

Exhibit No.:

Issues: Test Year/True Up; Accounting
Schedules; Iatan Maintenance
Expense; Bad Debt; Injuries and
Damages; Banking Fees; Postage
Expense; Interest on Customer
Deposits; State Line Plant
Maintenance Expense

Witness: Phillip K. Williams, CPA, CIA

Sponsoring Party: MoPSC Staff

Type of Exhibit: Direct Testimony

Case No.: ER-2001-299

Date Testimony Prepared: April 3, 2001

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

PHILLIP K. WILLIAMS, CPA, CIA

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2001-299

Jefferson City, Missouri

April 2001

FILED

APR 3 2001

Missouri Public
Service Commission

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PHILLIP K. WILLIAMS, CPA, CIA
THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2001-299

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1 **DIRECT TESTIMONY**

2 **OF**

3 **PHILLIP K. WILLIAMS, CPA, CIA**

4 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

5 **CASE NO. ER-2001-299**

6 Q. Please state your name and business address.

7 A. My name is Phillip K. Williams, and my business address is Noland Plaza
8 Office Building, Suite 110, 3675 Noland Road, Independence, Missouri 64055.

9 Q. By whom are you employed and in what capacity?

10 A. I am a Regulatory Auditor for the Missouri Public Service Commission
11 (Commission).

12 **Background of Witness**

13 Q. Please describe your education and other qualifications.

14 A. I graduated from Central Missouri State University (CMSU) at
15 Warrensburg, Missouri, in August of 1976, with a Bachelor of Science degree in
16 Business Administration. My Functional Major was in Accounting. Upon completion of
17 my undergraduate degree, I entered the Masters Program at CMSU. I received a Master
18 of Business Administration degree from CMSU in February 1978, with an emphasis in
19 Accounting. In May 1989, I passed the Uniform Certified Public Accountant (CPA)
20 examination. I am currently licensed as a Certified Public Accountant in the state of
21 Missouri. In May 1994, I passed the Certified Internal Auditors (CIA) examination, and
22 received my CIA designation.

23 Q. Have you previously filed testimony before this Commission?

A. Yes. Please refer to Schedule 1, attached to this direct testimony, for a list of cases in which I have previously filed testimony before this Commission.

Purpose of Testimony

Q. With reference to Case No. ER-2001-299, have you made an examination of the books and records of The Empire District Electric Company (Empire or Company)?

A. Yes, I have, with the assistance of other members of the Commission Staff (Staff).

Q. What are your areas of responsibility in regard to Case No. ER-2001-299?

A. I was assigned as Lead Auditor for this rate case within the Accounting Department. My technical areas of responsibility are uncollectible revenues (bad debts), injuries and damages expense, the customer deposits, contributions in aid of construction, banking fees, postage expense, Iatan maintenance costs, the State Line Combined Cycle Unit (SLCC) maintenance cost adjustment, and to help with the audit of construction costs associated with the State Line combined cycle unit. Additionally, I will address the test year and the true-up procedures to be used in this case.

Q. What Accounting Schedules are you sponsoring in Case No. ER-2001-299?

Accounting Schedule 1	Revenue Requirement
Accounting Schedule 9	Income Statement
Accounting Schedule 10	Adjustment to Income Statement

Q. Would you please list the adjustments you are sponsoring on Accounting Schedule 10, Adjustments to the Income Statement?

A. I am sponsoring the following Income Statement adjustments on Accounting Schedule 10:

Direct Testimony of
Phillip K. Williams

Iatan Maintenance Expense: S-6.2, S-8.2, S-9.2, S-10.2,
S-11.2, S-12.2, S-13.2, S-14.2, S-15.2, S-16.2, S-38.2, S-39.2,
S-41.2, S-47.2, S-49.2, S-51.2, S-56.2, S-77.2, S-79.2, S-80.2,
S-84.1, S-85.2, S-89.2, S-90.1, and S-91.2.

Bad Debts: S-70.1.

Injuries Add Damages: S-84.2.

Banking Fees: S-80-5.

Postage Expense: S-69.2 and S-80.1.

Interest on Customer Deposits: S-71.2.

TEST YEAR/TRUE-UP

Q. What test year is the Staff using in this case?

A. On December 15, 2000, the Staff filed a motion with the Commission recommending the use of the twelve-months ending December 31, 2000, as the test year in this case, updated for known and measurable changes through June 30, 2001. The Commission approved the use of this test year on January 4, 2001, along with the proposed true-up to this case. The Commission's order stated the following regarding the test year, update and true-up:

The parties are agreed that the proper test year is the twelve-month period ending December 31, 2000, updated for known and measurable changes through June 30, 2001, for utility plant in service, accumulated depreciation, deferred taxes, fuel prices, cash working capital, capital structure and cost of capital, customer growth revenues, payroll, fuel and purchased power expense, depreciation expense, system loads, rate case expense, property insurance, income and property taxes, purchased power demand charges, and allocation factors. The parties agree that "updates" are known and measurable changes which occur within a reasonable time after the close of the test year.

Additionally, the parties are in agreement as to a true-up with respect to various items set out in Staff's true-up recommendation, filed on December 15, 2000, and respecting Empire's new SLCC Plant. This plant is expected to go on line as

1 of June 1, 2001, with related costs to be booked by June 30, 2001;
2 except that the parties agree that the true-up may also include
3 SLCC – related invoices that are booked in Empire’s accounts
4 payable system and approved and authorized for payment prior to
5 July 31, 2001.
6

7 The Commission concludes that the test year and true-up
8 recommendation of the parties are reasonable and should be
9 adopted.

10 Q. Would you please describe a test year and how it is used?

11 A. The test year is a twelve-month period which is used as the basis for the
12 audit of any rate filing or complaint case. This period serves as the starting point for
13 review and analysis of the utility’s operations to determine the reasonableness and
14 appropriateness of the rate filing. The test year forms the basis for any adjustments
15 necessary to remove abnormalities that have occurred during the period and to reflect any
16 increase or decrease to the accounts of the utility. Adjustments are made to the test year
17 level of revenues, expenses and investment to determine the proper level of investment
18 on which the utility is allowed to earn a return. After the recommended rate of return is
19 determined for the utility, a review of existing rates is made to determine if any additional
20 revenues are necessary. If the utility’s earnings are deficient, rates need to be increased.
21 In some cases, existing rates generate earnings in excess of authorized levels, which may
22 indicate the need for rate reductions. The test year is the vehicle used to evaluate and
23 determine the proper relationship between revenue, expense and investment. This
24 relationship is essential to determine the appropriate level of earnings for the utility.

25 Q. Why did the Staff recommend a test year of the twelve months ended
26 December 31, 2000, updated through June 30, 2001?

27 A. The December 31, 2000, test year represents the latest information
28 available to Staff during the entire course of the audit.

1 Q. Why is a test year update period being utilized in this case?

2 A. The use of a test year update period allows a test year to remain current
3 through the update period for changes in material items that are known and measurable.
4 Such items could include plant additions and retirements, pay increases, customer
5 growth, changes in fuel prices, etc. Test year amounts are adjusted to enable the parties
6 to make rate recommendations on the basis of the most recent auditable information
7 available.

8 Q. Does the Staff propose any type of true-up proceedings for this case?

9 A. Yes, it does.

10 Q. What cost of service items is the Staff recommending to be included in the
11 true-up?

12 A. The Staff is recommending that the following items be trued-up as of
13 June 30, 2001:

14 **RATE BASE**

- 15 1. (a) Plant in Service, including the State Line Combined Cycle Plant
16 (SLCC), the completion of which is currently scheduled for June 1, 2001,
17 if determined to be "fully operational and used for service," § 393.135
18 RSMo 2000; and (b) related items for which EDE has received an invoice,
19 approved and authorized payment, recorded payment in its accounts
20 payable system and are auditable at the time of the true-up audit. (This
21 language was modified from that used in the December 28, 2000 joint
22 motion of the parties for the "Proposed Procedural Schedule and
23 Clarification of True-up And Updates." The clarification is "that any
24 invoices associated with the new State Line Combined Cycle ("SLCC")
25 generating unit that are recorded as a liability by EDE in its accounts
26 payable system and have been approved and authorized for payment, and
27 are auditable at any time through July 31, 2001, should be included in the
28 true-up audit. No other invoices should be recognized."
- 29 2. Depreciation reserve.
30 3. Deferred taxes.
31 4. Fuel inventories for oil and coal prices
32 5. Related cash working capital effects.

CAPITAL STRUCTURE

1. Rate of return – embedded cost of long-term debt, short-term debt and preferred stock.
2. Capital structure.

INCOME STATEMENT

1. Revenues and KWH sales to account for customer growth.
2. Payroll – employee levels, current wage rates, payroll related benefits (including pensions and OPEB's) and payroll taxes.
3. Fuel prices for gas, oil, coal and freight.
4. Purchase power prices.
5. System loads.
6. Fuel and purchase power expense to reflect fuel prices, purchase power prices and net system load (i.e. re-run production cost model).
7. Rate case expense.
8. Property insurance.
9. Depreciation expense.
10. Property taxes if applicable and appropriate.
11. Income tax effects.

