

PROSPECTUS SUPPLEMENT  
(To the prospectus dated August 15, 2008)



SERVICES YOU COUNT ON

## The Empire District Electric Company

### **\$50,000,000 First Mortgage Bonds, 5.20% Series due 2040**

- We are offering \$50,000,000 aggregate principal amount of our First Mortgage Bonds, 5.20% Series due 2040. The bonds will mature on September 1, 2040.
- We will pay interest on the bonds semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2011.
- We may redeem some or all of the bonds at any time before their maturity date at our option at a “make-whole” redemption price described in this prospectus supplement under the caption “Description of the bonds—Optional redemption,” plus accrued and unpaid interest, if any, to the redemption date. The bonds will be issued in denominations of \$1,000 and integral multiples thereof.
- The bonds will be our senior secured obligations, will be secured by a first mortgage lien on substantially all the fixed property and franchises owned by The Empire District Electric Company (but not its subsidiaries), subject to certain exceptions and will rank equally with all bonds at any time outstanding under the mortgage.
- We do not intend to list the bonds on any securities exchange. Currently, there is no public market for the bonds.

	Per bond	Total
Price to public <sup>(1)</sup>	99.697%	\$49,848,500
Underwriting discount	0.875%	\$ 437,500
Proceeds, before expenses, to us <sup>(1)</sup>	98.822%	\$49,411,000

(1) Plus accrued interest, if any, from August 25, 2010.

Investing in the bonds involves risks. You should carefully read the entire accompanying base prospectus and this prospectus supplement, including the section entitled “Risk Factors” beginning on page S-4 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these bonds or determined if this prospectus supplement or the accompanying base prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

We expect that delivery of the bonds will be made through the book-entry facilities of The Depository Trust Company on or about August 25, 2010.

**UBS Investment Bank**

The date of this prospectus supplement is August 18, 2010

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## Important notice about information in this prospectus supplement and the accompanying base prospectus

You should rely only on the information contained in this prospectus supplement, the accompanying base prospectus, any related free writing prospectus filed by us and the documents we have incorporated by reference. We have not, and the underwriter has not, authorized anyone to provide you with different information. We are not, and the underwriter is not, making an offer of the bonds in any jurisdiction where the offer or sale is not permitted. You should not assume that the information provided by this prospectus supplement or the accompanying base prospectus, as well as the information we have previously filed with the Securities and Exchange Commission (the "SEC") that is incorporated by reference herein, is accurate as of any date other than its date. For purposes of this prospectus supplement and the accompanying base prospectus, unless the context otherwise indicates, when we refer to "us," "we," "our," "ours" or "Empire," we are describing ourselves, The Empire District Electric Company, together with our subsidiaries.

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## About this prospectus supplement

This prospectus supplement is a supplement to the accompanying base prospectus that is also a part of this document. This prospectus supplement and the accompanying base prospectus are part of a registration statement that we filed with the SEC using a “shelf” registration process. Under the shelf registration process, we may sell any combination of the securities described in the accompanying base prospectus up to an aggregate amount of \$400,000,000, of which this offering is a part. In this prospectus supplement, we provide you with specific information about the terms of this offering. Both this prospectus supplement and the accompanying base prospectus include important information about us, our bonds and other information you should know before investing in our bonds. This prospectus supplement also adds, updates and changes information contained in the accompanying base prospectus. To the extent that any statement that we make in this prospectus supplement is inconsistent with the statements made in the accompanying base prospectus, the statements made in the accompanying base prospectus are deemed modified or superseded by the statements made in this prospectus supplement. You should read both this prospectus supplement and the accompanying base prospectus as well as the additional information described under the headings “Incorporation by reference” in this prospectus supplement and “Where You Can Find More Information” in the accompanying base prospectus before investing in our bonds.

## Prospectus supplement summary

*This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying base prospectus. Because it is a summary, it does not contain all the information you should consider before investing in our First Mortgage Bonds. You should read this entire prospectus supplement and the accompanying base prospectus carefully, including the "Risk factors" section and the information incorporated by reference, before making an investment decision.*

### THE COMPANY

We operate our businesses as three segments: electric, gas and other. The Empire District Electric Company ("EDE"), a Kansas corporation organized in 1909, is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity in parts of Missouri, Kansas, Oklahoma and Arkansas. As part of our electric segment, we also provide water service to three towns in Missouri. The Empire District Gas Company ("EDG") is our wholly owned subsidiary engaged in the distribution of natural gas in Missouri. Our other segment consists of our fiber optics business. In 2009, 87.5% of our gross operating revenues were provided from sales from our electric segment (including 0.4% from the sale of water), 11.5% from our gas segment and 1.0% from our other segment. We have approximately 215,000 customers in total.

