

**Exhibit No.**  
**Issue: Accounting Schedules**  
**Witness: Kelly S. Walters**  
**Type of Exhibit: Supplemental Direct**  
**Sponsoring Party: Empire District**  
**Case No. ER-02-424**  
**Date Testimony Prepared: 3/26/02**

**Before the Public Service Commission  
of the State of Missouri**

**FILED<sup>3</sup>**

**MAR 28 2002**

**Missouri Public  
Service Commission**

**Supplemental Direct Testimony**

**Of**

**Kelly S. Walters**

**March 2002**

SUPPLEMENTAL DIRECT TESTIMONY  
OF  
KELLY S. WALTERS  
THE EMPIRE DISTRICT ELECTRIC COMPANY  
BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. ER-2002-424

**I. Introduction**

1 Q. STATE YOUR NAME AND ADDRESS PLEASE.

2 A. Kelly S. Walters. My business address is 602 Joplin Street, Joplin, Missouri.

3 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

4 A. The Empire District Electric Company ("Empire" or "Company"). I am Director of  
5 Planning and Regulatory.

6 Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND  
7 PROFESSIONAL EXPERIENCE.

8 A. I was graduated from Pittsburg State University in December 1986 with a Bachelor of  
9 Science degree in Business Administration with a major in accounting. I began my  
10 employment at Empire in November 1988 in the accounting department. I held  
11 various positions within the accounting department until July 1993 when I became  
12 Manager of Regulatory Accounting.

13 I left employment at Empire in 1998 to assume the position of Manager of  
14 Financial Services at Crowder College. In September 2001, I rejoined Empire as  
15 Director of Planning and Regulatory. In this position I have responsibility for load  
16 research, strategic planning, rates, and financial and regulatory accounting.

17 In October 2001, I received a Master of Arts degree from Webster University.

18

19 **II. Purpose and Scope**

20 Q. WHY ARE YOU FILING THIS SUPPLEMENTAL DIRECT TESTIMONY?

1 A. I am filing this supplemental direct testimony in accordance with the Joint  
2 Recommendation Regarding Test Year and Proposed Procedural Schedule.

3 The direct testimony filed with the Commission on March 8, 2002 was based on  
4 the test year ending September 30, 2001. This supplemental filing is based on the test  
5 year ending December 31, 2001 as agreed upon by all parties.

6 Q. I DIRECT YOUR ATTENTION TO WHAT HAS BEEN ATTACHED TO YOUR  
7 TESTIMONY AND MARKED FOR IDENTIFICATION PURPOSES AS  
8 SUPPLEMENTAL SCHEDULE KSW-1. PLEASE DESCRIBE THIS SCHEDULE.

9 A. Supplemental Schedule KSW-1, which itself is broken down into sections and  
10 schedules, consists generally of financial and other information which supports the  
11 Company's revenue requirement. I am sponsoring the following portions of  
12 Supplemental Schedule KSW-1:

