

THE EMPIRE DISTRICT ELECTRIC COMPANY
Development of Effect of Net Salvage Limit

EXHIBIT DSR-3R

<u>Account Number</u>	<u>6/30/2004 Balance</u> \$	<u>ASL</u> Yrs	<u>Annual Amount</u> \$	<u>Study Net Salv.</u> %	<u>Annual Amount</u> \$	<u>Alternative Net Salv.</u> %	<u>Annual Amount</u> \$
355.0	26,709,864	60.0	445,164	(135.0)	1,046,136	(100.0)	890,329
364.0	75,481,042	46.0	1,640,892	(210.0)	5,086,766	(100.0)	3,281,784
365.0	94,509,876	53.0	1,783,205	(250.0)	6,241,218	(100.0)	3,566,410
369.0	42,710,443	40.0	1,067,761	(225.0)	3,470,223	(100.0)	2,135,522
	<u>212,701,361</u>		<u>4,491,858</u>		<u>14,798,208</u>		<u>8,983,717</u> <u>(5,814,491)</u>