The territory served by our electric operations embraces an area of about 10,000 square miles, located principally in southwestern Missouri, and also includes smaller areas in southeastern Kansas, northeastern Oklahoma and northwestern Arkansas. The principal economic activities of these areas include light industry, agriculture and tourism. Of our total 2009 retail electric revenues, approximately 89.1% came from Missouri customers, 5.1% from Kansas customers, 3.0% from Oklahoma customers and 2.8% from Arkansas customers.

We supply electric service at retail to 121 incorporated communities as of December 31, 2009, and to various unincorporated areas and at wholesale to four municipally owned distribution systems. The largest urban area we serve is the city of Joplin, Missouri, and its immediate vicinity, with a population of approximately 157,000.

Our electric operating revenues in 2009 were derived as follows: residential 41.6%, commercial 31.4%, industrial 15.2%, wholesale on-system 4.2%, wholesale off-system 3.3%, miscellaneous sources, primarily public authorities 2.7% and other electric revenues 1.6%. Our largest single on-system wholesale customer is the city of Monett, Missouri, which in 2009 accounted for approximately 3% of electric revenues. No single retail customer accounted for more than 2% of electric revenues in 2009.

Our gas operations, which are conducted by EDG, serve customers in northwest, north central and west central Missouri. We provide natural gas distribution to 44 communities and 310 transportation customers as of December 31, 2009. The largest urban area we serve is the city of Sedalia with a population of over 20,000.

Our gas operating revenues in 2009 were derived as follows: residential 63.1%, commercial 27.1%, industrial 3.6% and other 6.2%.

Our other segment consists of our fiber optics business which involves the leasing of fiber optics cable and equipment. As of December 31, 2009, we have 89 fiber customers.

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Our principal executive office is located at 602 S. Joplin Avenue, Joplin, Missouri 64801 and our telephone number there is (417) 625-5100.

## THE OFFERING

Issuer . . . . .	The Empire District Electric Company.
Offered securities . . . . .	\$50,000,000 aggregate principal amount of First Mortgage Bonds, 5.20% Series due 2040.
Ranking . . . . .	<p>The bonds will be our senior secured obligations, will be secured by a first mortgage lien on substantially all the fixed property and franchises owned by The Empire District Electric Company (but not its subsidiaries), subject to certain exceptions, and will rank equally with all bonds at any time outstanding under the mortgage.</p> <p>The bonds will be effectively subordinated to all indebtedness of our subsidiaries. At August 13, 2010, our subsidiaries had approximately \$55.0 million of indebtedness outstanding.</p>
Maturity date . . . . .	September 1, 2040.
Use of proceeds . . . . .	The net proceeds from this offering (after the payment of underwriting discounts and offering expenses) of approximately \$49.1 million will be used to redeem all of our Senior Notes, 7.05% Series due 2022, and to repay short-term debt which was incurred, in part, to fund our current construction program. See "Use of proceeds."
Interest rate . . . . .	The bonds will bear interest at the rate of 5.20% per annum from August 25, 2010 to, but excluding, September 1, 2040.
Interest payment dates . . . . .	Interest on the bonds will be payable on March 1 and September 1 of each year, beginning March 1, 2011.
Optional redemption . . . . .	We may redeem some or all of the bonds at any time before their maturity date at our option at a make-whole redemption price, together with accrued and unpaid interest, if any, to the redemption date. See "Description of the bonds—Optional redemption."

## Summary financial data

The following tables are a selection of certain of our financial information. This information is taken or derived from our audited consolidated financial statements for each of the years ended December 31, 2009, 2008 and 2007 contained in our Annual Report on Form 10-K for the year ended December 31, 2009 (the "2009 Annual Report") and from our unaudited consolidated financial statements contained in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (the "Second Quarter 2010 Quarterly Report"). See "Incorporation by reference" in this prospectus supplement and "Where You Can Find More Information" in the accompanying base prospectus. We urge you to read this financial information, together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the 2009 Annual Report and the Second Quarter 2010 Quarterly Report.

Income statement data	Year ended December 31,			Six months ended
	2007	2008	2009	June 30, 2010 (unaudited)
	(in thousands, except ratios)			
Operating revenues	\$490,160	\$518,163	\$497,168	\$254,376
Operating income	65,566	71,012	74,495	30,357
Income from continuing operations	33,181	39,722	41,296	15,955
Net income	33,244	39,722	41,296	15,955
Ratio of earnings to fixed charges	2.08x	2.19x	2.15x	2.21x

  

Balance sheet data	As of June 30, 2010 (unaudited)			
	Actual		As adjusted <sup>(1)</sup>	
	Amount	Percentage	Amount	Percentage
	(in thousands, except percentage information)			
Cash and cash equivalents	\$ 6,728	N/A	\$ 6,728	N/A
Current maturities of long-term debt	\$ 865	N/A	\$ 865	N/A
Short-term debt	\$ 40,000	N/A	\$ 39,193	N/A
First mortgage bonds and secured debt <sup>(2)</sup>	\$ 439,096	32.9%	\$ 489,096	36.6%
Unsecured debt	247,815	18.6	199,511	14.9
Obligations under capital lease	2,489	0.1	2,489	0.2
Total long-term debt	689,400	51.6	691,096	51.7
Common stockholders' equity	645,413	48.4	645,413	48.3
Total long-term debt and common stockholders' equity	\$1,334,813	100.0%	\$1,336,509	100.0%

(1) Adjusted to give effect to this offering and the application of the net proceeds from the sale of the bonds offered hereby as described under "Use of proceeds."