13 Section C, Schedule 1, Comparative and Summary Information

14 Section D, Schedule 1, Rate Base and Rate of Return

15 Section E, Schedule 1, Electric Plant in Service by Primary Plant Account

16 Section F, Schedule 1, Accumulated Provision for Depreciation of Electric Plant in  
17 Service

18 Section G, Schedule 1, Page 1, Working Capital

19 Section G, Schedule 1, Page 2, Materials and Supplies

20 Section G, Schedule 1, Page 3, Prepayments

21 Section G, Schedule 1, Page 4, Prepaid Interest

22 Section G, Schedule 2, Cash Working Capital

23 Section G, Schedule 3, Page 1 Income Tax Gross-up Factor

1	Section G, Schedule 3, Page 2, Income Tax Lag
2	Section G, Schedule 3, Page 3, Interest Expense Lag Calculation
3	Section G, Schedule 3, Page 4, Calculation of Interest Offset and Income Tax
4	Offset
5	Section H, Schedule 1, Capital Structure at December 2001
6	Section H, Schedule 2, Preferred Capital Stock
7	Section H, Schedule 3, Long Term Debt
8	Section H, Schedule 8, Capital Cost
9	Section J, Schedule 1, Test year Utility Operating Income Statements and
10	Adjustments
11	Section J, Schedule 2, Explanation of Adjustments to Test Year Revenues and
12	Expenses
13	Section K, Schedule 1, Depreciation Rates and Accruals
14	Section K, Schedule 2, Page 1, Normalized Depreciation Expense
15	Section K, Schedule 2, Page 4, Summary of Depreciation and Amortization
16	Section L, Schedule 1, Taxes Charged to Electric Operations
17	Section L, Schedule 2, Page 1, Calculation of Provision for Income Taxes Payable
18	for Twelve Months Ended December 31, 2001
19	Section L, Schedule 2, Page 2, Calculation of Deferred Income Taxes for Twelve
20	Months Ended December 31, 2001
21	Section M, Schedule 1, Bases of Allocation of Property and Expenses
22	Section M, Schedule 2, Allocation of Rate Base, Revenue and Expenses
23	Section N, Schedule 1-6, Cost of Service and Allocation Methodology

1 These materials were prepared under my supervision and direction and will be referred  
2 to later in this testimony.

3 Q. WAS THIS FILING PREPARED IN ORDER TO ACHIEVE CONSISTENCY WITH  
4 EMPIRE'S PRIOR RATE FILINGS?

5 A. Yes. The filing was prepared in a manner consistent with our prior electric rate cases  
6 before the Missouri Public Service Commission ("Commission").

7 **III. Schedule Explanations**

8 Q. I DIRECT YOUR ATTENTION TO SECTION C, SCHEDULE 1 AND ASK YOU  
9 WHAT IT IS.

10 A. Section C, Schedule 1 is a summary of certain key data for the test year and  
11 comparison of this data with similar data from Empire's previous electric rate case  
12 filing, Case No. ER-2001-299

13 Line 1 shows total test year Missouri jurisdictional electric revenues at existing  
14 rates to be \$234,878,814.

15 Line 2 shows that revenues would have totaled \$254,769,239 with the proposed  
16 rates in effect throughout the test year.

17 Line 3 shows that total electric operating revenues would have been 8.47% more  
18 with the proposed rates in effect during this period.

19 Line 4 shows the test year rate base to be \$548,073,378 which is an increase of  
20 \$40,296,546 or approximately 7.94% more than the rate base which was filed in Case  
21 No. ER-2001-299.

22 Line 5 shows that existing rates were set in Case No. ER-2001-299, for which a rate  
23 base of \$507,776,832 was filed.

1 Line 6 shows a rate of return of 7.71% on the test year rate base under existing  
2 rates.

3 Line 7 shows a 9.95% rate of return on rate base under the proposed rates.

4 Line 8 shows a return on equity of 8.88% under the existing rates.

5 Line 9 shows a 12.00% return on equity under the proposed rates.

6 Line 10 shows that existing rates were based on total electric operating expenses of  
7 \$190,934,339 as filed in Case No. ER-2001-299.

8 Line 11 shows that total electric operating expenses of \$192,600,277 are included  
9 in this filing.

10 Q. I REFER YOU TO SECTION D, SCHEDULE 1 AND ASK YOU TO EXPLAIN IT.

11 A. Section D, Schedule 1 shows the Company's electric rate base and rate of return before  
12 and after the proposed rate increase.

13 For the test year ending December 31, 2001, end of period balances are used for  
14 electric plant in service and reserve for depreciation. Materials and supplies and  
15 prepayments are the average of the thirteen consecutive month-end balances ending  
16 December 31, 2001 adjusted for known and measurable changes. In addition, the cash  
17 working capital requirement that is based on adjusted income has been added to rate  
18 base.

19 Injuries and damages reserve which represents the balance above the actual cash  
20 outlays, as well as deferred income taxes resulting from the use of liberalized  
21 depreciation methods are deducted from the rate base. Rate base has also been  
22 adjusted to reflect customer deposits and customer advances.

23 Interest offset, which is the cash lag in the interest synchronization calculation used

1 to determine current income taxes, as well as income tax offset, which is the  
2 calculated current income tax times the lag in income tax payments, are also deducted  
3 from rate base.