Additionally, the allocation factors will be updated through June 30, 2001, to maintain the relationship of the allocators and related items at a consistent point in time. To be included in the true-up audit, standard monthly documentation must be available for all applicable items (i.e., monthly operating reports, monthly fuel reports, Company ledgers and supporting invoices) in order to assure the Staff that the item has occurred or is in fact in service and booked and auditable at the date of true-up audit.

Q. Has the Staff included an estimate of the revenue requirement associated with the true-up plus the SLCC unit and other isolated adjustments in its direct filing?

A. Yes. The Staff has included an increase in the revenue requirement of \$35 million in the Staff's direct filed case. This additional revenue requirement appears on Accounting Schedule 1 "Gross Adjusted Revenue Requirement." This amount reflects the expected in-service date of June 1, 2000, for the SLCC plant. Following its true-up

1 audit, the Staff will file True-up Accounting Schedules that will contain actual true-up
2 audit results.

3 Staff has compiled an estimate of costs which Staff believes should be
4 included in the revenue requirement as adjusted for known and measurable changes
5 through June 30, 2001. This estimate for known and measurable changes is shown on
6 Accounting Schedule 1, line 15, and is based upon estimated costs of the following items:

- 7 1. State Line Combined Cycle Plant,
- 8 2. Fuel for Combined Cycle Plant,
- 9 3. Maintenance Cost for State Line Plant,
- 10 4. Depreciation Expense for State Line Plant
- 11 5. Revenue Growth through June 30, 2001, and,
- 12 6. Payroll changes through June 30, 2001.

13 Staff has included these items in an EMS Run that is attached to my direct
14 testimony as Schedule 2.

15 Q. What is your recommendation to this Commission?

16 A. The Staff recommends that the Commission view the Staff's direct
17 testimony filing in this case as a "work-in-progress." The case filed by the Staff fully
18 presents the Staff's positions in the issues in terms of methodology; however, it is strictly
19 based on information contained within the 2000 test year and thereby, only establishes a
20 baseline at this time. While many of the appropriate test-year annualizations and
21 normalizations have been made at this time, many which have a significant impact on the
22 revenue requirement cannot be made currently. Most significantly, the costs associated
23 with the Company's new SLCC unit are not included in the Staff's revenue requirement,
24 as that plant is not yet in-service. However, the Staff has included an estimate of the
25 revenue requirement impact of the SLCC unit, if it is declared to be in-service at the time

of the true-up in the line item, "Estimate for Known and Measurable Changes," found on Accounting Schedule 1.

ACCOUNTING SCHEDULES

Q. Please describe Accounting Schedule 1, Revenue Requirement.

A. Accounting Schedule 1 is the Revenue Requirement Schedule, which contains the calculation of the Staff's gross revenue requirement for Empire's Missouri operations. This Accounting Schedule contains information from the Rate Base, Income Statement and Income Tax Accounting Schedules to determine the actual revenue requirement being recommended by the Staff. This Accounting Schedule details the net original cost rate base to which the rate of return range (supplied by Staff witness Roberta McKiddy of the Financial Analysis Department) is applied to determine the net operating income requirement before income taxes. A comparison is made of the net operating income requirement with the net income available determined from Accounting Schedule 9 Income Statement, to determine the overall net revenue deficiency.

Q. Please describe Accounting Schedule 9, Income Statement.

A. Accounting Schedule 9, Income Statement contains the Staff's adjusted Missouri jurisdictional revenues and expenses for the test year ended December 31, 2000, and updated through June 30, 2001.

Q. Please explain the Accounting Schedule 10, Adjustments to Income Statement.

A. Accounting Schedule 10, Adjustments to Income Statement contains a listing of the specific adjustments that the Staff has made to the unadjusted test year income statement to derive the Staff's adjusted net income. A brief explanation for each

adjustment and the name of the Staff witness sponsoring the adjustment are listed on Accounting Schedule 10.

IATAN MAINTENANCE EXPENSE

Q. Please explain adjustment No. S-6.2, S-8.2, S-9.2, S-10.2, S-11.2, S-12.2, S-13.2, S-14.2, S-15.2, S-16.2, S-38.2, S-39.2, S-41.2, S-47.2, S-49.2, S-51.2, S-56.2, S-77.2, S-79.2, S-80.2, S-84.1, S-85.2, S-89.2, S-90.1 and S-91.2.

A. These adjustments were made to annualized Iatan generating unit maintenance expense based upon a three-year average of maintenance expense.

Q. Please explain why Staff used a three-year average of maintenance costs booked to expense for the Iatan plant.

A. Staff has reviewed historical maintenance costs for the Iatan plant and believes that there was a significant increase in the maintenance cost during the test year in many of the accounts where Iatan costs were booked. Staff adjusted all accounts associated with the Iatan Maintenance to a three-year average to normalize the overall level of maintenance expenses. The test year booked expense exceeded the three-year average so Staff believes that these adjustments are necessary. Therefore, Staff's net adjustments to the three-year average decreased test year expenses.

BAD DEBTS

Q. Please explain adjustment S-70.1.

A. Adjustment S-70.1 was made to adjust accrued bad debt expense to reflect test year net write-offs. An analysis done by the Staff indicated that there were 20 bad debt write-offs between October 1999 and November of 2000. Staff spread the amount written off during November of 2000 evenly over the 14 month period of November 1999

1 through December of 2000 and found the adjusted net write-offs to be reasonable based
2 upon Staff's analysis of net write-offs for the years 1997 through 2000. Therefore, test
3 year accrued bad debt expense was adjusted to equal the adjusted net write-offs for the
4 test year.

5 **INJURIES AND DAMAGES**

6 Q. Please explain adjustment S-84.2.

7 A. Adjustment S-84.2, was made to adjust test year expense to reflect Staff's
8 annualization of injuries and damages expenses. Staff's annualization of injuries and
9 damages expense reflects a normalized level based upon the average actual injuries and
10 damages paid during the last 21 months multiplied by 12 to determine an annualized level
11 of injuries and damages expense.

12 **BANKING FEES**

13 Q. Please explain adjustment S-80.5.

14 A. Adjustment S-80.5 was made to eliminate from the cost of service the
15 costs associated with banking fees and service charges.

16 Q. Why did Staff eliminate from the cost of service expenses associated with
17 banking fees and service charges?

18 A. Staff has eliminated the banking fees and bank service charges from test
19 year expense because Company has transferred corporate funds from compensating bank
20 balances to overnight investment accounts, thereby incurring banking fees and service
21 charges in an attempt to earn a return on balances instead of the bank reaping the interest
22 on compensating balances.

1 By transferring compensating balances to overnight investment accounts,
2 the Company was able to earn interest on those accounts. However, the interest earned is
3 booked below-the-line while the service charges are booked above-the-line. By treating
4 the interest revenues below-the-line, the Company's shareholders are receiving the
5 benefits of these revenues. It is inappropriate and inconsistent to record these revenues
6 below-the-line while treating the related expenses above-the-line in rates charged to the
7 ratepayer.

8 Staff does not believe the ratepayer should be required to pay the service
9 charges while the shareholders benefit from the interest earned on the investments of
10 corporate funds. Rather, Staff believes that the interest earned on the investment of
11 corporate monies should be used to offset the service charges. Therefore, Staff has
12 eliminated the banking fees/bank service charges because the interest received during
13 2000 exceeded the banking fees charged to expense in that year.

14 **POSTAGE EXPENSE**

15 Q. Please explain adjustments S-69.2 and S-80.1.

16 A. Adjustments S-69.2 and S-80.1 were made to annualize postage expense
17 to reflect the increase in postage rates which took effect during January of 2001.

18 **INTEREST ON CUSTOMER DEPOSITS**

19 Q. Please explain adjustment S-71.2.

20 A. Adjustment S-71.2 was made to include in the cost of service interest on
21 customer deposits at 9%. The tariffs currently require the Company to pay interest on
22 customer deposits at the rate of 9% compounded annually.

1 **SLCC MAINTENANCE EXPENSE STATE LINE**

2 Q. Have you examined the projected maintenance cost associated with the
3 SLCC plant and how is it incorporated into Staff's filed revenue requirement?

4 A. Yes. However, the Company has not signed a contract at this time for
5 maintenance services at SLCC; therefore, Staff has not included any amount for this item
6 in its revenue requirement at this time. Staff will include an estimate for the maintenance
7 contract in the estimate for known and measurable changes through June 30, 2001, and
8 will include these costs in the true-up audit that will be performed during July and
9 August.

10 Q. Mr. Williams, does this conclude your direct testimony?

11 A. Yes, it does.

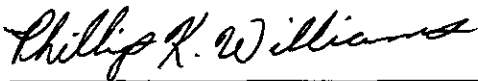
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of the Empire)
District Electric Company for a General Rate)
Increase) Case No. ER-2001-299

AFFIDAVIT OF PHILLIP K. WILLIAMS

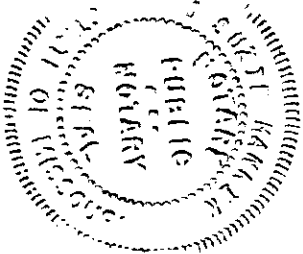
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

Phillip K. Williams, being of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 12 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Phillip K. Williams

Subscribed and sworn to before me this 2nd day of April 2001.