(2) Includes \$55.0 million of first mortgage bonds issued by The Empire District Gas Company.

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## Risk factors

*Investing in the bonds involves a high degree of risk. Before purchasing the bonds, you should carefully consider the following information about these risks, together with the other information incorporated by reference herein, including the information discussed under the caption "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as well as all of the other information included in this prospectus supplement and the accompanying base prospectus. Any of these risks, as well as other risks and uncertainties, could harm our financial condition, results of operations or cash flows. See also "Forward-Looking Statements" in this prospectus supplement.*

### **Any reduction in our credit ratings could materially and adversely affect our business, financial condition and results of operations.**

Currently, our corporate credit ratings and the ratings for our securities are as follows:

	Fitch	Moody's	Standard & Poor's
Corporate Credit Rating . . . . .	n/r*	Baa2	BBB-
EDE First Mortgage Bonds . . . . .	BBB+	A3	BBB+
Senior Notes . . . . .	BBB	Baa2	BBB-
Commercial Paper . . . . .	F2	P-2	A-3
Outlook . . . . .	Stable	Stable	Stable

\* Not rated.

The ratings indicate the agencies' assessment of our ability to pay the interest on and principal of these securities. A rating is not a recommendation to purchase, sell or hold securities and each rating should be evaluated independently of any other rating. The lower the rating, the higher the interest cost of the securities when they are sold. In addition, a downgrade in our senior unsecured long-term debt rating would result in an increase in our borrowing costs under our bank credit facility. If any of our ratings fall below investment grade (investment grade is defined as Baa3 or above for Moody's and BBB- or above for Standard & Poor's and Fitch), our ability to issue short-term debt, commercial paper or other securities or to market those securities would be impaired or made more difficult or expensive. Therefore, any such downgrades could have a material adverse effect on our business, financial condition and results of operations. In addition, any actual downgrade of our commercial paper rating from Moody's or Fitch, may make it difficult for us to issue commercial paper. To the extent we are unable to issue commercial paper, we will need to meet our short-term debt needs through borrowings under our revolving credit facilities, which may result in higher costs.

We cannot assure you that any of our current ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances in the future so warrant.

### **We are exposed to increases in costs and reductions in revenue which we cannot control and which may adversely affect our business, financial condition and results of operations.**

The primary drivers of our electric operating revenues in any period are: (1) rates we can charge our customers, (2) weather, (3) customer growth and (4) general economic conditions. Of the factors driving revenues, weather has the greatest short-term effect on the demand for electricity for our

## Risk factors

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regulated business. Mild weather reduces demand and, as a result, our electric operating revenues. In addition, changes in customer demand due to downturns in the economy could reduce our revenues.

The primary drivers of our electric operating expenses in any period are: (1) fuel and purchased power expenses, (2) maintenance and repairs expense, including repairs following severe weather and plant outages, (3) taxes and (4) non-cash items such as depreciation and amortization expense. Although we generally recover these expenses through our rates, there can be no assurance that we will recover all, or any part of, such increased costs in future rate cases.

The primary drivers of our gas operating revenues in any period are: (1) rates we can charge our customers, (2) weather, (3) customer growth, (4) the cost of natural gas and interstate pipeline transportation charges and (5) general economic conditions. Because natural gas is heavily used for residential and commercial heating, the demand for this product depends heavily upon weather patterns throughout our natural gas service territory and a significant amount of our natural gas revenues are recognized in the first and fourth quarters related to the heating seasons. Accordingly, our natural gas operations have historically generated less revenues and income when weather conditions are warmer in the winter.

The primary driver of our gas operating expense in any period is the price of natural gas.

Significant increases in electric and gas operating expenses or reductions in electric and gas operating revenues may occur and result in a material adverse effect on our business, financial condition and results of operations.

**We are exposed to factors that can increase our fuel and purchased power expenditures, including disruption in deliveries of coal or natural gas, decreased output from our power plants, failure of performance by purchased power counterparties and market risk in our fuel procurement strategy.**

Fuel and purchased power costs are our largest expenditures. Increases in the price of coal, natural gas or the cost of purchased power will result in increased electric operating expenditures.