4 The total original cost electric rate base is \$548,073,378 (Line 14) which is  
5 multiplied by the indicated rate of return of 9.95% (Line 21) to give us after tax  
6 operating income of \$54,533,301 (Line 20). This is subtracted from the proforma  
7 operating income of \$42,278,537 (Line 15) which results in the after tax deficiency of  
8 \$12,254,764 (Line 17) or the pre-tax revenue requirement of \$19,890,425 (Line 19)  
9 which was filed with the Commission.

10 Q. I DIRECT YOUR ATTENTION TO SECTION E, SCHEDULE 1 AND ASK YOU  
11 TO EXPLAIN IT.

12 A. Section E, Schedule 1, Pages 1 and 2 is a statement showing, by classified functional  
13 electric plant in service groups, the actual and pro forma original cost of electric plant  
14 used and useful at December 31, 2000 and December 31, 2001. Total electric plant in  
15 service at December 31, 2001, is \$1,060,517,752 (Column E) and \$895,428,657 for  
16 Empire's Missouri jurisdiction (Column F).

17 Q. WILL YOU TELL US WHAT SECTION F, SCHEDULE 1 SHOWS?

18 A. Section F, Schedule 1 is a statement of accumulated provision for depreciation of  
19 electric plant in service showing amounts by functional plant groups at December 31,  
20 2000, and December 31, 2001. The total accumulated provision for depreciation of  
21 electric plant in service at the end of the test year is \$346,259,696 (Column E) and  
22 \$293,326,906 for our Missouri jurisdiction (Column F).

23 Q. I DIRECT YOUR ATTENTION TO SECTION G, SCHEDULE 1 THROUGH

1 SCHEDULE 3 AND ASK YOU TO EXPLAIN IT.

2 A. Section G, Schedule 1, Pages 1 through 4 projects test year amounts of materials and  
3 supplies using a 13-month average adjusted for inventory related to the new State Line  
4 Combined Cycle plant ("SLCC"). Prepayments are also calculated based on a 13-  
5 month average. Total prepaid insurance has been adjusted to include recent increases  
6 in insurance premiums experienced by the Company.

7 Section G, Schedule 2 computes projected cash working capital for the twelve  
8 months ended December 31, 2001. The expense and revenue lag for each component  
9 is the same as used by the Staff in ER-2001-299. The computation, using updated  
10 normalized test year expenses, results in a cash working capital requirement of  
11 (\$1,237,719). Cash working capital is a rate base deduction due to the increased usage  
12 of gas and also the increase in property taxes.

13 Section G, Schedule 3, Pages 1 through 4 calculates the Company's income tax  
14 gross-up factor as well as lags for income taxes and interest expense. In addition, the  
15 calculations are shown for interest and income tax offset.

16 Q. WILL YOU PLEASE DESCRIBE SECTION H, SCHEDULE 1?

17 A. Section H, Schedule 1 summarizes the capital structure of the Company as of  
18 December 31, 2001 and the adjusted capital structure using 47.89% equity and  
19 44.84% long-term debt. The return on common equity was set at 12.00% which is  
20 discussed in the testimony of Empire witness Dr. Donald Murry in his direct  
21 testimony.

22 Q. WILL YOU PLEASE DESCRIBE SECTION H, SCHEDULE 2?

23 A. Section H, Schedule 2 lists the Company's trust preferred stock series, which was



1 issued March 1, 2001.

2 Q. WILL YOU PLEASE EXPLAIN SECTION H, SCHEDULE 3?

3 A. Section H, Schedule 3 lists each series of the Company's first mortgage bonds  
4 outstanding along with any associated unamortized expense, discount and premium at  
5 December 31, 2001 in columns A and B. Columns C and D reflect the first mortgage  
6 bonds that would be necessary to meet the adjusted capital structure as reflected in  
7 Section H, Schedule 1. The 7.5% series (line 4) was eliminated as this series will be  
8 defeased at the end of June 2002.

9 Q. WHAT IS CONTAINED IN SECTION H, SCHEDULE 8?

10 A. Section H, Schedule 8, details Empire's unadjusted and adjusted capital structure for  
11 first mortgage bonds and trust preferred. It shows the unadjusted embedded rate of  
12 7.87% in column B and the adjusted embedded annual cost of 7.91% in column D for  
13 first mortgage bonds. The rate for the trust preferred series is 8.95%.

