

BURDETTE - DIRECT**ER-2001-299 Empire District Electric Company****Summary - Discounted Cash Flow Growth**

Note: Negative growth is not included in averages.

Historic Growth			Compound Growth			Value Line		
<u>COMPANY</u>	<u>br + sv</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	
Black Hills Corporation	7.88%	10.99%	3.77%	5.62%	6.00%	4.00%	5.00%	
Cleco Corporation	4.25%	4.37%	2.58%	4.69%	3.25%	3.00%	4.00%	
DPL Inc.	1.15%	5.70%	3.19%	6.53%	4.00%	4.25%	4.25%	
DQE, Inc.	0.94%	7.67%	0.00%	2.84%	6.50%	6.00%	4.50%	
Hawaii Electric	1.67%	2.69%	1.14%	7.20%	2.50%	2.00%	2.25%	
IDACORP	<u>3.45%</u>	<u>7.67%</u>	<u>0.00%</u>	<u>2.84%</u>	<u>4.75%</u>	<u>0.50%</u>	<u>1.75%</u>	
Average	3.22%	6.52%	1.78%	4.95%	4.50%	3.29%	3.63%	
Empire District Electric Company	2.25%	4.77%	0.00%	1.62%	1.00%	2.25%	2.00%	

Projected Growth		Value Line/First Call		
<u>COMPANY</u>	<u>br + sv</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>
Black Hills Corporation	10.33%	9.50%	3.50%	10.00%
Cleco Corporation	4.71%	8.80%	2.50%	6.00%
DPL Inc.	16.39%	10.75%	1.00%	8.00%
DQE, Inc.	7.61%	6.25%	5.00%	2.00%
Hawaii Electric	3.50%	4.25%	0.00%	2.00%
IDACORP	5.24%	6.75%	0.00%	5.50%
Average	7.96%	7.72%	2.00%	5.58%
Empire District Electric Company	4.61%	3.15%	0.00%	2.50%

Ranges	COMPANY	Overall			Hi/Low	
		Average	High	Low*	Average	Median
	Black Hills Corporation	6.96%	10.99%	3.50%	7.24%	6.00%
	Cleco Corporation	4.38%	8.80%	2.50%	5.65%	4.25%
	DPL Inc.	5.93%	16.39%	1.00%	8.70%	4.25%
	DQE, Inc.	4.48%	7.67%	0.00%	3.84%	5.00%
	Hawaii Electric	2.66%	7.20%	0.00%	3.60%	2.25%
	IDACORP	3.50%	7.67%	0.00%	3.84%	3.45%
	Average	4.65%	9.79%	1.17%	5.48%	4.20%
Empire District Electric Company		2.19%	4.77%	0.00%	2.39%	2.25%

Note: Negative growth rates not included in averages and are excluded from determination of "Low".

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Reporter 44

BURDETTE - DIRECT**ER-2001-299 Empire District Electric Company****Discounted Cash Flow Growth Parameters****Cleco Corporation****Historic Growth****Compound Growth**

<u>Historic Data</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>
1994	1.92	1.45	15.12
1995	2.08	1.49	15.82
1996	2.23	1.53	16.60
1997	2.18	1.57	17.36
1998	2.24	1.61	18.13
1999	2.37	1.65	18.88
2000	2.80	1.69	20.10

Retention Growth

<u>Retention Ratio (b)</u>	<u>Equity Return (r)</u>	<u>Growth (b*r)</u>
0.245		
0.284		
0.314	13.40%	4.21%
0.280	12.90%	3.61%
0.281	12.70%	3.57%
0.304	12.90%	3.92%
0.396	14.50%	5.75%

Compound Growth Rates

'94-98	3.93%	2.65%	4.64%
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Ave. Internal
Growth (br): 4.21%

'95-99	3.32%	2.58%	4.52%
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ADD: External
Growth (sv): 0.03%

'96-00	5.86%	2.52%	4.90%
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<u>Ave.Compound Gr.</u>	<u>4.37%</u>	<u>2.58%</u>	<u>4.69%</u>
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Historic
"br + sv" Gr. 4.25%

<u>Value Line</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>
Historic Gr.	3.25%	3.00%	4.00%

(Avg of 5 and 10 yr. if both are available)

Projected Growth**Retention Growth Calculation**

<u>Value Line</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>
2001 est'd	\$2.95	\$1.73	\$21.35
2003-05 est'd	3.50	1.85	25.75

<u>Retention Ratio (b)</u>	<u>Equity Return (r)</u>	<u>Growth (b*r)</u>
0.414	14.50%	6.00%
0.471	10.00%	4.71%

Analyst's Estimates

<u>Value Line</u>	7.50%	2.50%	6.00%
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Projected
Growth (br): 4.71%

First Call Zack's	10.10%		
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ADD: External
Growth (sv): 0.00%

<u>Average</u> <u>Proj'd Growth</u>	<u>8.80%</u>	<u>2.50%</u>	<u>6.00%</u>
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Projected
"br + sv" Gr. 4.71%

Note: Negative (b*r) growth is not included in retention growth averages.

SOURCE: The Value Line Investment Survey; C.A. Turner Utility Reports;
First Call Corporation

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BURDETTE - DIRECT**ER-2001-299 Empire District Electric Company****DCF Cost of Common Equity Calculations**

	Dividend	Growth		Cost of Equity	
	<u>Yield</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Empire District Electric	6.56%	0.00%	4.77%	6.56%	11.33%
Black Hills Corporation	2.71%	3.50%	10.99%	6.21%	13.70%
Cleco Corporation	3.86%	2.50%	8.80%	6.36%	12.66%
DPL Inc.	3.36%	1.00%	16.39%	4.36%	19.75%
DQE, Inc.	5.41%	0.00%	7.67%	5.41%	13.08%
Hawaii Electric	6.91%	0.00%	7.20%	6.91%	14.11%
IDACORP	<u>5.08%</u>	<u>0.00%</u>	<u>7.67%</u>	<u>5.08%</u>	<u>12.75%</u>
Average	4.55%	1.17%	9.79%	5.72%	14.34%

Comparison companys' DCF Hi/Low average: 10.03%**Empire District Electric Company**