D SUZIE MANKIN
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. JUNE 21, 2004

RATE CASE PROCEEDINGS PARTICIPATION

PHILLIP K. WILLIAMS

Kansas City Power & Light Company	ER-81-42
The Gas Service Company	GR-81-155
United Telephone Company	TR-81-302
Rich Hill-Hume Gas Company	GR-81-332
Missouri Public Service Company	ER-82-39
Missouri Public Service Company	WR-82-50
The Gas Service Company	GR-82-151
Missouri Public Service Company	GR-82-194
Missouri Water Company – Lexington Division	WR-82-279
Missouri Public Service Company	ER-83-40
The Gas Service Company	GR-83-225
Missouri Water Company – Independence Division	WR-83-352
Rich Hill-Hume Gas Company	GR-84-24
Kansas City Power & Light Company	ER-85-128
Kansas City Power & Light Company	EO-85-185
KPL Gas Service Company	GR-86-76
General Telephone Company of the Midwest	TC-87-57
Missouri Public Service Company	GR-88-194
U.S. Water/Lexington, Mo., Inc.	WR-88-255
KPL Gas Service	GR-90-50
UtiliCorp United Inc., Missouri Public Service	ER-90-101

KPL Gas Service	GR-91-291
Raytown Water Company	WR-92-85
UtiliCorp United Inc., Missouri Public Service	ER-93-37
UtiliCorp United Inc., Missouri Public Service	GR-93-172
Western Resources, Inc.	GR-93-240
Raytown Water Company	WR-94-211
Missouri Gas Energy	GR-96-285
UtiliCorp United Inc., Missouri Public Service	GM-97-435
UtiliCorp United Inc., Missouri Public Service	ER-97-394 EC-98-126
Missouri Gas Energy	GR-98-140
Western Resources, Inc. and Kansas City Power & Light Company	EM-97-515
UtiliCorp United Inc. and St. Joseph Light & Power Company	EM-2000-292
UtiliCorp United Inc. and Empire District Electric Company	EM-2000-369
IAMO Telephone Company	TT-2001-116

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Revenue Requirement

Line	8.13% Return	8.33% Return	8.52% Return
(A)	(B)	(C)	(D)
1 Net Orig Cost Rate Base (Sch 2)	\$ 514,089,739	\$ 514,089,739	\$ 514,089,739
2 Rate of Return	8.13%	8.33%	8.52%

3 Net Operating Income Requirement	\$ 41,795,496	\$ 42,823,675	\$ 43,800,446
4 Net Income Available (Sch 9)	\$ 33,310,058	\$ 33,310,058	\$ 33,310,058

5 Additional NOI/RT Needed	\$ 8,485,438	\$ 9,513,617	\$ 10,490,388
6 Income Tax Requirement (Sch 11)			
7 Required Current Income Tax	\$ 7,827,125	\$ 8,467,759	\$ 9,076,362
8 Test Year Current Income Tax	\$ 2,441,850	\$ 2,441,850	\$ 2,441,850

9 Additional Current Tax Required	\$ 5,385,275	\$ 6,025,909	\$ 6,634,512
10 Required Deferred ITC	\$ 0	\$ 0	\$ 0
11 Test Year Deferred ITC	\$ 0	\$ 0	\$ 0

12 Additional Deferred ITC Required	\$ 0	\$ 0	\$ 0

13 Total Additional Tax Required	\$ 5,385,275	\$ 6,025,909	\$ 6,634,512

14 Gross Revenue Requirement	\$ 13,870,713	\$ 15,539,526	\$ 17,124,900

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Rate Base

Line Description		Amount
(A)	(B)	
1	Total Plant in Service (Sch 3)	\$ 842,625,729
	Subtract from Total Plant	
2	Depreciation Reserve (Sch 6)	\$ 270,315,967

3	Net Plant in Service	\$ 572,309,762
	Add to Net Plant in Service	
4	Cash Working Capital (Sch 8)	\$ 627,153
5	Materials and Supplies-Exempt	6,161,282
6	Prepaid Insurance & Other	816,818
7	Fuel Stock	6,064,296
	Subtract from Net Plant	
8	Federal Tax Offset 0.1616 %	\$ 10,931
9	State Tax Offset 7.0247 %	74,669
10	City Tax Offset 0.0000 %	0
11	Interest Expense Offset 14.8877 %	3,627,813
12	Amortization of Electric Plant	538,330
13	Customer Advances for Construction	170,406
14	Customer Deposits	3,415,101
15	Injuries & Damages Reserve	1,400,000
16	Deferred Income Taxes-Depreciation	62,652,322
17	Pre-1971 Investment Tax Credit	0

18	Total Rate Base	\$ 514,089,739
		=====

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 29,940	\$ 0	84.0900	\$ 0 P-1	\$ 25,177
2	302.000	Franchises & Consents	1,079,798	0	84.0900	0 P-2	908,002
3	303.000	Miscellaneous Intangible Plant	6,831,986	0	84.0900	0 P-3	5,745,017
4		Total	\$ 7,941,724	\$ 0		\$ 0	\$ 6,678,196
Production - Riverton - Steam							
5	310.200	Land & Land Rights	\$ 398,367	\$ 0	80.1300	\$ 0 P-4	\$ 319,211
6	311.200	Structures & Improvements	8,257,967	0	80.1300	0 P-5	6,617,109
7	312.200	Boiler Plant Equipment	21,556,128	0	80.1300	0 P-6	17,272,925
8	314.200	Turbogenerator Units	6,528,614	0	80.1300	0 P-7	5,231,378
9	315.200	Accessory Electric Equipment	1,332,096	0	80.1300	0 P-8	1,067,409
10	316.200	Miscellaneous Power Plant Equipment	1,021,522	0	80.1300	0 P-9	818,546
11		Total	\$ 39,094,694	\$ 0		\$ 0	\$ 31,326,578
Production - Asbury - Steam							
12	311.300	Land & Land Rights	\$ 336,525	\$ 0	80.1300	\$ 0 P-10	\$ 269,657
13	311.300	Structures & Improvements	8,957,394	0	80.1300	0 P-11	7,177,560
14	312.300	Boiler Plant Equipment	55,831,070	0	80.1300	0 P-12	44,737,436
15	312.700	Unit Train	5,580,296	0	80.1300	0 P-13	4,471,491
16	314.300	Tubogeneraator Units	20,688,589	0	80.1300	0 P-14	16,577,766
17	315.300	Accessory Electric Equipment	2,327,936	0	80.1300	0 P-15	1,865,375
18	316.300	Miscellaneous Power Plant Equipment	2,190,565	0	80.1300	0 P-16	1,755,300
19		Total	\$ 95,912,375	\$ 0		\$ 0	\$ 76,854,585

SCHEDULE 2-3

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
Production - Iatan - Steam							
20	310.600	Land & Land Rights	\$ 122,418	\$ 0	80.1300	\$ 0 P-17	\$ 98,094
21	311.600	Structures & Improvements	3,877,140	0	80.1300	0 P-18	3,106,752
22	312.600	Boiler Plant Equipment	28,504,022	0	80.1300	0 P-19	22,840,273
23	312.500	Unit Train	8,365	(8,365)	80.1300	0 P-20	0
24	314.600	Turbogenerator Units	7,705,141	0	80.1300	0 P-21	6,174,129
25	315.600	Accessory Electric Equipment	3,553,984	0	80.1300	0 P-22	2,847,807
26	316.600	Miscellaneous Power Plant Equipment	768,739	0	80.1300	0 P-23	615,991
27	Total		\$ 44,539,809	\$ (8,365)		\$ 0	\$ 35,683,046
Production - Ozark Beach - Hydro							
28	330.300	Land & Land Rights	\$ 224,490	\$ 0	80.1300	\$ 0 P-24	\$ 179,884
29	331.300	Structures & Improvements	470,003	0	80.1300	0 P-25	376,613
30	332.300	Reservoirs, Dams, & Waterways	1,422,792	0	80.1300	0 P-26	1,140,083
31	333.300	Water Wheels, Turbines & Generators	353,037	0	80.1300	0 P-27	282,889
32	334.300	Accessory Electric Equipment	887,222	0	80.1300	0 P-28	710,931
33	335.300	Miscellaneous Power Plant Equipment	281,561	0	80.1300	0 P-29	225,615
34	Total		\$ 3,639,105	\$ 0		\$ 0	\$ 2,916,015
Production - Riverton - CT							
35	340.200	Land & Land Rights	\$ 0	\$ 0	80.1300	\$ 0 P-30	\$ 0
36	341.200	Structures & Improvements	193,357	0	80.1300	0 P-31	154,937
37	342.200	Fuel Holders, Producers, & Access.	87,123	0	80.1300	0 P-32	69,812
38	343.200	Prime Movers	9,178,871	0	80.1300	0 P-33	7,355,029
39	344.200	Generators	926,850	0	80.1300	0 P-34	742,685
40	345.200	Accessory Electric Equipment	256,601	0	80.1300	0 P-35	205,614
41	346.200	Miscellaneous Power Plant Equipment	83,907	0	80.1300	0 P-36	67,235
42	Total		\$ 10,726,709	\$ 0		\$ 0	\$ 8,595,312

