

THE EMPIRE DISTRICT ELECTRIC COMPANY
STATEMENT OF INCOME
PRO - FORMA reflecting proposed Financing changes
Consolidated Statements
Twelve Months Ended September 30, 2005

Appendix 5
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	A	B	D
	Actual	Adjustments- Shelf	Adjusted Total
1 OPERATING REVENUES	\$ 366,635,373		\$ 366,635,373
OPERATING EXPENSES			
2 Operation	226,947,339		226,947,339
3 Maintenance	20,028,171		20,028,171
4 Depreciation	34,177,189		34,177,189
5 Taxes Other Than Income Taxes	19,287,462		19,287,462
6 Provision for Income Taxes	12,111,048	(2,979,900) A-1	9,131,148
7			
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11			
12 Total Operating Expenses	312,551,209	(2,979,900)	309,571,309
13 Net Operating Income	54,084,164	2,979,900	57,064,064
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25 Total Net Operating Income	54,084,164	2,979,900	57,064,064
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35 Total Net Operating Income	54,084,164	2,979,900	57,064,064
OTHER INCOME AND DEDUCTIONS:			
36 Allowance for Equity Funds Used During Const.	178,432		178,432
37 Interest Income	318,546		318,546
38 Provision for Other Income Taxes	(323,214)		(323,214)
39 Minority Interest	231,306		231,306
40 Other - Net	(1,026,729)		(1,026,729)
	(621,659)	0	(621,659)
INCOME BEFORE INTEREST CHARGES	53,462,505	2,979,900	56,442,405
INTEREST CHARGES:			
41 Interest on Long-Term Debt	24,252,171	11,775,000 B-1	36,027,171
42 Trust Preferred Distributions	4,250,000	(4,250,000) B-2	0
43 Commercial Paper	170,424		170,424
44 Allowance for Borrowed Funds Used During Construction	(188,685)		(188,685)
45 Other	519,827		519,827
	29,003,737	7,525,000	36,528,737
46 NET INCOME	\$ 24,458,768	\$ (4,545,100)	\$ 19,913,668
RETAINED EARNINGS			
47 Unappropriated Retained Earnings (at beg of period)	35,329,151		35,329,151
48 Less Dividends Declared:			
49 Common Stock	33,030,554	8,069,565 C-1	41,100,119
50 Unappropriated Retained Earnings (at end of period)	\$ 26,757,365	\$ (12,614,665)	\$ 14,142,700

A-1 Tax effect of issues of LTD of \$155 million in 2006, \$30 million in 2007 and \$70 million in 2008 at 6.0% each; less redemption of \$50 million of 7.05% Series Senior Notes in 2006.

B-1 Interest on issues of LTD of \$155 million in 2006, \$30 million in 2007 and \$70 million in 2008 at 6.0% each, less interest effect on redemption of \$50 million of 7.05% Series Senior Notes in 2006.

B-2 Interest effect on redemption of Note Payable to Securitization Trust

C-1 Dividends on a \$75 million stock issuance in 2006 and a \$70 million stock issuance in 2008 at \$23 per share.

THE EMPIRE DISTRICT ELECTRIC COMPANY
BALANCE SHEET
PRO - FORMA reflecting proposed Financing changes
ASSETS AND OTHER DEBITS
SEPTEMBER 30, 2005

	A	B	D
	Actual	Adjustments- Shelf	Adjusted Total
UTILITY PLANT:			
1 Electric Plant in Service	\$ 1,252,390,772		\$ 1,252,390,772
2 Water Plant in Service	9,675,908		9,675,908
2a Non-Regulated Property	25,519,535		25,519,535
3 Construction Work in Progress	30,595,305	298,087,500 A-1	328,682,805
4 Total Utility Plant	1,318,181,520	298,087,500	1,616,269,020
5 Less Accumulated Provision for Depreciation:	428,976,212		428,976,212
6 Net Utility Plant	889,205,308	298,087,500	1,187,292,808
OTHER PROPERTY AND INVESTMENTS:			
7			
8			
9 Total Other Property and Investments	0	0	0
CURRENT AND ACCRUED ASSETS:			
10 Cash	10,267,653		10,267,653
11 Notes & Accounts Receivables (Less Accumulated Provision for Uncollectible Accounts)	38,283,587		38,283,587
12 Accrued Unbilled Revenues	7,242,624		7,242,624
13 Accounts Receivable - Other	8,591,992		8,591,992
Materials and Supplies:			
14 Fuel, Materials and Supplies	29,461,292		29,461,292
15 Unrealized Gain in Fair Value of Derivative Contracts	10,175,990		10,175,990
16 Prepaid Expenses	3,019,605		3,019,605
17 Total Current and Accrued Assets	996,248,051	298,087,500	1,294,335,551
DEFERRED DEBITS:			
18 Regulatory Assets	54,676,001		54,676,001
19 Unamortized Debt Issuance Costs	5,815,201	1,912,500 B-1	7,727,701
20 Unrealized Gain in Fair Value of Derivative Contracts	25,679,650		25,679,650
21 Prepaid Pension Asset	9,243,589		9,243,589
22 Other	4,697,808		4,697,808
23 Total Deferred Debits	100,112,249	1,912,500	102,024,749
24 Total Assets and Other Debits	<u>\$ 1,096,360,300</u>	<u>\$ 300,000,000</u>	<u>\$ 1,396,360,300</u>

