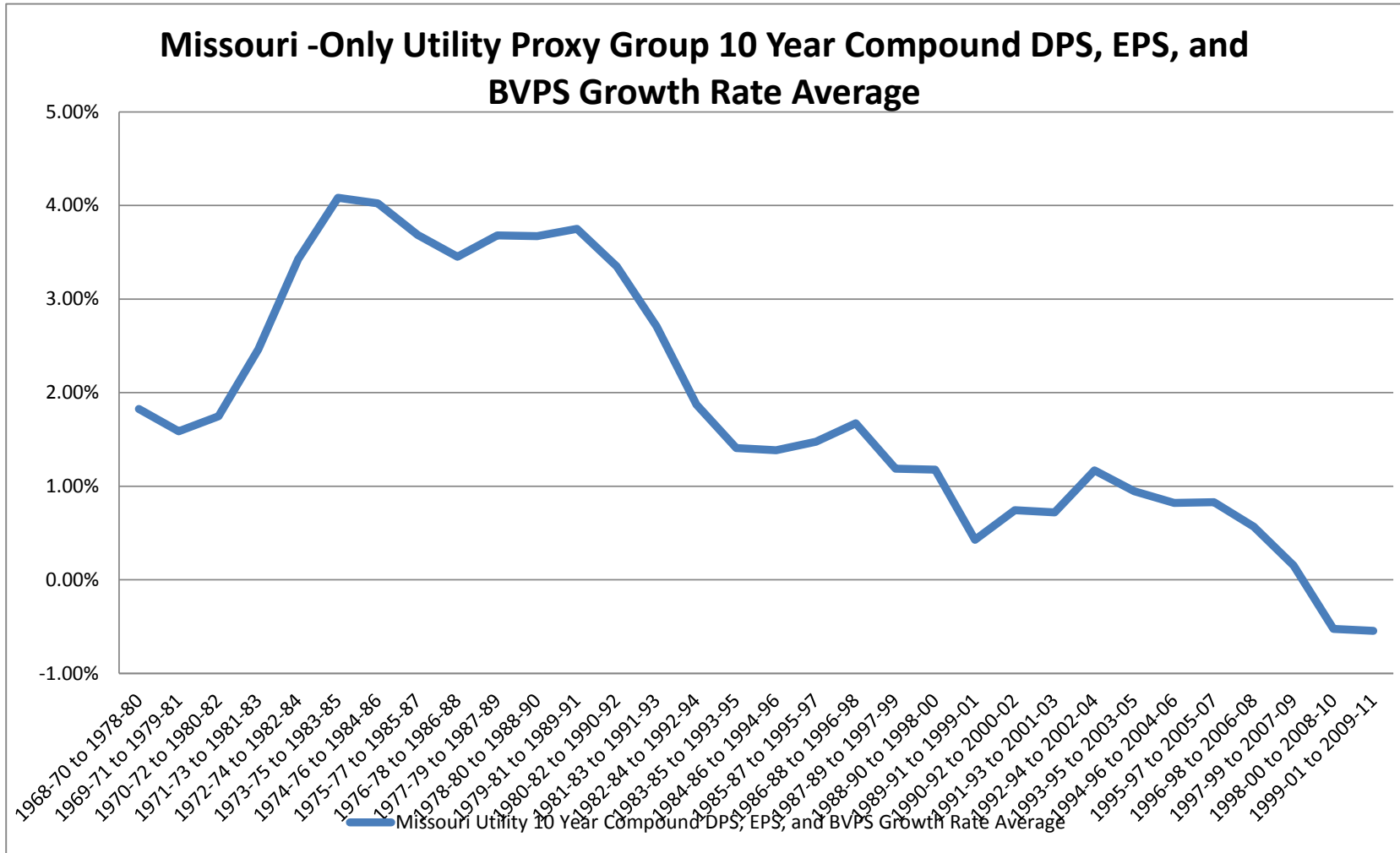
Average EPS, DPS and BVPS as a percentage of average GDP: 26.34%

SCHEDULE 15-5

SCHEDULE 15-5

APPENDIX 2

The Empire District Electric Company
Case No. ER-2012-0345



SCHEDULE 15-6

SCHEDULE 15-6

The Empire District Electric Company
Case No. ER-2012-0345
Electric Utility
DPS, EPS, BVPS & GDP
10-Year Compound Growth Rate Averages (1947-1999)