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Production - Energy Center - CT							
43	340.300	Land & Land Rights	\$ 163,097	\$ 0	80.1300	\$ 0 P-37	\$ 130,690
44	341.300	Structures & Improvements	1,891,008	0	80.1300	0 P-38	1,515,265
45	342.300	Fuel Holders, Producers, & Access.	3,063,869	0	80.1300	0 P-39	2,455,078
46	343.300	Prime Movers	24,107,854	0	80.1300	0 P-40	19,317,623
47	344.300	Generators	4,160,383	0	80.1300	0 P-41	3,333,715
48	345.300	Accessory Electric Equipment	363,277	0	80.1300	0 P-42	291,094
49	346.300	Miscellaneous Power Plant Equipment	1,209,652	0	80.1300	0 P-43	969,294
50		Total	\$ 34,959,140	\$ 0		\$ 0	\$ 28,012,759
Production - State Line - CT							
51	340.800	Land & Land Rights	\$ 247,410	\$ 0	80.1300	\$ 0 P-44	\$ 198,250
52	341.800	Structures & Improvements	5,469,021	0	80.1300	0 P-45	4,382,327
53	342.800	Fuel Holders, Producers, & Access.	1,491,454	0	80.1300	0 P-46	1,195,102
54	343.800	Prime Movers	65,932,560	0	80.1300	0 P-47	52,831,760
55	344.800	Generators	11,693,051	0	80.1300	0 P-48	9,369,642
56	345.800	Accessory Electric Equipment	760,481	0	80.1300	0 P-49	609,373
57	346.800	Miscellaneous Power Plant Equipment	817,936	0	80.1300	0 P-50	655,412
58		Combined Cycle Unit	103,800,000	0	80.1300	0	83,174,940
59		Total	\$ 190,211,913	\$ 0		\$ 0	\$ 152,416,806
Transmission Plant							
60	350.000	Land & Land Rights	\$ 8,303,678	\$ 0	80.1300	\$ 0 P-51	\$ 6,653,737
61	352.000	Structures & Improvements	2,310,996	0	80.1300	0 P-52	1,851,801
62	352.100	Structures & Improvements - Iatan	23,013	0	80.1300	0 P-53	18,440
63	353.000	Station Equipment	64,525,350	0	80.1300	0 P-54	51,704,163
64	353.100	Station Equipment - Iatan	662,615	0	80.1300	0 P-55	530,953
65	354.000	Towers & Fixtures	777,080	0	80.1300	0 P-56	622,674
66	355.000	Poles & Fixtures	25,593,923	0	80.1300	0 P-57	20,508,410
67	356.000	Overhead Conductors & Devices	42,814,309	0	80.1300	0 P-58	34,307,106
68		Total	\$ 145,010,964	\$ 0		\$ 0	\$ 116,197,284

Empire District Electric Company

Case: ER-01-299E

Twelve Months Ended December 31, 2000

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Distribution Plant							
69	360.000	Land & Land Rights	\$ 1,538,131	\$ 0	87.3500	\$ 0	P-59 \$ 1,343,557
70	361.000	Structures & Improvements	8,790,235	0	87.3500	0	P-60 7,678,270
71	362.000	Station Equipment	48,072,931	0	87.3500	0	P-61 41,991,705
72	364.000	Poles, Towers & Fixtures	77,623,607	0	87.3500	0	P-62 67,804,221
73	365.000	Overhead Conductors & Devices	88,882,268	0	87.3500	0	P-63 77,638,661
74	366.000	Underground Conduit	13,402,965	0	87.3500	0	P-64 11,707,490
75	367.000	Underground Conductors & Devices	27,969,509	0	87.3500	0	P-65 24,431,366
76	368.000	Line Transformers	58,534,347	0	87.3500	0	P-66 51,129,752
77	369.000	Services	37,074,222	0	87.3500	0	P-67 32,384,333
78	370.000	Meters	13,145,766	0	87.3500	0	P-68 11,482,827
79	371.000	Installation On Customers' Premises	10,387,289	0	87.3500	0	P-69 9,073,297
80	373.000	Street Lighting & Signal Systems	8,836,448	0	87.3500	0	P-70 7,718,637
81		Total	\$ 394,257,718	\$ 0		\$ 0	\$ 344,384,116
General Plant							
82	389.000	Land & Land Rights	\$ 727,749	\$ 0	83.4600	\$ 0	P-71 \$ 607,379
83	390.000	Structures & Improvements	9,158,328	0	83.4600	0	P-72 7,643,541
84	391.000	Office Furniture & Equipment	3,570,090	0	83.4600	0	P-73 2,979,597
85	391.000	Computer Equipment	3,986,280	0	83.4600	0	3,326,949
86	392.000	Transportation Equipment	6,347,717	0	83.4600	0	P-74 5,297,805
87	393.000	Stores Equipment	350,585	0	83.4600	0	P-75 292,598
88	394.000	Tools, Shop, & Garage Equipment	2,358,838	0	83.4600	0	P-76 1,968,686
89	395.000	Laboratory Equipment	873,206	0	83.4600	0	P-77 728,778
90	396.000	Power Operated Equipment	9,916,854	0	83.4600	0	P-78 8,276,606
91	397.000	Communication Equipment	9,931,057	0	83.4600	0	P-79 8,288,460
92	398.000	Miscellaneous Equipment	180,485	0	83.4600	0	P-80 150,633
93		Total	\$ 47,401,189	\$ 0		\$ 0	\$ 39,561,032
94		Total Plant In Service	\$1,013,695,340	\$ (8,365)		\$ 0	\$ 842,625,729

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Intangible Plant					
1	301.000	Organization	\$ 25,177	0.0000	\$ 0
2	302.000	Franchises & Consents	908,002	0.0000	0
3	303.000	Miscellaneous Intangible Plant	5,745,017	0.0000	0
4		Total	\$ 6,678,196		\$ 0
Production - Riverton - Steam					
5	310.200	Land & Land Rights	\$ 319,211	0.0000	\$ 0
6	311.200	Structures & Improvements	6,617,109	1.0500	69,480
7	312.200	Boiler Plant Equipment	17,272,925	1.8500	319,549
8	314.200	Turbogenerator Units	5,231,378	1.5900	83,179
9	315.200	Accessory Electric Equipment	1,067,409	0.0000	0
10	316.200	Miscellaneous Power Plant Equipment	818,546	1.9600	16,044
11		Total	\$ 31,326,578		\$ 488,252
Production - Asbury - Steam					
12	311.300	Land & Land Rights	\$ 269,657	0.0000	\$ 0
13	311.300	Structures & Improvements	7,177,560	1.0500	75,364
14	312.300	Boiler Plant Equipment	44,737,436	1.8500	827,643
15	312.700	Unit Train	4,471,491	6.6700	298,248
16	314.300	Tubogeneraator Units	16,577,766	1.5900	263,586
17	315.300	Accessory Electric Equipment	1,865,375	1.7900	33,390
18	316.300	Miscellaneous Power Plant Equipment	1,755,300	1.9600	34,404
19		Total	\$ 76,854,585		\$ 1,532,635
Production - Iatan - Steam					
20	310.600	Land & Land Rights	\$ 98,094	0.0000	\$ 0
21	311.600	Sructures & Improvements	3,106,752	1.0500	32,621
22	312.600	Boiler Plant Equipment	22,840,273	1.8500	422,545
23	312.500	Unit Train	0	0.0000	0
24	314.600	Turbogenerator Units	6,174,129	1.5900	98,169
25	315.600	Accessory Electric Equipment	2,847,807	1.7900	50,976
26	316.600	Miscellaneous Power Plant Equipment	615,991	1.9600	12,073
27		Total	\$ 35,683,046		\$ 616,384

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Production - Ozark Beach - Hydro					
28	330.300	Land & Land Rights	\$ 179,884	0.0000	\$ 0
29	331.300	Structures & Improvements	376,613	1.6400	6,176
30	332.300	Reservoirs, Dams, & Waterways	1,140,083	1.6700	19,039
31	333.300	Water Wheels, Turbines & Generators	282,889	0.0000	0
32	334.300	Accessory Electric Equipment	710,931	1.4300	10,166
33	335.300	Miscellaneous Power Plant Equipment	225,615	2.4400	5,505
34		Total	\$ 2,916,015		\$ 40,886
Production - Riverton - CT					
35	340.200	Land & Land Rights	\$ 0	0.0000	\$ 0
36	341.200	Structures & Improvements	154,937	1.8200	2,820
37	342.200	Fuel Holders, Producers, & Access.	69,812	3.8500	2,688
38	343.200	Prime Movers	7,355,029	1.9200	141,217
39	344.200	Generators	742,685	1.8200	13,517
40	345.200	Accessory Electric Equipment	205,614	3.5700	7,340
41	346.200	Miscellaneous Power Plant Equipment	67,235	4.0000	2,689
42		Total	\$ 8,595,312		\$ 170,271
Production - Energy Center - CT					
43	340.300	Land & Land Rights	\$ 130,690	0.0000	\$ 0
44	341.300	Structures & Improvements	1,515,265	1.8200	27,578
45	342.300	Fuel Holders, Producers, & Access.	2,455,078	3.8500	94,521
46	343.300	Prime Movers	19,317,623	1.9200	370,898
47	344.300	Generators	3,333,715	1.8200	60,674
48	345.300	Accessory Electric Equipment	291,094	3.5700	10,392
49	346.300	Miscellaneous Power Plant Equipment	959,294	4.0000	38,772
50		Total	\$ 28,012,759		\$ 602,835