We depend upon regular deliveries of coal as fuel for our Riverton, Asbury, Iatan and Plum Point plants. Substantially all of this coal comes from mines in the Powder River Basin of Wyoming and is delivered to the plants by train. Production problems in these mines, railroad transportation or congestion problems, or unavailability of trains could affect delivery cycle times required to maintain plant inventory levels, causing us to implement coal conservation and supply replacement measures to retain adequate reserve inventories at our facilities. These measures could include some or all of the following: reducing the output of our coal plants, increasing the utilization of our higher-cost gas-fired generation facilities, purchasing power from other suppliers, adding additional leased trains to our supply system and purchasing locally mined coal which can be delivered without using the railroads. Such measures could result in increased fuel and purchased power expenditures.

With the addition of the Missouri fuel adjustment mechanism effective September 1, 2008, we now have a fuel cost recovery mechanism in all of our jurisdictions, which significantly reduces our net income exposure to the impact of the risks discussed above. However, cash flow could still be impacted by these increased expenditures. We are also subject to prudence reviews which could negatively impact our net income if a regulatory commission would conclude our costs were incurred imprudently.

We have also established a risk management practice of purchasing contracts for future fuel needs to meet underlying customer needs and manage cost and pricing uncertainty. Within this activity, we may incur losses from these contracts. By using physical and financial instruments, we are exposed to credit



## **Risk factors**

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risk and market risk. Market risk is the exposure to a change in the value of commodities caused by fluctuations in market variables, such as price. The fair value of derivative financial instruments we hold is adjusted cumulatively on a monthly basis until prescribed determination periods. At the end of each determination period, which is the last day of each calendar month in the period, any realized gain or loss for that period related to the contract will be reclassified to fuel expense and recovered or refunded to the customer through our fuel adjustment mechanisms. Credit risk is the risk that the counterparty might fail to fulfill its obligations under contractual terms.

### **We may be unable to recover increases in the cost of natural gas from our natural gas utility customers, or may lose customers as a result of any price increases.**

In our natural gas utility business, we are permitted to recover the cost of gas directly from our customers through the use of a purchased gas adjustment provision. Our purchased gas adjustment provision is regularly reviewed by the MPSC. In addition to reviewing our adjustments to customer rates, the MPSC reviews our costs for prudence as well. To the extent the MPSC may determine certain costs were not incurred prudently, it could adversely affect our gas segment earnings and cash flows. In addition, increases in natural gas costs affect total prices to our customers and, therefore, the competitive position of gas relative to electricity and other forms of energy. Increases in natural gas costs may also result in lower usage by customers unable to switch to alternate fuels. Such disallowed costs or customer losses could have a material adverse effect on our business, financial condition and results of operations.

### **We are subject to regulation in the jurisdictions in which we operate.**

We are subject to comprehensive regulation by federal and state utility regulatory agencies, which significantly influences our operating environment and our ability to recover our costs from utility customers. The utility commissions in the states where we operate regulate many aspects of our utility operations, including the rates that we can charge customers, siting and construction of facilities, pipeline safety and compliance, customer service and our ability to recover increases in our fuel and purchased power costs.

The FERC has jurisdiction over wholesale rates for electric transmission service and electric energy sold in interstate commerce. Federal, state and local agencies also have jurisdiction over many of our other activities.

Information concerning recent filings requesting increases in rates and related matters is set forth under Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Rate Matters" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

We are unable to predict the impact on our operating results from the regulatory activities of any of these agencies. Despite our requests, these regulatory commissions have sole discretion to leave rates unchanged, grant increases or order decreases in the base rates we charge our utility customers. They have similar authority with respect to our recovery of increases in our fuel and purchased power costs. If our costs increase and we are unable to recover increased costs through base rates or fuel adjustment clauses, or if we are unable to fully recover our investments in new facilities, our results of operations could be materially adversely affected. Changes in regulations or the imposition of additional regulations could also have a material adverse effect on our results of operations.

### **Operations risks may adversely affect our business and financial results.**

The operation of our electric generation, and electric and gas transmission and distribution systems involves many risks, including breakdown or failure of expensive and sophisticated equipment,

## **Risk factors**

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processes and personnel performance; operating limitations that may be imposed by equipment conditions, environmental or other regulatory requirements; fuel supply or fuel transportation reductions or interruptions; transmission scheduling constraints; and catastrophic events such as fires, explosions, severe weather or other similar occurrences.

We have implemented training, preventive maintenance and other programs, but there is no assurance that these programs will prevent or minimize future breakdowns, outages or failures of our generation facilities. In those cases, we would need to either produce replacement power from our other facilities or purchase power from other suppliers at potentially volatile and higher cost in order to meet our sales obligations.