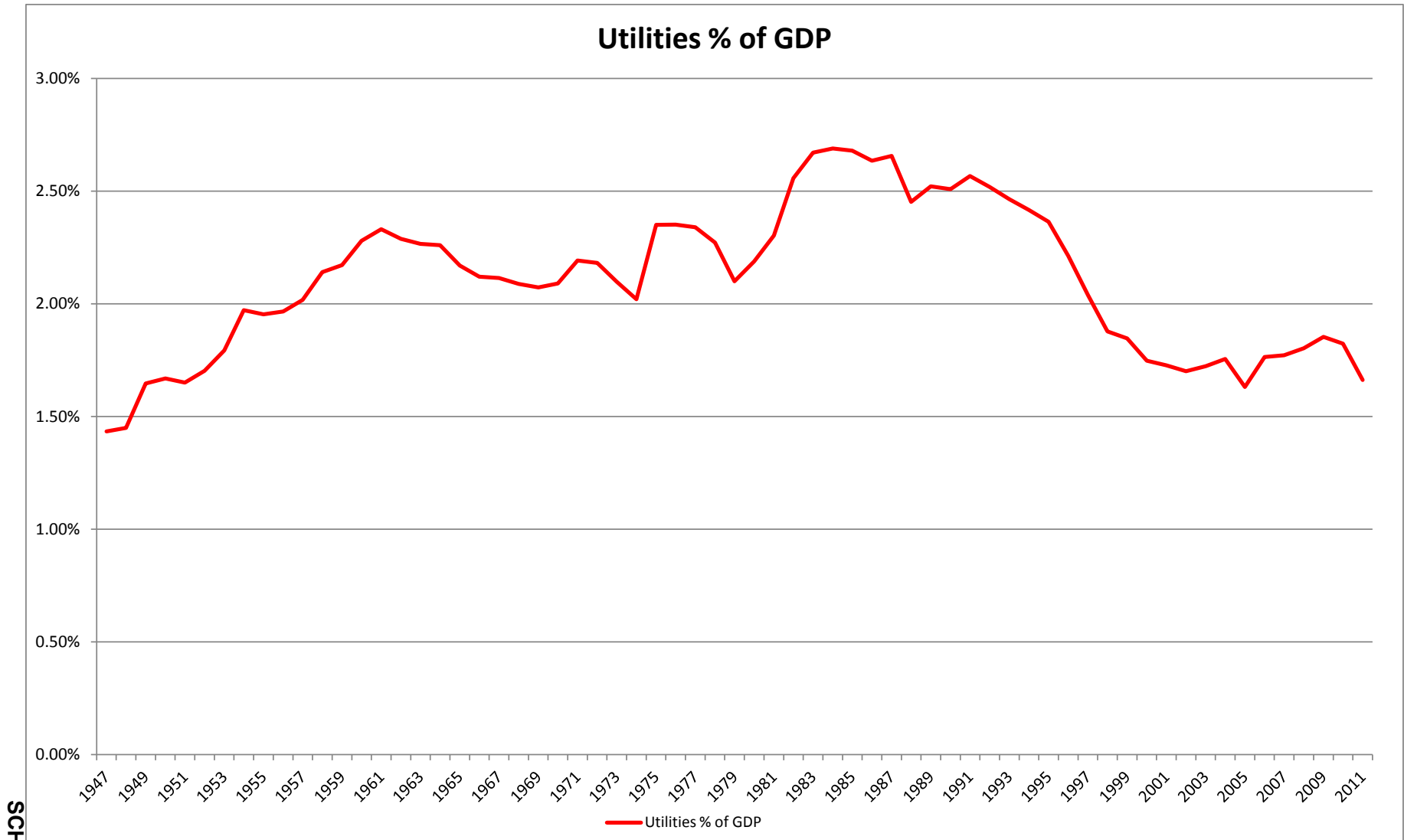
<u>DPS</u>		<u>EPS</u>		<u>BVPS</u>		<u>GDP</u>	
<u>Years</u>	<u>10 yr compound growth rate avgs</u>	<u>Years</u>	<u>10 yr compound growth rate avgs</u>	<u>Years</u>	<u>10 yr compound growth rate avgs</u>	<u>Years</u>	<u>10 yr compound growth rate avgs</u>
1947-49 to 1957-59	4.58%	1947-49 to 1957-59	4.92%	1947-49 to 1957-59	3.10%	1947-49 to 1957-59	6.28%
1948-50 to 1958-60	4.49%	1948-50 to 1958-60	4.91%	1948-50 to 1958-60	3.30%	1948-50 to 1958-60	6.10%
1949-51 to 1959-60	4.33%	1949-51 to 1959-60	5.00%	1949-51 to 1959-60	3.39%	1949-51 to 1959-60	5.77%
1950-52 to 1960-62	4.31%	1950-52 to 1960-62	5.35%	1950-52 to 1960-62	3.48%	1950-52 to 1960-62	5.27%
1951-53 to 1961-63	4.48%	1951-53 to 1961-63	5.76%	1951-53 to 1961-63	3.79%	1951-53 to 1961-63	4.96%
1952-54 to 1962-64	4.74%	1952-54 to 1962-64	5.99%	1952-54 to 1962-64	4.22%	1952-54 to 1962-64	5.26%
1953-55 to 1963-65	5.16%	1953-55 to 1963-65	6.09%	1953-55 to 1963-65	4.53%	1953-55 to 1963-65	5.47%
1954-56 to 1964-66	5.52%	1954-56 to 1964-66	6.26%	1954-56 to 1964-66	4.65%	1954-56 to 1964-66	5.82%
1955-57 to 1965-67	5.87%	1955-57 to 1965-67	6.50%	1955-57 to 1965-67	4.65%	1955-57 to 1965-67	5.94%
1956-58 to 1966-68	5.97%	1956-58 to 1966-68	6.57%	1956-58 to 1966-68	4.69%	1956-58 to 1966-68	6.36%
1957-59 to 1967-69	5.96%	1957-59 to 1967-69	6.50%	1957-59 to 1967-69	4.73%	1957-59 to 1967-69	6.63%
1958-60 to 1968-70	5.89%	1958-60 to 1968-70	6.06%	1958-60 to 1968-70	4.88%	1958-60 to 1968-70	6.93%
1959-61 to 1969-71	5.68%	1959-61 to 1969-71	5.60%	1959-61 to 1969-71	4.97%	1959-61 to 1969-71	7.16%
1960-62 to 1970-72	5.42%	1960-62 to 1970-72	5.27%	1960-62 to 1970-72	5.14%	1960-62 to 1970-72	7.46%
1961-63 to 1971-73	5.00%	1961-63 to 1971-73	4.95%	1961-63 to 1971-73	5.05%	1961-63 to 1971-73	7.92%
1962-64 to 1972-74	4.35%	1962-64 to 1972-74	4.41%	1962-64 to 1972-74	4.92%	1962-64 to 1972-74	8.24%
1963-65 to 1973-75	3.50%	1963-65 to 1973-75	3.71%	1963-65 to 1973-75	4.83%	1963-65 to 1973-75	8.49%
1964-66 to 1974-76	2.77%	1964-66 to 1974-76	3.02%	1964-66 to 1974-76	4.92%	1964-66 to 1974-76	8.62%
1965-67 to 1975-77	2.46%	1965-67 to 1975-77	2.90%	1965-67 to 1975-77	5.00%	1965-67 to 1975-77	8.91%
1966-68 to 1976-78	2.47%	1966-68 to 1976-78	2.63%	1966-68 to 1976-78	4.83%	1966-68 to 1976-78	9.29%