14 Q. I HAND YOU SECTION J, SCHEDULE 1 AND ASK YOU TO DESCRIBE IT.

15 A. Section J, Schedule 1 is a test year income statement with adjustments to normalize  
16 test year electric operations. Column A reflects total Company results for the twelve  
17 months ending December 31, 2001. Excluded from Column A are expenses  
18 associated with the unsuccessful merger with UtiliCorp United Inc. in the amount of  
19 \$1,391,673. Column B summarizes adjustments to total Company electric operations.  
20 Column C is the total Company pro forma income statement. Column D shows the  
21 actual Missouri jurisdictional electric operating statement, and Column E summarizes  
22 the portion of adjustments applicable to Missouri. Column F shows the Missouri  
23 electric operating statement reflecting the December 31, 2001 pro forma revenues and

1 expenses.

2 Q. I HAND YOU SECTION J, SCHEDULE 2 AND ASK YOU WHAT IT IS.

3 A. Section J, Schedule 2 details the following adjustments to electric operations test year  
4 amounts as shown on Section J, Schedule 1:

5 Total Company and Missouri revenues are adjusted to reflect customer numbers at  
6 December 31, 2001, to normalize weather for the test year, and to include an 8.4%  
7 increase to base rates that became effective October 2, 2001.

8 The customer growth adjustment annualizes the revenues to reflect what would  
9 have been received if the year-end level of customers had been served by the  
10 Company for the entire test year. The differences in December 31, 2001 customers  
11 and the customers billed in each month of the test year were multiplied by the average  
12 kilowatt-hours ("Kwh") per customer in that month. The change in Kwh was  
13 multiplied by the average cost per Kwh to obtain the revenue adjustment. In these  
14 calculations, the Kwh and the average charges reflect the effect of unbilled revenues  
15 adjustments which are made to match revenues to generation and fuel expense.

16 Q. PLEASE DESCRIBE THE PROCEDURE USED IN CALCULATING THE  
17 ADJUSTMENT FOR WEATHER.

18 A. Empire used the Electric Power Research Institute ("EPRI") Hourly Electric Load  
19 Model ("HELM") to calculate the weather adjustment to class usage. This was the  
20 model used by the Staff of the Commission ("Staff") in prior cases. HELM used  
21 hourly load data by class to estimate the response to daily weather for each weather  
22 sensitive class. Weather normalized usage by class is then calculated for each month  
23 to determine normal weather variables based on estimated response. The weather

1 variables are then matched to the actual usage over the corresponding time period that  
2 the usage was recorded. The weather adjustment is then calculated for each class by  
3 taking the difference between the normalized usage and actual recorded usage.

4 Q. PLEASE EXPLAIN THE INPUTS TO THE MODEL.

5 A. The four data inputs to the model include monthly class usage, hourly class load data,  
6 actual daily weather variables, and normal daily weather variables. National Oceanic  
7 and Atmospheric Administration ("NOAA") weather for Springfield, Missouri  
8 weather station was used to obtain the actual and normal daily weather variables.

9 Q. WHAT CUSTOMER GROUPS WERE EVALUATED?

10 A. The residential customer class, the commercial groups of commercial CB, commercial  
11 SH, and commercial TEB and the industrial GP were included in the weather  
12 normalization.

13 Q. HOW WERE THE REVENUE ADJUSTMENTS DUE TO WEATHER  
14 CALCULATED?

15 A. The appropriate rate schedule average price of electricity for each month in the time  
16 period was applied to the Kwh adjustments to derive revenue adjustments. The sum  
17 of the monthly revenue adjustments was the test year revenue adjustment for that  
18 customer group.