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Production - State Line - CT					
51	340.800	Land & Land Rights	\$ 198,250	0.0000	\$ 0
52	341.800	Structures & Improvements	4,382,327	1.8200	79,758
53	342.800	Fuel Holders, Producers, & Access.	1,195,102	3.8500	46,011
54	343.800	Prime Movers	52,831,760	1.9200	1,014,370
55	344.800	Generators	9,369,642	1.8200	170,527
56	345.800	Accessory Electric Equipment	609,373	3.5700	21,755
57	346.800	Miscellaneous Power Plant Equipment	655,412	4.0000	26,216
58		Combined Cycle Unit	83,174,940	2.8600	2,378,803
59		Total	\$ 152,416,806		\$ 3,737,440
Transmission Plant					
60	350.000	Land & Land Rights	\$ 6,653,737	0.0000	\$ 0
61	352.000	Structures & Improvements	1,851,801	1.3700	25,370
62	352.100	Structures & Improvements - Iatan	18,440	1.3700	253
63	353.000	Station Equipment	51,704,163	2.1900	1,132,321
64	353.100	Station Equipment - Iatan	530,953	2.1900	11,628
65	354.000	Towers & Fixtures	622,674	1.3000	8,095
66	355.000	Poles & Fixtures	20,508,410	1.8500	379,406
67	356.000	Overhead Conductors & Devices	34,307,106	1.4300	490,592
68		Total	\$ 116,197,284		\$ 2,047,665
Distribution Plant					
69	360.000	Land & Land Rights	\$ 1,343,557	0.0000	\$ 0
70	361.000	Structures & Improvements	7,678,270	1.9800	152,030
71	362.000	Station Equipment	41,991,705	2.4400	1,024,598
72	364.000	Poles, Towers & Fixtures	67,804,221	2.4300	1,647,643
73	365.000	Overhead Conductors & Devices	77,638,661	2.1000	1,630,412
74	366.000	Underground Conduit	11,707,490	2.9700	347,712
75	367.000	Underground Conductors & Devices	24,431,366	3.6100	881,972
76	368.000	Line Transformers	51,129,752	2.5100	1,283,357
77	369.000	Services	32,384,333	3.0300	981,245
78	370.000	Meters	11,482,827	2.5800	296,257
79	371.000	Installation On Customers' Premises	9,073,297	5.1500	467,275
80	373.000	Street Lighting & Signal Systems	7,718,637	2.3600	182,160
81		Total	\$ 344,384,116		\$ 8,894,661

SCHEDULE 2-10

Accounting Schedule: 5
McMellen
10:20 04/02/2001

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000
Depreciation Expense

Line	No	Acct	Description	Adjusted	Depreciation	Rate	Depreciation	Expense
				(A)	(B)	(C)	(D)	
82	389,000		Land & Land Rights	\$ 607,379	0.0000		\$ 0	
83	390,000		Structures & Improvements	7,643,541	4.2700		326,379	
84	391,000		Office Furniture & Equipment	2,979,597	4.8100		143,319	
85	391,000		Computer Equipment	3,326,949	14.2900		475,421	
86	392,000		Transportation Equipment	5,297,805	9.5200		504,351	
87	393,000		Stores Equipment	292,598	3.9500		11,558	
88	394,000		Tools, Shop, & Garage Equipment	1,968,686	2.5000		49,217	
89	395,000		Laboratory Equipment	728,778	2.6600		19,385	
90	396,000		Power Operated Equipment	8,276,606	6.6700		552,050	
91	397,000		Communication Equipment	8,288,460	4.9500		410,279	
92	398,000		Miscellaneous Equipment	150,633	3.7500		5,649	
93			Total	\$ 39,561,032			\$ 2,497,608	
94			Total Depreciation Expense	\$ 842,625,729			\$ 20,628,637	

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 0	\$ 0	84.0900	\$ 0 R-1	\$ 0
2	302.000	Franchises & Consents	0	0	84.0900	0 R-2	0
3	303.000	Miscellaneous Intangible Plant	0	0	84.0900	0 R-3	0
4		Total	\$ 0	\$ 0		\$ 0	\$ 0
Production - Riverton - Steam							
5	711.120	Structures & Improvements	\$ 2,994,730	\$ 0	80.1300	\$ 0 R-4	\$ 2,399,677
6	712.120	Boiler Plant Equipment	15,094,648	0	80.1300	0 R-5	12,095,341
7	714.120	Turbogenerator Units	5,439,463	0	80.1300	0 R-6	4,358,642
8	715.120	Accessory Electric Equipment	1,407,685	0	80.1300	0 R-7	1,127,978
9	716.120	Miscellaneous Power Plant Equipment	564,544	0	80.1300	0 R-8	452,369
10		Total	\$ 25,501,070	\$ 0		\$ 0	\$ 20,434,007
Production - Asbury - Steam							
11	711.110	Structures & Improvements	\$ 2,868,872	\$ 0	80.1300	\$ 0 R-9	\$ 2,298,827
12	712.110	Boiler Plant Equipment	16,003,402	0	80.1300	0 R-10	12,823,526
13	712.150	Unit Train	3,304,944	0	80.1300	0 R-11	2,648,252
14	714.110	Turbogenerator Units	7,755,225	0	80.1300	0 R-12	6,214,262
15	715.110	Accessory Electric Equipment	1,427,521	0	80.1300	0 R-13	1,143,873
16	716.110	Miscellaneous Power Plant Equipment	725,978	0	80.1300	0 R-14	581,726
17		Total	\$ 32,085,942	\$ 0		\$ 0	\$ 25,710,466
Production - Iatan - Steam							
18	711.130	Structures & Improvements	\$ 2,014,087	\$ 0	80.1300	\$ 0 R-15	\$ 1,613,888
19	712.130	Boiler Plant Equipment	21,226,431	0	80.1300	0 R-16	17,008,739
20	712.140	Unit Train	8,365	(8,365)	80.1300	0 R-17	0
21	714.130	Turbogenerator Units	4,466,852	0	80.1300	0 R-18	3,579,289
22	715.130	Accessory Electric Equipment	2,074,759	0	80.1300	0 R-19	1,662,504
23	716.130	Miscellaneous Power Plant Equipment	298,177	0	80.1300	0 R-20	238,929
24		Total	\$ 30,088,671	\$ (8,365)		\$ 0	\$ 24,103,349

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
Production - Ozark Beach - Hydro							
25	731.100	Structures & Improvements	\$ 191,747	\$ 0	80.1300	\$ 0 R-21	\$ 153,647
26	732.100	Reservoirs, Dams, & Waterways	1,231,888	0	80.1300	0 R-22	987,112
27	733.100	Water Wheels, Turbines & Generators	417,575	0	80.1300	0 R-23	334,603
28	734.100	Accessory Electric Equipment	192,969	0	80.1300	0 R-24	154,626
29	735.100	Miscellaneous Power Plant Equipment	109,282	0	80.1300	0 R-25	87,568
30	Total		\$ 2,143,461	\$ 0		\$ 0	\$ 1,717,556
Production - Riverton - CT							
31	741.120	Structures & Improvements	\$ 102,053	\$ 0	80.1300	\$ 0 R-26	\$ 81,775
32	742.120	Fuel Holders, Producers, & Access.	43,075	0	80.1300	0 R-27	34,516
33	743.120	Prime Movers	4,263,967	0	80.1300	0 R-28	3,416,717
34	744.120	Generators	496,856	0	80.1300	0 R-29	398,131
35	745.120	Accessory Electric Equipment	146,169	0	80.1300	0 R-30	117,125
36	746.120	Miscellaneous Power Plant Equipment	49,683	0	80.1300	0 R-31	39,811
37	Total		\$ 5,101,803	\$ 0		\$ 0	\$ 4,088,075
Production - Energy Center - CT							
38	741.110	Structures & Improvements	\$ 1,352,371	\$ 0	80.1300	\$ 0 R-32	\$ 1,083,655
39	742.110	Fuel Holders, Producers, & Access.	1,328,481	0	80.1300	0 R-33	1,064,512
40	743.000	Prime Movers	12,131,193	0	80.1300	0 R-34	9,720,725
41	744.110	Generators	2,947,882	0	80.1300	0 R-35	2,362,138
42	745.110	Accessory Electric Equipment	331,153	0	80.1300	0 R-36	265,353
43	746.110	Miscellaneous Power Plant Equipment	800,814	0	80.1300	0 R-37	641,692
44	Total		\$ 18,891,894	\$ 0		\$ 0	\$ 15,138,075
Production - State Line - CT							
45	741.130	Structures & Improvements	\$ 754,821	\$ 0	80.1300	\$ 0 R-38	\$ 604,838
46	742.130	Fuel Holders, Producers, & Access.	246,631	0	80.1300	0 R-39	197,625
47	743.130	Prime Movers	8,685,375	0	80.1300	0 R-40	6,959,591
48	744.130	Generators	1,665,834	0	80.1300	0 R-41	1,334,833
49	745.130	Accessory Electric Equipment	113,983	0	80.1300	0 R-42	91,335
50	746.130	Miscellaneous Power Plant Equipment	138,055	0	80.1300	0 R-43	110,623
51	Total		\$ 11,604,699	\$ 0		\$ 0	\$ 9,298,845