1967-69 to 1977-79	2.71%	1967-69 to 1977-79	2.71%	1967-69 to 1977-79	4.63%	1967-69 to 1977-79	9.71%
1968-70 to 1978-80	3.03%	1968-70 to 1978-80	2.49%	1968-70 to 1978-80	4.40%	1968-70 to 1978-80	10.05%
1969-71 to 1979-81	3.46%	1969-71 to 1979-81	2.88%	1969-71 to 1979-81	4.16%	1969-71 to 1979-81	10.41%
1970-72 to 1980-82	3.89%	1970-72 to 1980-82	3.19%	1970-72 to 1980-82	3.78%	1970-72 to 1980-82	10.42%
1971-73 to 1981-83	4.29%	1971-73 to 1981-83	3.69%	1971-73 to 1981-83	3.49%	1971-73 to 1981-83	10.22%
1972-74 to 1982-84	4.82%	1972-74 to 1982-84	4.36%	1972-74 to 1982-84	3.37%	1972-74 to 1982-84	10.03%
1973-75 to 1983-85	5.27%	1973-75 to 1983-85	4.80%	1973-75 to 1983-85	3.17%	1973-75 to 1983-85	9.96%
1974-76 to 1984-86	5.57%	1974-76 to 1984-86	5.15%	1974-76 to 1984-86	3.01%	1974-76 to 1984-86	9.77%
1975-77 to 1985-87	5.43%	1975-77 to 1985-87	4.45%	1975-77 to 1985-87	2.81%	1975-77 to 1985-87	9.34%
1976-78 to 1986-88	4.98%	1976-78 to 1986-88	3.44%	1976-78 to 1986-88	2.71%	1976-78 to 1986-88	8.80%
1977-79 to 1987-89	4.32%	1977-79 to 1987-89	1.78%	1977-79 to 1987-89	2.36%	1977-79 to 1987-89	8.32%
1978-80 to 1988-90	3.59%	1978-80 to 1988-90	0.82%	1978-80 to 1988-90	1.88%	1978-80 to 1988-90	7.92%
1979-81 to 1989-91	2.99%	1979-81 to 1989-91	0.34%	1979-81 to 1989-91	1.82%	1979-81 to 1989-91	7.38%
1980-82 to 1990-92	2.46%	1980-82 to 1990-92	0.16%	1980-82 to 1990-92	1.93%	1980-82 to 1990-92	7.06%
1981-83 to 1991-93	1.93%	1981-83 to 1991-93	-0.50%	1981-83 to 1991-93	2.43%	1981-83 to 1991-93	6.72%
1982-84 to 1992-94	1.37%	1982-84 to 1992-94	-1.81%	1982-84 to 1992-94	2.90%	1982-84 to 1992-94	6.49%
1983-85 to 1993-95	0.87%	1983-85 to 1993-95	-1.71%	1983-85 to 1993-95	2.62%	1983-85 to 1993-95	6.12%
1984-86 to 1994-96	0.49%	1984-86 to 1994-96	-1.51%	1984-86 to 1994-96	2.25%	1984-86 to 1994-96	5.89%
1985-87 to 1995-97	0.19%	1985-87 to 1995-97	-1.51%	1985-87 to 1995-97	1.78%	1985-87 to 1995-97	5.81%
1986-88 to 1996-98	-0.35%	1986-88 to 1996-98	-2.94%	1986-88 to 1996-98	1.59%	1986-88 to 1996-98	5.73%
1987-89 to 1997-99	-0.70%	1987-89 to 1997-99	-2.50%	1987-89 to 1997-99	2.51%	1987-89 to 1997-99	5.63%
Average	3.74%	Average	3.18%	Average	3.63%	Average	7.53%
Average of 10-year Rolling Averages EPS, DPS and BVPS			3.52%				