These and other operating events may reduce our revenues, increase costs, or both, and may materially affect our results of operations, financial position and cash flows.

### **Financial market disruptions may increase financing costs, limit access to the credit markets or cause reductions in investment values in our pension plan assets.**

General market declines in 2008 and early 2009, resulting in part from the sub-prime mortgage issues, have generally reduced access to the capital markets. We estimate our capital expenditures to be \$110.9 million in 2010. Although we believe it is unlikely we will have difficulty accessing the markets for the capital needed to complete these projects, financing costs could fluctuate. Market conditions in 2008 negatively impacted the return on our pension plan and Other Postretirement Benefits (OPEB) assets in 2008. Our net pension and OPEB liability increased \$68.7 million in 2008. The market recovered in 2009, however our costs also increased, resulting in a \$0.7 million increase in our 2009 net pension and OPEB liability. We expect to be required to fund approximately \$15.2 million in 2010 for pension and OPEB liabilities. Future market declines could result in increased pension and OPEB liabilities and funding obligations.

### **The cost and schedule of construction projects may materially change.**

We have entered into an agreement with KCP&L to purchase an undivided ownership interest in the coal-fired Iatan 2 generating facility, scheduled for completion in the fourth quarter of 2010. We will own 12%, or approximately 100 megawatts, of the 850-megawatt unit.

There are risks that actual costs may exceed budget estimates, delays may occur in obtaining permits and materials, suppliers and contractors may not perform as required under their contracts, there may be inadequate availability, productivity or increased cost of qualified craft labor, start-up activities may take longer than currently planned, the scope and timing of this project may change, the re-baselined schedule may not be met and other events beyond our control, including the failure of one or more of the generation plant co-owners to pay their share of construction, operations and maintenance costs, may occur that may materially affect the schedule, budget, cost and performance of this project. To the extent the completion of this project is delayed, we expect that the timing of receipt of increases in base rates reflecting our investment in this project will be correspondingly delayed.

We have also entered into an agreement to purchase an undivided interest in 50 megawatts (7.5% ownership interest) of the Plum Point Energy Station's new 665-megawatt, coal-fired generating facility, which we believe has successfully completed the in-service criteria established by the Missouri Public Service Commission.

Costs associated with the Plum Point and Iatan 2 projects will also be subject to prudence review by regulators as part of future rate case filings.

## **Risk factors**

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### **We are subject to environmental laws and the incurrence of environmental liabilities which may adversely affect our business, financial condition and results of operations.**

We are subject to extensive federal, state and local regulation with regard to air and other environmental matters. Failure to comply with these laws and regulations could have a material adverse effect on our results of operations and financial position. In addition, new environmental laws and regulations, and new interpretations of existing environmental laws and regulations, have been adopted and may in the future be adopted which may substantially increase our future environmental expenditures for both new facilities and our existing facilities. Compliance with current and future air emission standards (such as those limiting emission levels of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxide (NO<sub>x</sub>) and, potentially, carbon dioxide (CO<sub>2</sub>)) has required, and may in the future require, significant environmental expenditures. Although we have historically recovered such costs through our rates, there can be no assurance that we will recover all, or any part of, such increased costs in future rate cases. The incurrence of additional material environmental costs which are not recovered in our rates may result in a material adverse effect on our business, financial condition and results of operations.

### **We cannot assure you that an active trading market for the bonds will develop.**

We do not intend to apply for listing of the bonds on any securities exchange or automated quotation system. There can be no assurance as to the liquidity of any market that may develop for the bonds, the ability of the bondholders to sell their bonds or the price at which the bondholders will be able to sell the bonds. Future trading prices of the bonds will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

The underwriter has informed us that it intends to make a market in the bonds. However, the underwriter is not obligated to do so, and any such market making activity may be terminated at any time without notice. If a market for the bonds does not develop, purchasers may be unable to resell the bonds for an extended period of time. Consequently, a bondholder may not be able to liquidate its investment readily.

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## Use of proceeds

We estimate that the net proceeds from this offering (after payment of expenses) will be approximately \$49.1 million. We intend to use these net proceeds to redeem all of our Senior Notes, 7.05% Series due 2022, of which \$48.3 million remain outstanding, at 100% of the principal amount thereof, plus accrued and unpaid interest, which have been called for redemption on August 27, 2010, with the remaining proceeds to repay short-term debt which was incurred, in part, to fund our current construction program. As of August 13, 2010, we had \$40.0 million of short-term debt outstanding, bearing interest at a weighted average rate of 1.2% per annum.

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## Description of the bonds

The following information concerning the bonds supplements and should be read in conjunction with the statements under "Description of First Mortgage Bonds" in the accompanying base prospectus.

### General

The bonds will be issued as a new series of our First Mortgage Bonds under the Mortgage (as defined in the accompanying base prospectus) as supplemented by the Thirty-Sixth Supplemental Indenture to be dated as of August 25, 2010.