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
Transmission Plant							
52	752.000	Structures & Improvements	\$ 729,689	\$ 0	80.1300	\$ 0 R-44	\$ 584,700
53	752.100	Structures & Improvements - Iatan	19,056	0	80.1300	0 R-45	15,270
54	753.000	Station Equipment	20,466,668	0	80.1300	0 R-46	16,399,941
55	753.100	Station Equipment - Iatan	310,367	0	80.1300	0 R-47	248,697
56	754.000	Towers & Fixtures	660,796	0	80.1300	0 R-48	529,496
57	755.000	Poles & Fixtures	8,914,377	0	80.1300	0 R-49	7,143,090
58	756.000	Overhead Conductors & Devices	11,719,356	0	80.1300	0 R-50	9,390,720
59	Total		\$ 42,820,309	\$ 0		\$ 0	\$ 34,311,914
Distribution Plant							
60	761.000	Structures & Improvements	\$ 2,250,362	\$ 0	87.3500	\$ 0 R-51	\$ 1,965,691
61	762.000	Station Equipment	15,825,414	0	87.3500	0 R-52	13,823,499
62	764.000	Poles, Towers & Fixtures	33,932,984	0	87.3500	0 R-53	29,640,462
63	765.000	Overhead Conductors & Devices	26,944,294	0	87.3500	0 R-54	23,535,841
64	766.000	Underground Conduit	3,529,098	0	87.3500	0 R-55	3,082,667
65	567.000	Underground Conductors & Devices	7,708,209	0	87.3500	0 R-56	6,733,121
66	768.000	Line Transformers	17,917,073	0	87.3500	0 R-57	15,650,563
67	769.000	Services	15,950,430	0	87.3500	0 R-58	13,932,701
68	770.000	Meters	4,920,393	0	87.3500	0 R-59	4,297,963
69	771.000	Installation On Customers' Premises	4,205,624	0	87.3500	0 R-60	3,673,613
70	773.000	Street Lighting & Signal Systems	3,471,337	0	87.3500	0 R-61	3,032,213
71	Total		\$ 136,655,218	\$ 0		\$ 0	\$ 119,368,334

Accounting Schedule: 6

McMellen

10:20 04/02/2001

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
		General Plant					
72	790.000	Structures & Improvements	\$ 3,338,790	\$ 0	83.4600	\$ 0 R-62	\$ 2,786,554
73	791.000	Office Furniture & Equipment	2,026,016	0	83.4600	0 R-63	1,690,913
74	792.000	Transportation Equipment	4,212,798	0	83.4600	0 R-64	3,516,001
75	793.000	Stores Equipment	178,920	0	83.4600	0 R-65	149,327
76	794.000	Tools, Shop, & Garage Equipment	1,199,615	0	83.4600	0 R-66	1,001,199
77	795.000	Laboratory Equipment	471,223	0	83.4600	0 R-67	393,283
78	796.000	Power Operated Equipment	3,903,718	0	83.4600	0 R-68	3,258,043
79	797.000	Communication Equipment	3,956,491	0	83.4600	0 R-69	3,302,087
80	798.000	Miscellaneous Equipment	57,439	0	83.4600	0 R-70	47,939
81		Total	\$ 19,345,010	\$ 0		\$ 0	\$ 16,145,346

82		Total Depreciation Reserve	\$ 324,238,077	\$ (8,365)		\$ 0	\$ 270,315,967

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Operation and Maintenance Expense							
1	Cash Vouchers	\$ 28,891,587	35.0435	33.0649	1.9786	0.005421	\$ 156,621
2	Fuel - Coal	19,855,809	35.0435	18.9386	16.1049	0.044123	876,098
3	Fuel - Gas	17,129,112	35.0435	36.3005	(1.2570)	(0.003444)	(58,993)
4	Fuel - Oil	149,767	35.0435	28.3766	6.6669	0.018265	2,735
5	Purchased Power	50,001,389	35.0435	34.9314	0.1121	0.000307	15,350
6	Payroll Expense	23,361,175	35.0435	12.0071	23.0364	0.063113	1,474,394
7	Federal Income Tax Withheld	3,408,522	35.0435	15.0495	19.9940	0.054778	186,712
8	State Income Tax Withheld	705,466	35.0435	19.5054	15.5381	0.042570	30,032
9	FICA Tax Withheld	1,779,716	35.0435	15.0495	19.9940	0.054778	97,489
10	Medical Care Expense	2,423,534	35.0435	(12.2900)	47.3335	0.129681	314,286
11	Employee 401K	1,439,113	35.0435	15.0495	19.9940	0.054778	78,832
12	Employers 401K	529,019	35.0435	41.6702	(6.6267)	(0.018155)	(9,604)
13	Total Operation and Maintenance Expense	\$ 149,674,209					\$ 3,163,952
Taxes							
14	Employers FICA Tax	\$ 1,779,716	35.0435	15.0495	19.9940	0.054778	\$ 97,489
15	Federal Unemployment Tax	21,391	35.0435	75.1217	(40.0782)	(0.109803)	(2,349)
16	State Unemployment	6,000	35.0435	75.0673	(40.0238)	(0.109654)	(658)
17	Property Taxes	5,464,537	35.0435	207.0403	(171.9968)	(0.471224)	(2,575,021)
18	Gross Receipts Taxes	4,126,467	15.5535	20.5300	(4.9765)	(0.013634)	(56,260)
19	Sales & Use Taxes	0	15.5535	19.1500	(3.5965)	(0.009853)	0
20	Total Taxes	\$ 11,398,111					\$ (2,536,799)
21	Total Cash Working Capital Req						\$ 627,153

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Unit Train	R-17	\$ (8,365)
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1. To eliminate from the Depreciation Reserve the balance
associated with a unit train that has been retired and
should be removed from the books.
(McMellen)

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Operating Revenues							
1		Revenues from System Sales	\$ 207,163,614	\$	0 100.0000	\$ (1,326,361) S-1	\$ 205,837,253
2		System KWH Sales-Non Jurisdictional	10,582,163		0 0.0000	0 S-2	0
3		Sales for Resale - Off System	6,703,146		0 100.0000	0 S-3	6,703,146
4		Other Revenues	2,728,498		0 100.0000	0 S-4	2,728,498
5		Sales of Emission Credits	33,433		0 79.3700	0 S-5	26,536
6		Total	\$ 227,210,854	\$	0	\$ (1,326,361)	\$ 215,295,433
Operation & Maintenance Expense							
7	500.000	Prod Oper Supr & Engineering	\$ 982,595	\$ (15,852)	82.1900	\$ 0 S-6	\$ 794,566
8	501.000	Production Fuel Expense	26,924,224	(1,940,913)	81.8400	16,368,000 S-7	36,814,342
9	502.000	Production Purchased Power	1,377,719	(1,701)	80.1300	0 S-8	1,102,603
10	505.000	Production Electric Expenses	933,869	20,128	80.1300	0 S-9	764,438
11	506.000	Prod Misc Steam Power Expense	570,561	(1,545)	80.1300	0 S-10	455,953
12	507.000	Production - Rents	40,808	(4,286)	80.1300	0 S-11	29,265
13	510.000	Prod - Maint Supr & Eng	388,452	(32,735)	80.1300	0 S-12	285,036
14	511.000	Production Maint of Structures	498,802	(26,221)	80.1300	0 S-13	378,679
15	512.000	Production Boiler Maintenance	3,703,583	(372,934)	80.1300	0 S-14	2,668,849
16	513.000	Production Maint of Electric Plant	1,974,443	(171,753)	80.1300	6,410,400 S-15	7,854,895
17	514.000	Prod Maint of Misc Steam Plant	241,202	(4,854)	80.1300	0 S-16	189,386
18	535.000	Prod Hydraulic Pwr Oper Suprv & Eng	39,705	22	80.1300	0 S-17	31,833
19	536.000	Production Water for Power Hydro	45,759	0	80.1300	0 S-18	36,667
20	537.000	Production Other Hydraulic Expense	11,268	0	80.1300	0 S-19	9,029
21	538.000	Prod Hydraulic Electric Expense	33,167	17	80.1300	0 S-20	26,590
22	539.000	Prod Misc Hydraulic Generation Exp	109,407	40	80.1300	0 S-21	87,700
23	540.000	Production Hydraulic Rent Expense	190	0	80.1300	0	152
24	541.000	Prod Hydraulic Maint Suprv & Eng	40,927	23	80.1300	0 S-22	32,813
25	542.000	Prod Hydraulic Maint of Structures	36,517	17	80.1300	0 S-23	29,275
26	543.000	Prod Maint Reservoirs, Dam & Wtrwy	45,741	23	80.1300	0 S-24	36,671
27	544.000	Prod Hydraulic Maint of Elect Plant	13,248	7	80.1300	0 S-25	10,621
28	545.000	Prod Maint of Misc Hydraulic Plant	31,627	17	80.1300	0 S-26	25,356
29	546.000	Prod Combustion Turb Oper Suprv Eng	57,380	29	80.1300	0 S-27	46,002
30	547.000	Production Combustion Turbine Fuel	21,975,423	(1,584,186)	81.8400	0 S-28	16,688,188
31	548.000	Prod Comb Turb Generation Exp	171,027	100	80.1300	0 S-29	137,124
32	549.000	Prod Misc Power Generation Exp	89,296	20	80.1300	0 S-30	71,569
33	550.000	Prod Combustion Turbine Rents Exp	3,743	0	80.1300	0 S-31	2,999
34	551.000	Prod Combust Turb Maint Suprv & Eng	55,338	30	80.1300	0 S-32	44,366
35	552.000	Prod Comb Turb Maint of Structures	1,317	1	80.1300	0 S-33	1,056
36	553.000	Prod Maint of Gen & Electric Plant	403,397	70	80.1300	0 S-34	323,298