Source: 2003 *Mergent Public Utility and Transportation Manual*

SCHEDULE 16

SCHEDULE 16

The Empire District Electric Company
Case No. ER-2012-0345



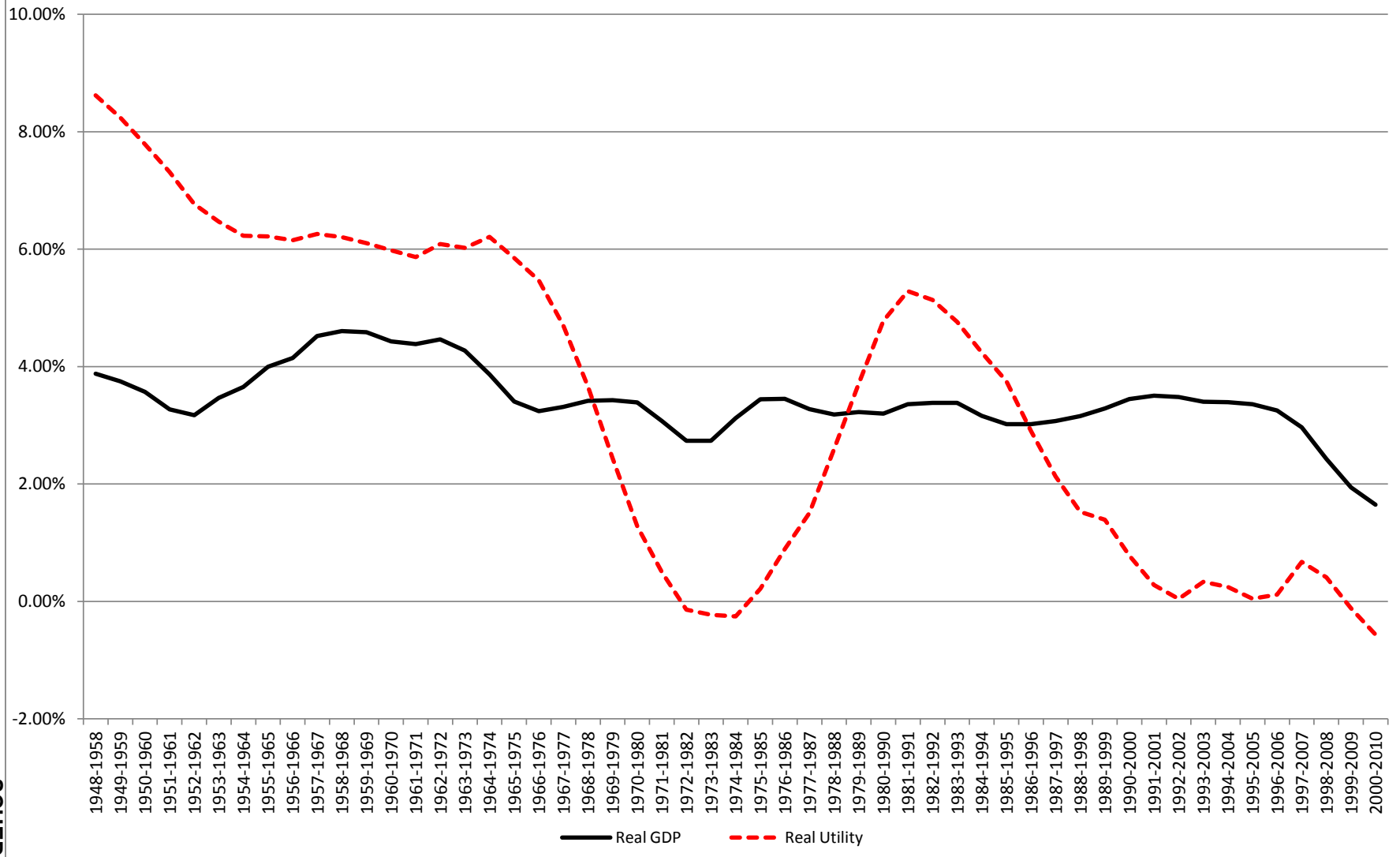
SCHEDULE 17

SCHEDULE 17

APPENDIX 2

The Empire District Electric Company
Case No. ER-2012-0345

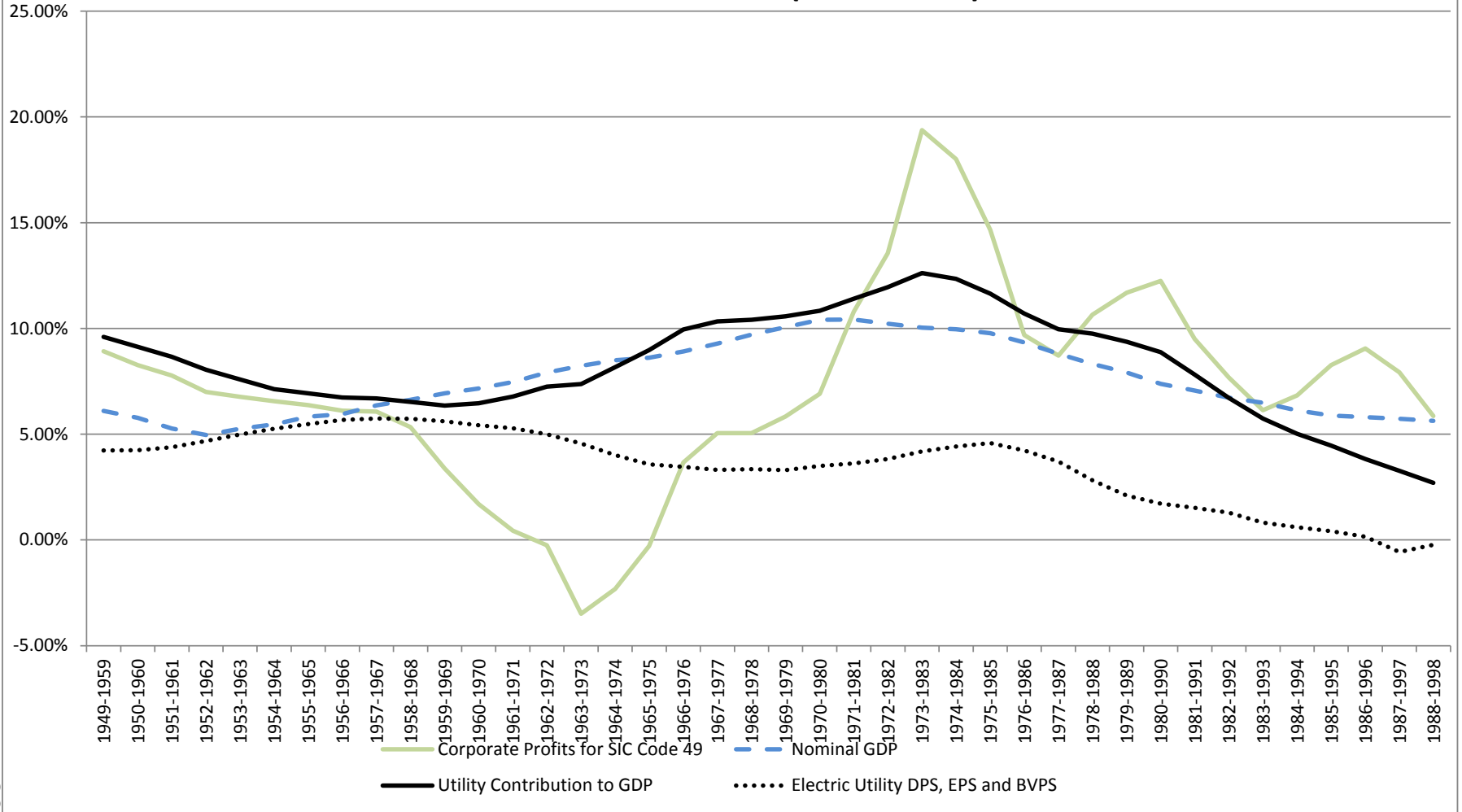
Rolling 10-Year Compound Growth Rates for
Real GDP and Utility Industry Contribution to
Real GDP