We may from time to time without notice to, or the consent of, the holders of the bonds create and issue further bonds, equal in rank, of the same series and having the same terms as the bonds being offered by this prospectus supplement. First Mortgage Bonds will be issued in denominations of \$1,000 and integral multiples thereof.

The Mortgage does not contain any covenants or other provisions that specifically are intended to afford holders of bonds special protection in the event of a highly leveraged transaction.

### Interest and maturity

The bonds will bear interest at the rate of 5.20% per annum, payable on March 1 and September 1, beginning March 1, 2011. Interest will be paid to the person in whose name a bond is registered at the close of business on the February 15 or August 15 next preceding each semi-annual interest payment date. The bonds will mature on September 1, 2040.

Interest on the bonds will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. In the event that any date on which interest is payable on the bonds is not a business day, then payment of the interest payable on such date will be made on the next day that is a business day (and without any interest or other payment in respect of any such delay).

### Ranking

The bonds will be our senior secured obligations, will be secured by a first mortgage lien on substantially all the fixed property and franchises owned by The Empire District Electric Company (but not its subsidiaries), subject to certain exceptions and will rank equally with all bonds at any time outstanding under the mortgage.

The bonds will be effectively subordinated to all indebtedness of our subsidiaries. At August 13, 2010, our subsidiaries had approximately \$55.0 million of indebtedness outstanding.

### Sinking fund

There is no sinking fund applicable to any outstanding series of bonds and the Thirty-Sixth Supplemental Indenture will not provide a sinking fund for the bonds.

### Dividend restriction

So long as any of the bonds are outstanding, we will not declare or pay any dividends (other than dividends payable in shares of our common stock) or make any other distribution on, or purchase (other than with the proceeds of additional common stock financing) any shares of, our common stock if the cumulative aggregate amount thereof after August 31, 1944 (excluding the first quarterly

## Description of the bonds

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dividend of \$98,000) would exceed the sum of \$10.75 million and the earned surplus accumulated after August 31, 1944, or the date of succession in the event another corporation succeeds to our rights and liabilities by a merger or consolidation.

### Optional redemption

We may, at our option, redeem some or all of the bonds at any time. If we redeem the bonds prior to their maturity, we must pay you a redemption price equal to the greater of:

- 100% of the principal amount of the bonds to be redeemed, or
- a “make-whole” amount, which will be calculated as described below.

When we redeem the bonds, we must also pay all interest that has accrued to the redemption date on the redeemed bonds. The redeemed bonds will stop bearing interest on the redemption date, even if you do not collect your money.

The “make-whole” amount will equal the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the Treasury Rate (as defined below) plus 25 basis points.

“Remaining Scheduled Payments” means the remaining scheduled payments of the principal and interest that would be due if the bonds selected for redemption were not redeemed. However, if the redemption date is not a scheduled interest payment date, the amount of the next succeeding scheduled interest payment on those bonds will be reduced by the amount of interest accrued on those bonds to the redemption date.

“Treasury Rate” means an annual rate equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (as defined below), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (as defined below) for the redemption date. The semiannual equivalent yield to maturity will be computed as of the third business day immediately preceding the redemption date.

“Comparable Treasury Issue” means the U.S. Treasury security selected by UBS Securities LLC or its successor (or, if UBS Securities LLC or any of its successors ceases to be a primary U.S. Government securities dealer, another nationally recognized investment banking firm that is a primary U.S. Government securities dealer appointed by us) as having a maturity comparable to the remaining term of the bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such bonds.

“Comparable Treasury Price” means the average of three Reference Treasury Dealer Quotations (as defined below) obtained by the trustee for the redemption date.

“Reference Treasury Dealers” means UBS Securities LLC and its successors, so long as it or any of its successors continues to be a primary U.S. Government securities dealer, and any two other primary U.S. Government securities dealers chosen by us. If UBS Securities LLC or any of its successors ceases to be a primary U.S. Government securities dealer, we will appoint in its place another nationally recognized investment banking firm that is a primary U.S. Government securities dealer.

“Reference Treasury Dealer Quotation” means the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted

## **Description of the bonds**

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in writing to the trustee by a Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding the redemption date.

We will give notice to holders of bonds to be redeemed by first-class mail at least 30 days but not more than 60 days prior to the date fixed for redemption. The notice of redemption may provide that the redemption is conditioned upon the occurrence of certain events before the date fixed for redemption. If any of these events fail to occur and are not waived by us, the notice of redemption shall be of no effect, we will be under no obligation to redeem the bonds or pay you any redemption proceeds, and our failure to so redeem the bonds will not be considered a default or event of default under the mortgage. If fewer than all of the bonds are to be redeemed, the trustee will select the particular bonds, or portions thereof, for redemption from the outstanding bonds by such method as the trustee considers fair and appropriate.