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
37	554.000	Prod Maint Misl Other Gen Power Plt	141,867	34	80.1300	0 S-35	113,705
38	555.000	Purchased Power	65,238,096	(2,837,758)	80.1300	0 S-36	50,001,391
39	556.000	Oth Pwr Supply Syst Contr Load Disp	525,862	248	80.1300	0 S-37	421,572
40	557.000	Purch Power Other Power Supply Exp	290,326	10,807	86.8800	0 S-38	261,624
41	560.000	Transmission Oper Suprv & Engineer	152,170	139	80.1300	0 S-39	122,045
42	561.000	Transmission Load Dispatching	398,379	203	80.1300	0 S-40	319,384
43	562.000	Transmission Station Expense	169,998	89	80.1300	0 S-41	136,291
44	563.000	Transmission Overhead Line Expense	82,172	30	80.1300	0 S-42	65,868
45	565.000	Transmission Electricity by Others	1,121,191	0	80.1300	0 S-43	898,410
46	567.000	Transmission Rents	47,897	0	80.1300	0 S-44	38,380
47	568.000	Trans & Distr Engineer Maint Suprv	62,168	29	80.1300	0 S-45	49,838
48	569.000	Transmission Maint of Structures	12,435	3	80.1300	0 S-46	9,967
49	570.000	Transmission Maint of Station Equip	456,027	(7,895)	80.1300	0 S-47	359,088
50	571.000	Transmission Maint of Overhead Line	540,066	29	80.1300	0 S-48	432,778
51	580.000	Distribution Oper Suprv & Engineer	377,204	(47)	87.3500	0 S-49	329,447
52	582.000	Distribution Substation Operations	422,691	169	87.3500	0 S-50	369,368
53	583.000	Distribution Overhead Line Expense	1,675,409	(12,188)	87.3500	0 S-51	1,452,824
54	584.000	Distribution Underground Line Exp	412,473	83	87.3500	0 S-52	360,368
55	585.000	Distr Street Light Signal Sys Exp	82,029	24	87.3500	0 S-53	71,673
56	586.000	Distribution Meter Expense	1,611,011	743	87.3500	0 S-54	1,407,867
57	587.000	Distribution Cust Installation Exp	198,846	53	87.3500	0 S-55	173,738
58	588.000	Distribution Miscellaneous Expense	476,105	(846)	87.3500	0 S-56	415,139
59	589.000	Distribution Rents Expense	3,486	0	87.3500	0 S-57	3,045
60	590.000	Distribution Maint Suprv & Engineer	192,438	99	87.3500	0 S-58	168,181
61	591.000	Distribution Maint of Structures	44,803	0	87.3500	0 S-59	39,135
62	592.000	Distribution Maint of Station Equip	472,709	159	87.3500	0 S-60	413,050
63	593.000	Distribution Maint of Overhead Line	3,613,789	102	87.3500	0 S-61	3,156,734
64	594.000	Distrib Maint of Underground Lines	544,745	185	87.3500	0 S-62	475,996
65	595.000	Distr Maint of Line Transformers	103,888	49	87.3500	0 S-63	90,789
66	596.000	Distr Maint of St Light Sig Sys Exp	226,178	67	87.3500	0 S-64	197,625
67	597.000	Distribution Maintenance of Meters	196,619	103	87.3500	0 S-65	171,837
68	598.000	Distr Maint of Miscellaneous Plant	85,043	27	87.3500	0 S-66	74,309
69	901.000	Customer Accounts Supervision	429,865	(2,024)	86.8800	0 S-67	371,708
70	902.000	Customer Accounts Read Meters	1,020,057	512	86.8800	0 S-68	886,670
71	903.000	Customer Accounts Records & Collect	3,279,952	19,229	86.8800	0 S-69	2,866,328
72	904.000	Customer Accounts Uncollectible Acc	1,307,547	(697,654)	86.8800	0 S-70	529,875
73	905.000	Customer Accounts Miscellaneous Exp	248,982	19	86.8800	307,359 S-71	523,691
74	907.000	Customer Service Supervision	329,980	(1,286)	86.8800	0 S-72	285,569
75	908.000	Customer Service Assistance Expense	350,272	(3,680)	86.8800	0 S-73	301,119
76	909.000	Cust Serv Inform & Instruct Adv Exp	100,407	(76,517)	86.8800	0 S-74	20,756
77	910.000	Customer Serv & Public Infor Clear	6,745	0	86.8800	0 S-75	5,860

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
78	911.000	Sales Supervision Expense	330,072	(18,075)	84.0500	0 S-76	262,233
79	912.000	Demonstration & Selling Expense	359,253	(11,946)	84.0500	0 S-77	291,912
80	916.000	Miscellaneous Sales Expense	19,333	(7,073)	84.0500	0 S-78	10,305
81	920.000	Administrative & General Salaries	4,273,195	5,352	82.0200	1,500,000 S-79	5,009,264
82	921.000	Admin & Gen. Office Supply Expense	1,426,543	(332,069)	82.0200	0 S-80	897,688
83	922.000	Admin & Gen. Exp Transfer - Credit	(613,031)	0	82.0200	0 S-81	(502,808)
84	923.000	Admin & Gen Outside Services Empl	1,255,715	(548,439)	82.0200	0 S-82	580,108
85	924.000	Property Insurance	1,246,716	160,944	82.0200	0 S-83	1,154,563
86	925.000	Injuries & Damages Insurance Exp	709,967	(576,430)	82.0200	0 S-84	109,527
87	926.000	Employee Pensions & Benefits	2,081,748	1,051,265	82.0200	0 S-85	2,569,697
88	927.000	Franchise Requirements	0	0	100.0000	0 S-86	0
89	928.000	Regulatory Commission Expense	609,574	0	85.3300	40,858 S-87	561,007
90	929.000	Duplicate Charges Credit	(132,988)	0	82.0200	0 S-88	(109,077)
91	930.000	Admin & General Miscellaneous Exp	1,420,364	(56,231)	82.0200	0 S-89	1,118,862
92	931.000	Admin & General Rents Expense	64,101	1,736	82.0200	0 S-90	54,000
93	935.000	Admin & Gen Maint of General Plant	355,664	3,474	82.0200	0 S-91	294,565
94		Total	\$ 161,258,888	\$ (8,070,589)		\$ 24,626,617	\$ 149,674,209
Depreciation Expense							
95	403.000	Depreciation Expense	\$ 26,999,957	\$ 0	83.4657	\$ (1,907,066) S-92	\$ 20,628,637
96		Depreciation Expense - Other	0	0	83.4657	(1,353,713) S-93	(1,353,713)
97		Total	\$ 26,999,957	\$ 0		\$ (3,260,779)	\$ 19,274,924
Other Operating Expenses							
98		Net Cost of Removal/Salvage	\$ 1,271,713	\$ 0	83.7722	\$ 0	\$ 1,065,342
99	404.000	Amortization Expense	637,530	0	84.4400	0 S-94	538,330
100	408.000	Taxes Other Than Income Taxes	13,031,630	(33,234)	86.0800	(4,126,467) S-95	7,062,552
101		Total	\$ 14,940,873	\$ (33,234)		\$ (4,126,467)	\$ 8,666,224
102		Total Operating Expenses	\$ 203,199,718	\$ (8,103,823)		\$ 17,239,371	\$ 177,615,357
103		Net Income Before Taxes	\$ 24,011,136	\$ 8,103,823		\$ (18,565,732)	\$ 37,680,076