SCHEDULE 18

SCHEDULE 18

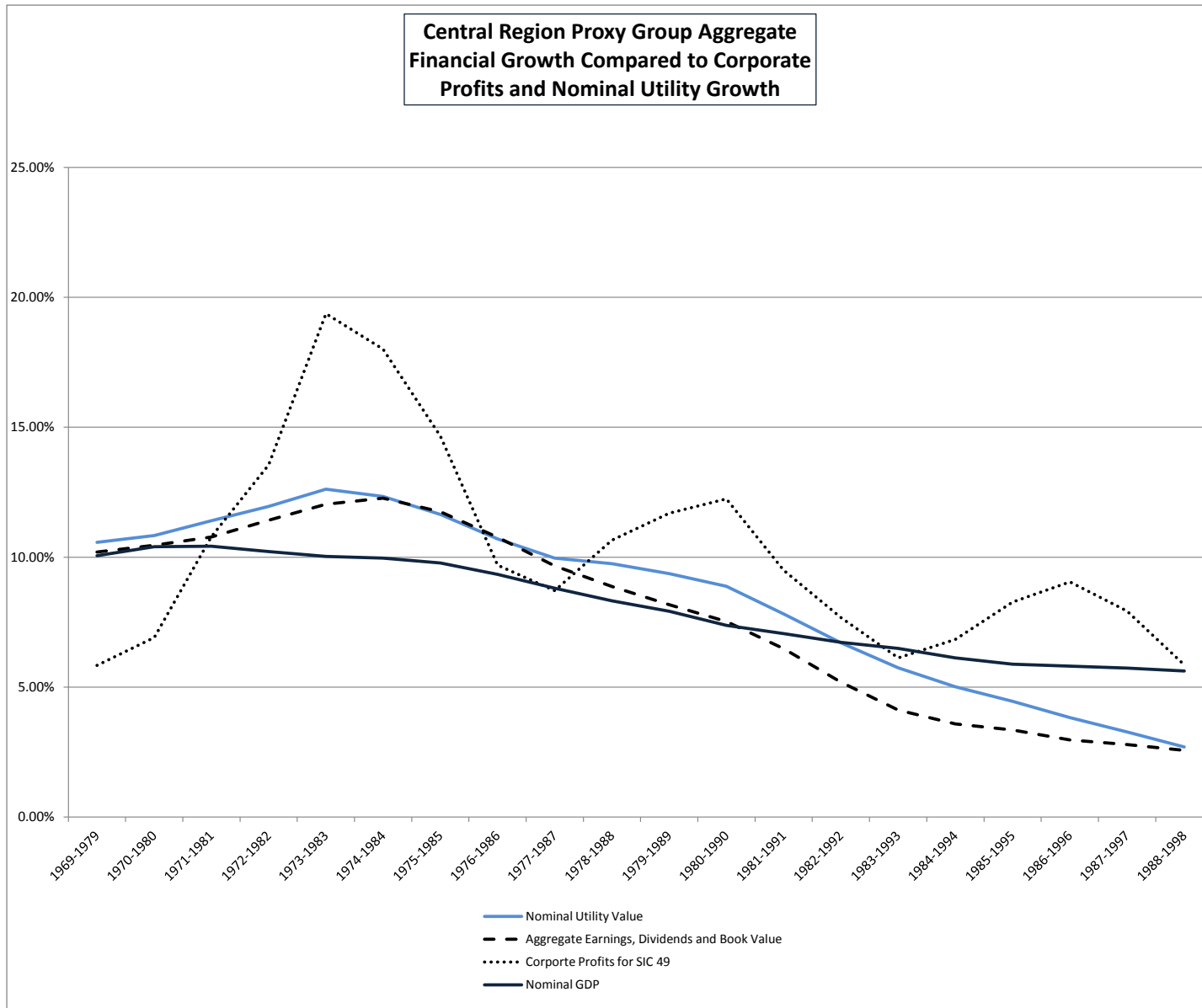
**Relation of Growth in Profits for SIC Code 49
 to Various Indicators (1949 - 1998)**