19 Q. WOULD YOU EXPLAIN THE ADJUSTMENTS TO EXPENSES?

20 A. Total Company production costs are decreased by \$2,845,087 and \$2,305,274 for the  
21 Missouri jurisdiction. Included in this is an increase of \$6,624,299 total Company or  
22 \$5,420,513 for the Missouri jurisdiction reflecting normalized operation and  
23 maintenance ("O&M") expenses sponsored by Brad Beecher. Also included is an

1 increase of \$272,539 total Company and \$222,382 for Missouri jurisdiction, which  
2 reflects the annualized payroll expense for the test year. Payroll expense reflects the  
3 wage rates at December 31, 2001, positions that are currently authorized but unfilled  
4 and a wage increase for non-union employees in March of 2002. Capacity charges  
5 decreased by \$4,197,850 on a total Company basis as a result of the additional  
6 capacity available to the Company with the addition of the SLCC plant. Fuel and  
7 purchased power costs were normalized, as of December 31, 2001 to reflect customer  
8 growth and weather. This resulted in a decrease of \$5,544,075 on a total Company  
9 basis or \$4,536,590 for the Missouri jurisdiction (see supplemental direct testimony of  
10 Company witness Brad Beecher).

11 Transmission expenses were increased by \$29,282 for the Missouri jurisdiction to  
12 reflect annualized payroll costs.

13 Distribution expenses were increased by \$204,811 to adjust for the same costs as  
14 mentioned for transmission expenses.

15 Customer accounts, customer assistance and sales expense were increased by  
16 \$102,356, \$18,859, and \$14,059 respectively, to recognize increased payroll costs.

17 Administration and general expenses were increased by \$4,067,378 for the total  
18 Company. Of the total, \$283,879 was for increased payroll and 401(k) costs. Total  
19 Company expenses were also increased by \$587,710 for recent escalations in  
20 insurance premiums experienced by the Company. The annualization of FAS 87 and  
21 106 costs were increased in the amount of \$1,172,163. Total Company common stock  
22 expense of \$1,500,000 was included based on a 5% cost related to the issuance of  
23 \$40,000,000 common stock in December 2001 and \$50,000,000 to be issued June

1 2002. These expenses were amortized over three years. Rate case expense was  
2 increased by \$523,626 based on a two year amortization.

3 Depreciation expense was decreased by \$3,471,030 for the total Company. Of the  
4 total, \$5,110,244 was decreased to reflect the depreciation rates set in Case No. ER-  
5 2001-299. In addition, total Company includes expenses related to cost of removal.  
6 These expenses were calculated based on a five-year average and increased depreciation  
7 expense \$1,639,214.

8 Q. PLEASE CONTINUE WITH YOUR DESCRIPTION OF SECTION J, SCHEDULE 2?

9 A. Taxes other than income taxes are increased by \$2,391,323 for the total Company or  
10 \$2,020,969 for the Missouri jurisdiction in order to annualize property taxes to the  
11 projected plant at December 31, 2001, and to include payroll taxes from the  
12 annualized payroll expenses.

13 The next five adjustments are a result of the changes that were made above and also  
14 to adjust book taxes to taxes calculated on a regulatory basis.

15 The last adjustment, interest on customer deposits, is made to move the amount  
16 from below the line to above, which is consistent with past Staff adjustments. The  
17 Company is recommending an annual interest rate be set based on the prime rate at  
18 December 1 of the prior year effective January 1. For purposes of this case the rate  
19 being used to calculate interest on customer deposits is 5%.

20 Q. IN SOME INSTANCES, THE AMOUNT FOR THE MISSOURI JURISDICTION  
21 AND TOTAL COMPANY ARE THE SAME; WOULD YOU PLEASE EXPLAIN?

22 A. Some of the adjustments are calculated for the Missouri jurisdiction only, which is  
23 why some of the adjustments are the same. For example, rate case expense was

1       calculated for the Missouri jurisdiction only.

2   Q.  WILL YOU PLEASE DESCRIBE SECTION K, SCHEDULE 1?

3   A.  Section K, Schedule 1, Column A lists, by plant account number, the currently  
4       effective depreciation rates. Columns B and C show the total Company and Missouri  
5       jurisdictional test year depreciation accruals.

6   Q.  I HAND YOU SECTION K, SCHEDULE 2 AND ASK YOU TO TELL US WHAT  
7       IT IS.

8   A.  Section K, Schedule 2 is a listing of Empire's depreciable electric plant in service at  
9       December 31, 2001. Column D represents the proposed depreciation rates for each  
10      category.