On and after the redemption date, interest will cease to accrue on the bonds or any portion of the bonds called for redemption unless, in the case of an unconditional notice of redemption, we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent money sufficient to pay the redemption price of and accrued interest on the bonds to be redeemed on such date.

### **Book-entry system**

The Depository Trust Company ("DTC"), New York, New York will act as securities depository for the bonds. The bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond (the "Global Bond") certificate will be issued for the bonds, in the aggregate principal amount of \$50,000,000, and will be deposited with the trustee, as custodian for DTC.

We understand that DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org). That information is not incorporated in or otherwise made a part of this prospectus supplement.

## Description of the bonds

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Purchases of bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the bonds, except in the event that use of the book-entry system for the bonds is discontinued.

To facilitate subsequent transfers, all bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any changes in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, will be sent to DTC. If less than all of the bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC would mail an Omnibus Proxy to Empire as soon as possible after the relevant record date. The Omnibus Proxy assigns Cede & Co.'s (or such other DTC nominee's) consenting or voting rights to those Direct Participants to whose accounts the bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and any redemption proceeds on the bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC has advised us and the trustee that its practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Empire or the trustee in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and any redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.



## Description of the bonds

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A Beneficial Owner shall give notice to elect to have its bonds purchased or tendered, through its Participant, to tender agent, and shall effect delivery of such bonds by causing the Direct Participant to transfer the Participant's interest in the bonds, on DTC's records, to tender agent. The requirement for physical delivery of the bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered bonds to tender agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the bonds at any time by giving reasonable notice to us or the trustee. Under such circumstances, in the event that a successor depositary is not obtained, bond certificates are required to be printed and delivered to the Beneficial Owners.

We may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depositary). In that event, bond certificates will be printed and delivered.

Beneficial Owners should consult with the Direct Participant or Indirect Participant from whom they purchased a book-entry interest to obtain information concerning the system maintained by such Direct or Indirect Participant to record such interests, to make payments and to forward notices of redemption and other information.

None of us, the underwriter or the trustee has any responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, book-entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but neither we nor the underwriter takes any responsibility for the accuracy thereof. Neither we, the mortgage trustees nor the underwriter will have any responsibility for the performance by DTC or its Participants of their respective obligations described above or under the rules and procedures governing their respective obligations.

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## Underwriting

We are selling the bonds to the underwriter, UBS Securities LLC, pursuant to an underwriting agreement dated the date of this prospectus supplement. We have agreed to sell to the underwriter, and the underwriter has agreed to purchase, the entire principal amount of bonds offered hereby.

Under the terms and conditions of the underwriting agreement, the underwriter must buy all of the bonds if it buys any of them. The underwriting agreement provides that the obligations of the underwriter pursuant thereto are subject to certain conditions. The underwriter will sell the bonds to the public when and if it buys the bonds from us.

The bonds are a new issue of securities with no established trading market. We do not intend to apply for listing of the bonds on any national securities exchange. We have been advised by the underwriter that it intends to make a market in the bonds but it is not obligated to do so and may stop its market-making at any time without providing any notice. Liquidity of the trading market for the bonds cannot be assured.

The bonds sold by the underwriter to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any bonds sold by the underwriter to securities dealers may be sold at a discount from the initial public offering price of up to 0.50% of the principal amount of bonds. Any such securities dealers may resell any bonds purchased from the underwriter to certain other brokers or dealers at a discount from the initial public offering price of up to 0.25% of the principal amount of bonds. If all of the bonds are not sold at the initial offering price, the underwriter may change the offering price and other selling terms.

In order to facilitate the offering of the bonds, the underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of the bonds. Specifically, the underwriter may over-allot in connection with the offering, creating a short position in the bonds for its own account. In addition, to cover short positions or to stabilize the price of the bonds, the underwriter may bid for, and purchase, the bonds in the open market. Finally, the underwriter may reclaim selling concessions allowed to a particular dealer for distributing the bonds in the offering if the underwriter repurchases previously distributed bonds in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the bonds above independent market levels. The underwriter is not required to engage in these activities and may end any of these activities at any time. These transactions may be effected in the over-the-counter market or otherwise.

We estimate that our expenses in connection with the sale of the bonds, other than underwriting discounts, will be \$300,000, and are payable by us.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the federal securities laws, or to contribute to payments the underwriter may be required to make in respect of those liabilities.

We expect to deliver the bonds against payment thereof in New York, New York on August 25, 2010, which will be the fifth business day following the date of the pricing of the bonds. Pursuant to Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade bonds on the date of this prospectus supplement will be required to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of bonds who wish to trade bonds on the date of this prospectus supplement should consult their own advisors.