SCHEDULE 19

SCHEDULE 19

The Empire District Electric Company
Case No. ER-2012-0345

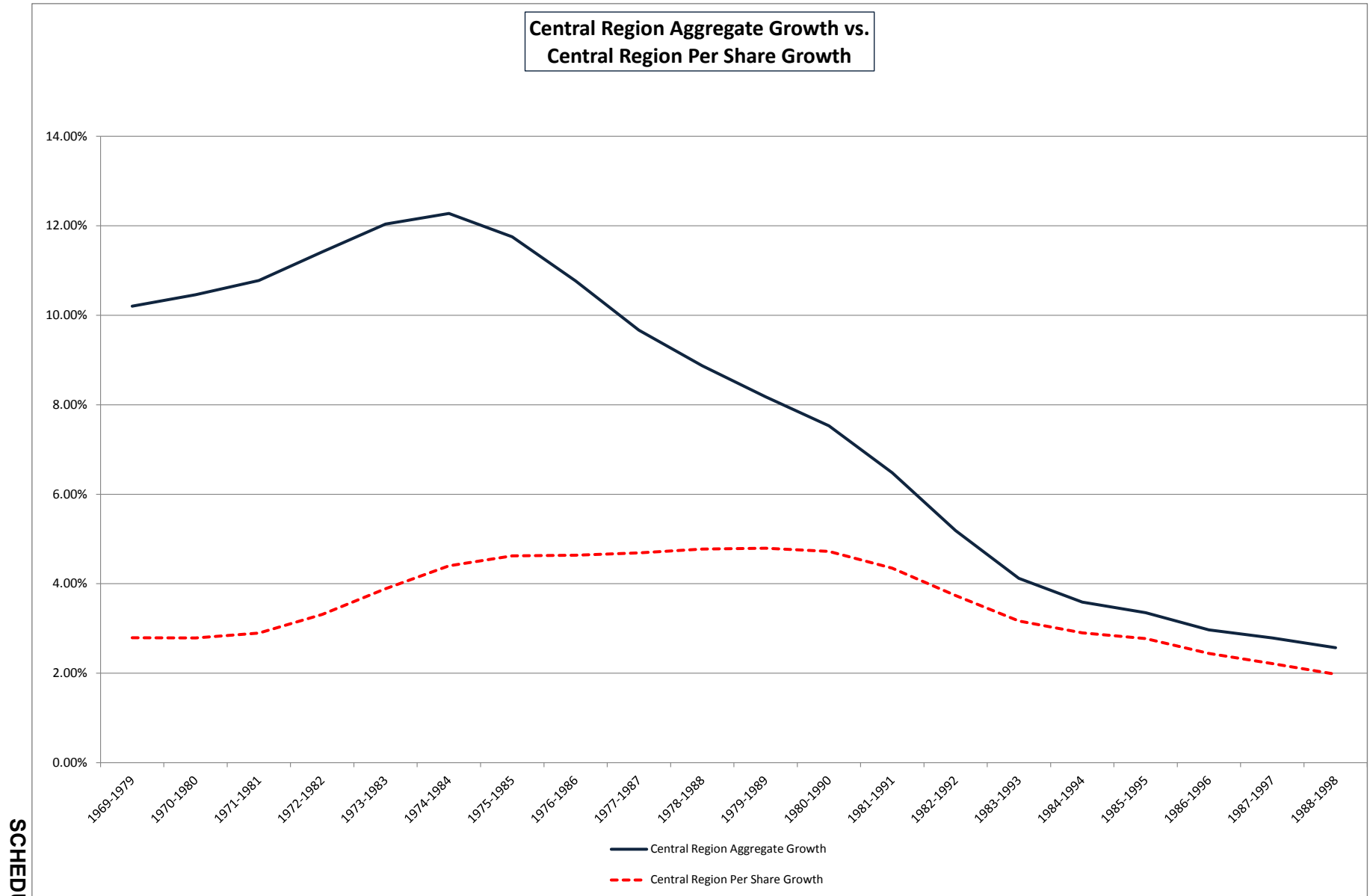


SCHEDULE 20

SCHEDULE 20

The Empire District Electric Company
Case No. ER-2012-0345

Central Region Aggregate Growth vs.