11       Page 4 of Section K, Schedule 2 is a summary of the depreciation accruals and  
12      expense adjustments. It shows the proposed depreciation expense adjustment of a  
13      negative \$4,343,100 for the Missouri jurisdiction.

14   Q.  WILL YOU DESCRIBE SECTION L, SCHEDULE 1?

15   A.  Section L, Schedule 1 is a statement of taxes charged to electric operations with pro  
16      forma adjustments during the test year.

17   Q.  PLEASE EXPLAIN SECTION L SCHEDULE 2.

18   A.  This schedule starts with net income. Income taxes to adjust net operating income  
19      before income taxes are then added back. From this point, the income is adjusted to  
20      take into account various additions and deductions from income to arrive at taxable  
21      income.

22   Q.  WILL YOU TELL US WHAT SECTION L, SCHEDULE 2 SHOWS?

23   A.  Section L, Schedule 2 shows the calculation of federal and Missouri income taxes

1 payable for the twelve months ending December 31, 2001. Lines 24 and 28 (Column  
2 D) include the current portion of total federal and Missouri state income taxes charged  
3 to electric operations for determining the rate of return.

4 Q. WILL YOU TELL US WHAT SECTION L, SCHEDULE 2, PAGE 2 SHOWS?

5 A. This schedule is a calculation of deferred income taxes for determining the rate of  
6 return.

7 Q. I HAND YOU SECTION M, SCHEDULE 1, CONSISTING OF THREE PAGES,  
8 AND ASK YOU WHAT IT IS.

9 A. Section M, Schedule 1 is a narrative description of Empire's allocation procedure to  
10 the states we serve and the reasons why it is used. It explains what allocations are  
11 necessary and defines the bases used for allocating rate base, revenue and expense.

12 Q. WHAT METHOD WAS USED TO DERIVE EMPIRE'S DEMAND ALLOCATION  
13 FACTORS FOR JURISDICTIONAL ALLOCATIONS?

14 A. The average of twelve monthly coincident peak demands by jurisdiction was used to  
15 jurisdictionally allocate production and transmission costs.

16 Q. WHY HAS THE COMPANY ELECTED TO USE THIS METHOD FOR  
17 JURISDICTIONAL ALLOCATIONS?

18 A. During prior rate proceedings as well as our last electric rate proceeding, the Missouri  
19 Commission accepted the use of the average monthly coincident peaks for  
20 jurisdictional allocations. Additionally, this method was used by our other four  
21 jurisdictions for jurisdictional allocations. The Company desires to keep the  
22 jurisdictional allocations consistent between our service territories to ensure full  
23 allocation of production and transmission costs.

1 Q. PLEASE DESCRIBE THE AVERAGE OF TWELVE MONTHLY COINCIDENT  
2 PEAK DEMAND ALLOCATION METHOD.

3 A. The monthly coincident peak (CP) demands for the test year are determined for the  
4 following jurisdictions: (a) Missouri wholesale; (b) Kansas wholesale; (c)  
5 Missouri retail; (d) Kansas retail; (e) Oklahoma retail; and (f) Arkansas retail. An  
6 average of the monthly CP demands is calculated for each of the above jurisdictions.  
7 These average monthly CP demands are then used to allocate production and  
8 transmission costs to each of the Company's jurisdictions, see Section N Schedule 1  
9 attached to this testimony.

10 Q. HOW WERE THE MONTHLY COINCIDENT DEMANDS BY JURISDICTION  
11 OBTAINED?

12 A. In 1980, the Company installed metering at points where transmission and distribution  
13 lines crossed state boundaries. The demand readings at the time of monthly system  
14 peak for each of the metering points are combined with generation and tie line data to  
15 calculate the jurisdictional demands.

16 Q. WILL YOU DESCRIBE SECTION M, SCHEDULE 2, CONSISTING OF EIGHT  
17 PAGES?

18 A. Empire operates as an integrated Company in contiguous areas of Kansas, Missouri,  
19 Oklahoma and Arkansas. With very few exceptions, the Company's operations and  
20 costs are uniform throughout its service area and allocations of property and expenses  
21 are made only for the purpose of presenting the results of operations by individual  
22 state. These allocations are consistent with prior rate cases filed by the Company.