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Current Income Taxes							
104	409.000	Current Income Taxes	\$ 10,052,110	\$ 0	88.7800	\$ (6,482,413) S-96	\$ 2,441,850
105		Total	\$ 10,052,110	\$ 0		\$ (6,482,413)	\$ 2,441,850
Deferred Income Taxes							
106	410.000	Deferred Tax Depreciation - Excess	\$ 2,809,078	\$ 0	100.0000	\$ (880,910) S-97	\$ 1,928,168
107		Deferred Tax Depr. Excess - Adjusted	880,910	0	100.0000	0	880,910
108	411.000	Amortization of Deferred Income Tax	(400,743)	0	100.0000	0 S-98	(400,743)
109	411.411	Amortization of Deferred ITC	(480,167)	0	100.0000	0 S-99	(480,167)
110		Total	\$ 2,809,078	\$ 0		\$ (880,910)	\$ 1,928,168
111		Total Income Taxes	\$ 12,861,188	\$ 0		\$ (7,363,323)	\$ 4,370,018
112		Net Operating Income	\$ 11,149,948	\$ 8,103,823		\$ (11,202,409)	\$ 33,310,058

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Revenues from System Sales S-1		\$ (1,326,361)

1. To adjust test year revenues to reflect Staff's annualization of customer growth to 12/30/2000 levels. (Boltz)		\$ 2,720,096
2. To adjust test year expense to reflect Staff's annualization of revenues to reflect reduced load for ICI. (Boltz)		\$ (214,207)
3. To adjust test year revenues to reflect Staff's normalization of weather. (Boltz)		\$ (1,703,672)
4. To adjust test year revenues to reflect the annualization of other rate revenues. (Boltz)		\$ 13,068
5. To adjust test year revenues to reflect the elimination of franchise taxes included in the per book revenue. (Boltz)		\$ (4,126,467)
6. To adjust test year revenues to reflect an estimate for the known and measurable change associated with customer growth through June 30, 2001. (Williams)		\$ 1,984,821

Prod Oper Supr & Engineering S-6	\$	(15,852)

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)	\$	468
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)	\$	(16,320)

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Production Fuel Expense S-7	\$ (1,940,913)	\$ 16,368,000

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)	\$ 27	
2. To adjust test year expense to reflect Staff's annualization of fuel expense. (Harris)	\$ (1,940,940)	
3. To adjust test year to reflect an estimate for known and measurable changes to fuel for the combined cycle unit at June 30, 2001. (Williams)		\$ 16,368,000

Production Purchased Power S-8	\$ (1,701)	

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)	\$ 620	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)	\$ (2,321)	

Production Electric Expenses S-9	\$ 20,128	

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)	\$ 346	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)	\$ 19,782	

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Adjustments to Income Statement

Adj No Description		Total Co Adjustment	Mo Juris Adjustment

Production Maint of Structures	S-13	\$ (26,221)	

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)		\$ 139	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)		\$ (26,360)	

Production Boiler Maintenance	S-14	\$ (372,934)	

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)		\$ 616	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)		\$ (373,550)	

Production Maint of Electric Plant	S-15	\$ (171,753)	\$ 6,410,400

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)		\$ 206	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)		\$ (171,959)	
3. To adjust test year expense to reflect an estimate for the maintenance contract for the State Line plant. (Williams)			\$ 6,410,400

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment

Administrative & General Salaries S-79	\$ 5,352	\$ 1,500,000

1. To adjust test year payroll expense to reflect Staff's annualized level. (Fischer)	\$ 920	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)	\$ 4,432	
3. To include an estimate for payroll at June 30, 2001 for the Known and Measurable period. (Williams)		\$ 1,500,000

Admin & Gen. Office Supply Expense S-80	\$ (332,069)	

1. To adjust test year expense to reflect the 2001 postage increase. (Williams)	\$ 2,532	
2. To adjust test year expenses associated with the Iatan plant to reflect a 3-year average of costs. (Williams)	\$ 9,182	
3. To adjust test year expense to reflect Staff's elimination of certian donations. (McMellen)	\$ (7,615)	
4. To adjust test year expense to reflect Staff's elimination of certian dues charged to expense. (McMellen)	\$ (5,289)	
5. To adjust test year expense to reflect Staff's elimination of Banking fees. (Williams)	\$ (284,942)	

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Income Tax

Line		Test Year	8.13% Return	8.33% Return	8.52% Return
	(A)	(B)	(C)	(D)	(E)

1	Net Income Before Taxes (Sch 9)	\$ 37,680,076	\$ 51,550,789	\$ 53,219,602	\$ 54,804,976

	Add to Net Income Before Taxes				
2	Book Depreciation Expense	\$ 19,274,924	\$ 19,274,924	\$ 19,274,924	\$ 19,274,924
3	Book Depreciation - Clearing/Opers	1,023,341	1,023,341	1,023,341	1,023,341
4	Non - Deductible Expenses	45,448	45,448	45,448	45,448
		-----	-----	-----	-----
5	Total	\$ 20,343,713	\$ 20,343,713	\$ 20,343,713	\$ 20,343,713
	Subtr from Net Income Before Taxes				
6	Interest Expense 4.7400 %	\$ 24,367,854	\$ 24,367,854	\$ 24,367,854	\$ 24,367,854
7	Tax Depreciation - Straight Line	19,819,994	19,819,994	19,819,994	19,819,994
8	Tax Depreciation - Excess	7,317,479	7,317,479	7,317,479	7,317,479
9	Preferred Stock Dividends	0	0	0	0
		-----	-----	-----	-----
10	Total	\$ 51,505,327	\$ 51,505,327	\$ 51,505,327	\$ 51,505,327

11	Net Taxable Income	\$ 6,518,462	\$ 20,389,175	\$ 22,057,988	\$ 23,643,362

	Provision for Federal Income Tax				
12	Net Taxable Income	\$ 6,518,462	\$ 20,389,175	\$ 22,057,988	\$ 23,643,362
13	Deduct Missouri Income Tax 100.0 %	\$ 341,777	\$ 1,062,943	\$ 1,149,943	\$ 1,232,592
14	Deduct City Income Tax	0	0	0	0
15	Federal Taxable Income	6,176,685	19,326,232	20,908,046	22,410,770
		-----	-----	-----	-----
16	Total Federal Tax	\$ 2,100,073	\$ 6,764,182	\$ 7,317,816	\$ 7,843,770
	Provision for Missouri Income Tax				
17	Net Taxable Income	\$ 6,518,462	\$ 20,389,175	\$ 22,057,988	\$ 23,643,362
18	Deduct Federal Income Tax 50.0 %	\$ 1,050,037	\$ 3,382,091	\$ 3,658,908	\$ 3,921,885
19	Deduct City Income Tax	0	0	0	0
20	Missouri Taxable Income	5,468,426	17,007,084	18,399,080	19,721,477
		-----	-----	-----	-----
21	Total Missouri Tax	\$ 341,777	\$ 1,062,943	\$ 1,149,943	\$ 1,232,592

SCHEDULE 2-25

Empire District Electric Company
Case: ER-01-299E
Twelve Months Ended December 31, 2000

Income Tax

Line	Test Year	8.13% Return	8.33% Return	8.52% Return
(A)	(B)	(C)	(D)	(E)
Provision for City Income Tax				
22 Net Taxable Income	\$ 6,518,462	\$ 20,389,175	\$ 22,057,988	\$ 23,643,362
23 Deduct Federal Income Tax	\$ 2,100,073	\$ 6,764,182	\$ 7,317,816	\$ 7,843,770
24 Deduct Missouri Income Tax	341,777	1,062,943	1,149,943	1,232,592
25 City Taxable Income	4,076,612	12,562,050	13,590,229	14,567,000
26 Total City Tax	\$ 0	\$ 0	\$ 0	\$ 0
Summary of Provision for Income Tax				
27 Federal Income Tax	\$ 2,100,073	\$ 6,764,182	\$ 7,317,816	\$ 7,843,770
28 Missouri Income Tax	341,777	1,062,943	1,149,943	1,232,592
29 City Income Tax	0	0	0	0
30 Total	\$ 2,441,850	\$ 7,827,125	\$ 8,467,759	\$ 9,076,362
Deferred Income Taxes				
31 Deferred Investment Tax Credit	\$ 0	\$ 0	\$ 0	\$ 0
32 Deferred Income Taxes	2,809,078	2,809,078	2,809,078	2,809,078
33 Amort. of Deferred Tax Depreciation	(400,743)	(400,743)	(400,743)	(400,743)
34 Amortization of Deferred ITC	(480,167)	(480,167)	(480,167)	(480,167)
35 Total	\$ 1,928,168	\$ 1,928,168	\$ 1,928,168	\$ 1,928,168
36 Total Income Tax	\$ 4,370,018	\$ 9,755,293	\$ 10,395,927	\$ 11,004,530