Central Region Per Share Growth

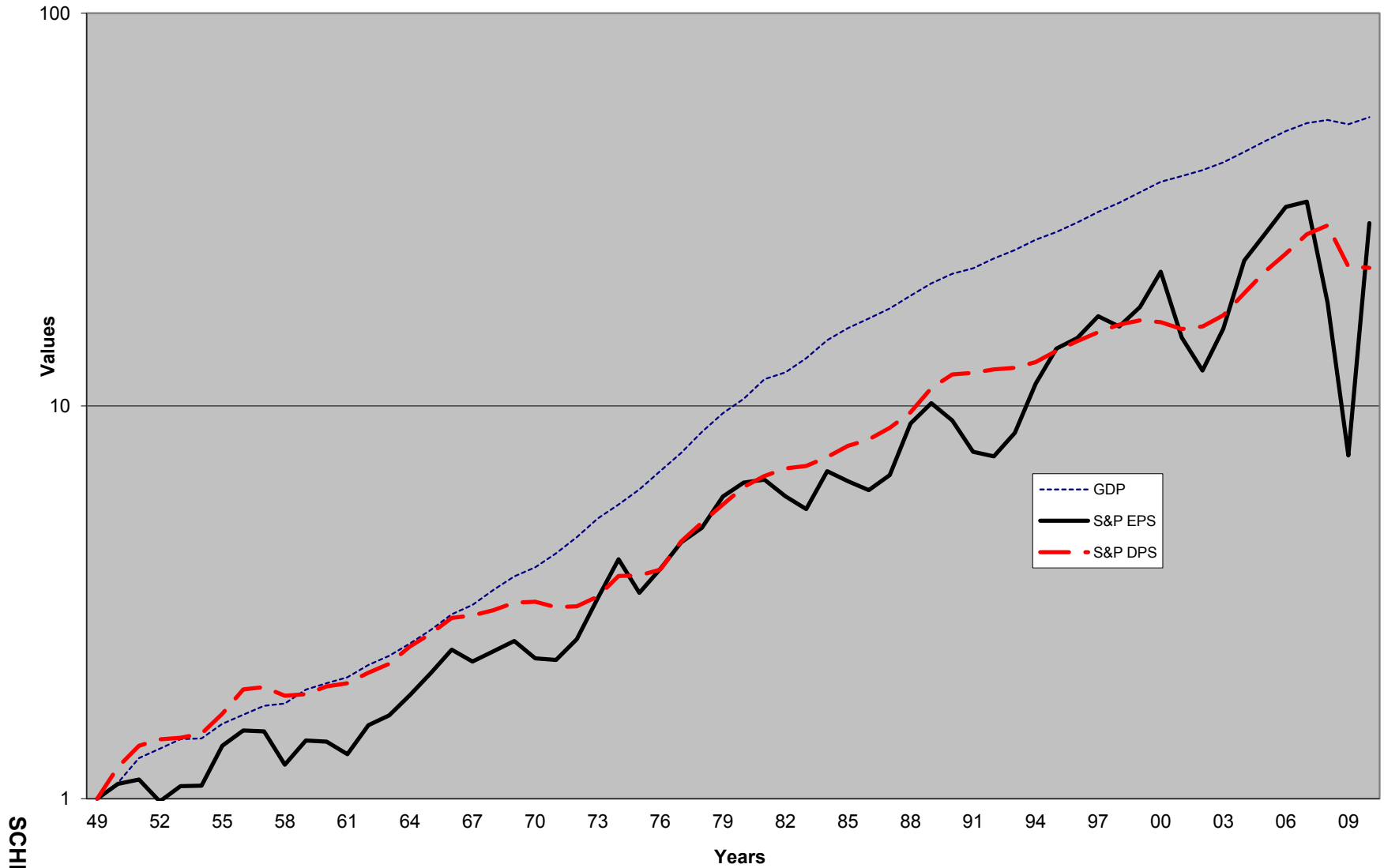


SCHEDULE 21

Source: Value Line

SCHEDULE 21

The Empire District Electric Company
Case No. ER-2012-0345
Comparison of Nominal GDP to S&P 500 EPS and DPS