23 Section M, Schedule 2 shows the many components of rate base, revenue and



1 expense as they are allocated to the various ratemaking jurisdictions under which we  
2 operate. The dollar amounts and percentages applicable to each jurisdiction are shown  
3 for each item, as well as a reference to the item number in this schedule that serves as  
4 the basis for allocation of the total Company dollar amount. Such allocations are  
5 necessary for a determination of net electric operating revenue by states in order to  
6 derive a rate of return on rate base for each state.

7 **IV. Load Research Study**

8 Q. HAS THE COMPANY CONDUCTED A LOAD RESEARCH STUDY FOR THIS  
9 PROCEEDING?

10 A. Yes, the Company conducted a load research study utilizing data from the twelve-  
11 month time period of July 2000 through June 2001.

12 Q. PLEASE DESCRIBE THE LOAD RESEARCH STUDY.

13 A. The Company has been performing load research studies since 1977. Meters were  
14 installed and data collected for all jurisdictions in 1978, 1981, 1985, 1990, March  
15 1994 and for the period stated above. Standard stratified random sampling techniques  
16 were used for selecting the samples. The sample covered all rate groups in residential,  
17 commercial, and industrial categories. Lighting rates were not sampled. The basic  
18 analysis of this data provided daily load profiles in addition to rate group coincident  
19 and non-coincident demand.

20 **V. Loss Study**

21 Q. HAS THE COMPANY CONDUCTED A STUDY TO DETERMINE LOSS  
22 PERCENTAGES AT THE VARIOUS VOLTAGE LEVELS?

23 A. Yes, the Company conducted a loss study for the load research period of April 1994

1 through March 1996. This loss study derived losses for the following: (a)  
2 transmission load and no-load losses; (b) distribution substation load and no-load  
3 losses; (c) variable primary distribution losses; and (d) secondary load and no-load  
4 losses.

5 Q. WHY IS IT NECESSARY TO CALCULATE LOSS PERCENTAGES AT THE  
6 VARIOUS VOLTAGE LEVELS?

7 A. The load research data is recorded at the customer's consumption voltage level.  
8 Because of losses, the amount of power generated is greater than the amount of power  
9 consumed. Since losses vary by voltage level, consumption by a customer taking  
10 secondary service would require production of more power than a customer taking  
11 service at a higher voltage level (i.e., transmission). To fairly allocate costs to  
12 customer classes, it is necessary to measure the amount of power that must be  
13 generated to meet the demands of each class. Demand and energy allocators then  
14 must be adjusted to account for losses in order to allocate production plant and energy  
15 properly. Similar adjustments must be made for transmission and distribution  
16 allocators.

17 Q. PLEASE DESCRIBE THE USE OF THE CALCULATIONS DERIVED FROM THE  
18 COMPANY'S LOSS STUDY.

19 A. The losses derived from the Company's loss study were allocated to load research  
20 hourly loads by voltage level and then allocated to rate. The Company's Kwh losses  
21 by class are shown in Section N Schedule 3.

22 **VI. Analysis in Preparation of Cost of Service**

23 Q. WHAT TEST YEAR IS USED FOR THE PURPOSES OF COST OF SERVICE?

1 A. The test year is the twelve months ending December 31, 2001.

2 Q. IN PREPARATION FOR THE COMPANY'S COST OF SERVICE STUDY, WERE  
3 DEMANDS BY RATE GROUP CALCULATED?

4 A. Yes. Certain items of rate base and expenses in the cost of service study that are  
5 considered to be demand related need to be allocated to rate. These costs are  
6 allocated to rate, based on the Company's calculated demands by rate group.

7 Q. HOW WERE THESE DEMANDS BY RATE GROUP CALCULATED?

8 A. The basic data on energy consumption, coincident demand, and non-coincident  
9 demand was provided by the Company's load research. The above load research data  
10 was combined with the demand loss information obtained in the Company's loss study  
11 to provide coincident demand by rate group at the generation level. This demand data  
12 was adjusted to match the total system hourly loads. This load research data is shown  
13 in Section N Schedules 3 - 6.