A-1 Expenditures in excess of issuance of \$255 million in long term debt and \$145 million in common stock, and \$1,912,500 of debt issuance costs and the redemption of \$50 million of Trust Preferred debt and \$50 million of

B-1 Estimated issue expense for \$255 million of long term debt

THE EMPIRE DISTRICT ELECTRIC COMPANY
BALANCE SHEET
PRO - FORMA reflecting proposed Financing changes
LIABILITIES AND OTHER CREDITS
SEPTEMBER 30, 2005

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	A	B		D
	Actual	Adjustments- Shelf		Adjusted Total
PROPRIETARY CAPITAL:				
1 Common Stock Issued	\$ 26,009,678	\$ 6,304,348	A	\$ 32,314,026
2 Preferred Stock Issued				0
3 Premium on Capital Stock	327,861,816	133,021,739	A	460,883,555
4 Retained Earnings	26,757,366	(12,614,665)	C	14,142,701
5 Accumulated Other Comprehensive Income (loss)(net)	21,082,858			21,082,858
6 Total Proprietary Capital	401,711,718	126,711,422		528,423,140
LONG-TERM DEBT:				
7 Bonds and Notes, Capital Lease Obligation	359,309,209	205,000,000	D	564,309,209
9 Note Payable to Securitization Trust	50,000,000	(50,000,000)		0
10 Total Long-Term Debt	409,309,209	155,000,000		564,309,209
CURRENT AND ACCRUED LIABILITIES:				
11 Notes Payable and Commercial Paper	0			0
12 Accounts Payable	46,113,432			46,113,432
13 Current Maturities of Long-term Debt	497,988			497,988
14 Customer Deposits	6,130,116			6,130,116
15 Taxes Accrued	16,339,058	(2,979,900)	C	13,359,158
16 Interest Accrued	6,866,503	7,525,000	C	14,391,503
17 Dividends Declared		8,069,565	A	8,069,565
18 Unrealized Loss in Fair Value of Derivatives	2,119,400			2,119,400
19 Other Current Liabilities	3,437,408			3,437,408
20 Obligations Under Capital Lease	223,699			223,699
21 Total Current and Accrued Liabilities	81,727,604	12,614,665		94,342,269
DEFERRED CREDITS:				
22 Regulatory Liabilities	31,509,715			31,509,715
23 Deferred Income Taxes	143,990,889			143,990,889
24 Unamortized Investment Tax Credits	4,599,768			4,599,768
25 Postretirement Benefits Other Than Pensions	7,615,971			7,615,971
26 Unrealized Loss in Fair Value of Derivative Contracts	1,026,200			1,026,200
27 Minority Interest	854,515			854,515
28 Other	14,014,711			14,014,711
29 Total Deferred Credits	203,611,769	0		203,611,769
30 Total Stockholder's Equity and Liabilities	<u>\$ 1,096,360,300</u>	<u>\$ 294,326,087</u>		<u>\$ 1,390,686,387</u>

A Issuances of common stock of \$75 million in 2006 and \$70 million in 2008 less estimated underwriting discounts and commissions of \$0.90 per share on 6,304,348 shares of common stock and the effect on dividends declared.

B Footnote not used

C Tax and interest effects of issuing additional LTD and paying off commercial paper and dividends for \$145 million

D Includes issuances of long term debt of \$155 million, \$30 million and \$70 million in 2006, 2007 and 2008,

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