SCHEDULE 22

Sources: 2012 Economic Report of the President and Bureau of Economic Analysis

SCHEDULE 22

The Empire District Electric Company
Case No. ER-2012-0345
Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates
Based on Historical Return Differences Between Common Stocks and Long-Term U.S. Treasuries
for the Comparable Electric Utility Companies

	(1)	(2)	(3)	(4)	(5)	(6)
	Risk Free Rate	Company's Value Line Beta	Arithmetic Average Market Risk Premium (1926-2011)	Geometric Average Market Risk Premium (1926-2011)	Arithmetic CAPM Cost of Common Equity (1926-2011)	Geometric CAPM Cost of Common Equity (1926-2011)
Company Name						
Alliant Energy	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
American Electric Power	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
Cleco Corp.	2.85%	0.65	5.70%	4.10%	6.56%	5.52%
Great Plains Energy	2.85%	0.75	5.70%	4.10%	7.13%	5.93%
IDACORP, Inc.	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
Pinnacle West Capital	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
PNM Resources	2.85%	0.95	5.70%	4.10%	8.27%	6.75%
Southern Company	2.85%	0.55	5.70%	4.10%	5.99%	5.11%
Westar Energy, Inc.	2.85%	0.75	5.70%	4.10%	7.13%	5.93%
Wisconsin Energy	2.85%	0.65	5.70%	4.10%	6.56%	5.52%
Xcel Energy	2.85%	0.65	5.70%	4.10%	6.56%	5.52%
Average		0.70			6.87%	5.74%

Column 1 = The appropriate yield is equal to the average 30-year U.S. Treasury Bond yield for August, September and October 2012, which was obtained from the St. Louis Federal Reserve website at <http://research.stlouisfed.org/fred2/series/GS30/22>.

Column 2 = Beta is a measure of the movement and relative risk of an individual stock to the market as a whole as reported by the Value Line Investment Ratings & Reports, September 21, 2012, November 2 and November 21, 2012.

Column 3 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2011 was determined to be 5.70% based on an arithmetic average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2012 Yearbook.

Column 4 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2011 was determined to be 4.1% based on a geometric average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2012 Yearbook.

Column 5 = (Column 1 + (Column 2 * Column 3)).

Column 6 = (Column 1 + (Column 2 * Column 4)).

SCHEDULE 23-1

SCHEDULE 23-1

**The Empire District Electric Company
Case No. ER-2012-0345**

**Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates
Based on Historical Return Differences Between Common Stocks and Long-Term U.S. Treasuries
for the Comparable Electric Utility Companies (not including PNM Resources)**

Company Name	(1)	(2)	(3)	(4)	(5)	(6)
	Risk Free Rate	Company's Value Line Beta	Arithmetic Average Market Risk Premium (1926-2011)	Geometric Average Market Risk Premium (1926-2011)	Arithmetic CAPM Cost of Common Equity (1926-2011)	Geometric CAPM Cost of Common Equity (1926-2011)
Alliant Energy	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
American Electric Power	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
Cleco Corp.	2.85%	0.65	5.70%	4.10%	6.56%	5.52%
Great Plains Energy	2.85%	0.75	5.70%	4.10%	7.13%	5.93%
IDACORP, Inc.	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
Pinnacle West Capital	2.85%	0.70	5.70%	4.10%	6.84%	5.72%
Southern Company	2.85%	0.55	5.70%	4.10%	5.99%	5.11%
Westar Energy, Inc.	2.85%	0.75	5.70%	4.10%	7.13%	5.93%
Wisconsin Energy	2.85%	0.65	5.70%	4.10%	6.56%	5.52%
Xcel Energy	2.85%	0.65	5.70%	4.10%	6.56%	5.52%
Average		0.68			6.73%	5.64%

Column 1 = The appropriate yield is equal to the average 30-year U.S. Treasury Bond yield for August, September and October 2012, which was obtained from the St. Louis Federal Reserve website at <http://research.stlouisfed.org/fred2/series/GS30/22>.

Column 2 = Beta is a measure of the movement and relative risk of an individual stock to the market as a whole as reported by the Value Line Investor Ratings & Reports, September 21, 2012, November 2 and November 21, 2012.

Column 3 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2011 was determined to be 5.70% based on an arithmetic average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2012 Yearbook.

Column 4 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium for the period 1926 - 2011 was determined to be 4.1% based on a geometric average as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2012 Yearbook.

Column 5 = (Column 1 + (Column 2 * Column 3)).

Column 6 = (Column 1 + (Column 2 * Column 4)).

**The Empire District Electric Company
Case No. ER-2012-0345**

**Weighted Cost of Capital as of June 30, 2012
for The Empire District Electric Company**

Capital Component	Percentage of Capital	Embedded Cost	Weighted Cost of Capital Using Common Equity Return of:		
			8.50%	9.00%	9.50%
Common Stock Equity	51.06%	-----	4.34%	4.59%	4.85%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%
Long-Term Debt	48.94%	5.91%	2.89%	2.89%	2.89%
Short-Term Debt	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%		7.23%	7.49%	7.74%

Notes:

See Schedule 7 for the Capital Structure Ratios.