In the ordinary course of its business, the underwriter and its affiliates have from time to time provided, and may in the future provide, investment banking, financial advisory and other services to us and our affiliates for which it has received, or expects to receive, customary fees.

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## Legal matters

Certain legal matters in connection with the bonds are being passed upon for us by Spencer, Scott & Dwyer, P.C., Joplin, Missouri; Anderson & Byrd, LLP, Ottawa, Kansas; Brydon, Swearengen & England, Professional Corporation, Jefferson City, Missouri; and Cahill Gordon & Reindel LLP, New York, New York. Certain legal matters are being passed upon for the underwriter by Dewey & LeBoeuf LLP.

## Experts

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement and the accompanying base prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2009 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## Incorporation by reference

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Reports, proxy statements and other information concerning Empire can also be inspected and copied at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

Additional information about Empire may be found over the Internet at our website at <http://www.empiredistrict.com>. The information on our website is not a part of this prospectus supplement or the accompanying base prospectus and is not incorporated by reference herein.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying base prospectus, and information that we file later with the SEC will automatically update and supersede this information. In addition to the documents incorporated by reference in the section entitled "Where You Can Find More Information" in the accompanying base prospectus, we hereby incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this prospectus supplement and before the completion of the sale of all the securities covered by this prospectus supplement, provided, however, that unless otherwise explicitly set forth therein, we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K or any other information not deemed to be "filed" with the SEC:

- Our Annual Report on Form 10-K for the year ended December 31, 2009.
- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010.
- Our Current Reports on Form 8-K filed on January 14, 2010, January 27, 2010, April 12, 2010, May 3, 2010, May 12, 2010, May 28, 2010 and August 13, 2010.

## Legal matters

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You may request a copy of this filing or any of the filings incorporated by reference herein at no cost, by writing or telephoning us at the following address:

Corporate Secretary  
The Empire District Electric Company  
602 S. Joplin Avenue  
Joplin, Missouri 64801  
Tel: (417) 625-5100

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying base prospectus.

## Forward-looking statements

Certain matters discussed in this prospectus supplement, the accompanying base prospectus and in the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus 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 or may address future plans, objectives, expectations and events or conditions concerning various matters such as capital expenditures, earnings, pension and other costs, competition, litigation, our construction program, our generation plans, our financing plans, potential acquisitions, rate and other regulatory matters, liquidity and capital resources and accounting matters. Forward-looking statements may contain words like “anticipate,” “believe,” “expect,” “project,” “objective” or similar expressions to identify them as forward-looking statements. Factors that could cause actual results to differ materially from those currently anticipated in such statements include:

- weather, business and economic conditions and other factors which may impact sales volumes and customer growth;
- the amount, terms and timing of rate relief we seek and related matters;
- the cost and availability of purchased power and fuel, and the results of our activities (such as hedging) to reduce the volatility of such costs;
- volatility in the credit, equity and other financial markets and the resulting impact on our short term debt costs and our ability to issue debt or equity securities, or otherwise secure funds to meet our capital expenditure, dividend and liquidity needs;
- the results of prudence and similar reviews by regulators of costs we incur, including capital expenditures and including Southwest Power Pool (SPP) regional transmission organization (RTO) expansion costs;
- operation of our electric generation facilities and electric and gas transmission and distribution systems, including the performance of our joint owners;
- the costs and other impacts resulting from natural disasters, such as tornados and ice storms;
- the periodic revision of our construction and capital expenditure plans and cost and timing estimates;
- legislation;

## Forward-looking statements

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- regulation, including environmental regulation (such as NO<sub>x</sub>, SO<sub>2</sub>, mercury, ash and CO<sub>2</sub>) and health care regulation;
- competition, including the regional SPP energy imbalance market;
- electric utility restructuring, including ongoing federal activities and potential state activities;
- the impact of electric deregulation on off-system sales;
- changes in accounting requirements;
- the timing of accretion estimates, and integration costs relating to completed and contemplated acquisitions and the performance of acquired businesses;
- rate regulation, growth rates, discount rates, capital spending rates, terminal value calculations and other factors integral to the calculations utilized to test the impairment of goodwill, in addition to market and economic conditions which could adversely affect the analysis and ultimately negatively impact earnings;
- matters such as the effect of changes in credit ratings on the availability and our cost of funds;
- the performance of our pension assets and other post employment benefit plan assets and the resulting impact on our related funding commitments;
- interruptions or changes in our coal delivery, gas transportation or storage agreements or arrangements;
- the success of efforts to invest in and develop new opportunities;
- costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- our exposure to the credit risk of our hedging counterparties; and
- other circumstances affecting anticipated rates, revenues and costs.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time and it is not possible for management to predict all such factors or to assess the impact of each such factor on us. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

We caution you that any forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the facts, results, performance or achievements we have anticipated in such forward-looking statements.