14 **VII. Cost of Service**

15 Q. WHAT IS THE PURPOSE OF AN EMBEDDED COST OF SERVICE STUDY?

16 A. An embedded cost of service study apportions the Company's revenue requirement (or  
17 cost of service) among the various service classifications (rate groups) on the basis of  
18 a service classification's use of capacity, energy, and customer-related facilities.

19 Q. IS THERE A SPECIFIC PROCEDURE OR APPROACH THAT MUST BE  
20 FOLLOWED IN PREPARING AN EMBEDDED COST OF SERVICE STUDY?

21 A. No. Embedded cost of service studies can take a wide variety of forms and utilize  
22 numerous different techniques and procedures. However, regardless of the form or  
23 procedure followed, embedded cost studies usually utilize a standard three-step

1 approach of functionalization, classification, and allocation.

2 Q. PLEASE DESCRIBE THE FUNCTIONALIZATION PROCESS.

3 A. The functionalization process groups Company investment and expenses into the  
4 major operating categories of production, transmission, distribution, and  
5 administrative and general ("A&G"). Much of the functionalization has been  
6 accomplished through the Federal Energy Regulatory Commission ("FERC") system  
7 of accounts. Some accounts, however, are related to all three functions.

8 The functionalization step is important in the cost of service process to insure that  
9 allocations to customer groups can be properly made. Each function may be allocated  
10 on a different basis. If certain costs are not functionalized, it may be difficult to assign  
11 the costs to the correct customers.

12 Q. PLEASE DISCUSS THE CLASSIFICATION PROCESS.

13 A. Once functional areas have been determined and grouped, all costs are classified prior  
14 to the allocation process. For electric operations, classification categories include: (1)  
15 demand-(or capacity) related, which relates to the cost of providing for the maximum  
16 hourly usage of a customer; (2) energy-related, which relates to consumption over a  
17 period of time; and (3) customer-related, which relates to the costs of serving a  
18 customer even if no consumption occurs.

19 The classification step shows the nature of the costs and how each cost should be  
20 allocated. The cost causation determines the type of allocator to be used, whether  
21 related to the number of customers, the demand level, or the energy consumed.

22 Q. PLEASE DESCRIBE THE ALLOCATION PROCESS.

23 A. Allocation is the process whereby the functionalized and classified totals for all

1 operating expenses and rate base investments are assigned to customer rate groups,  
2 based on a variety of specific and non-specific allocation factors related directly to the  
3 cost causation. The results of this final step show the cost of serving each customer  
4 rate group. Some costs are directly assignable to certain customer groups. The  
5 remainder must be allocated based on knowledge of the characteristics of each  
6 customer rate group. The load research, losses, and demands described above provide  
7 part of the rate group characteristics that need to be known for allocation of costs.

8 Q. WAS THIS THREE-STEP PROCESS FOLLOWED IN PERFORMING THE COST  
9 OF SERVICE STUDY FOR THIS CASE?

10 A. Yes.

11 Q. FOR THE FIRST STEP, FUNCTIONALIZATION, WHAT ACCOUNT  
12 BALANCES WERE REFUNCTIONALIZED?

13 A. The general plant, administrative and general expenses, and working capital were  
14 refunctionalized.

15 The general plant in service and depreciation on general plant was functionalized  
16 on the basis of net production, transmission and distribution plant in service.  
17 Functionalized net general plant is shown on Page 5 of the Company's Cost of Service  
18 Study. (Section N Schedule 1)

19 General plant depreciation expense was not functionalized but was later allocated to  
20 the customer classes on the basis of gross production, transmission and distribution  
21 plant labor ratios.

22 A&G expenses were functionalized on the basis of either net plant in service, or on  
23 the labor component of operation and maintenance expenses, depending upon the

1 nature of the A&G expense being analyzed. The labor study used to perform this  
2 functionalization is based on analyses of the labor component of each FERC account  
3 (excluding A&G).

4 Q. PLEASE DESCRIBE THE DIFFERENCE BETWEEN THE ADMINISTRATIVE  
5 AND GENERAL EXPENSES THAT WERE FUNCTIONALIZED ON THE BASIS  
6 OF NET PLANT AND THOSE THAT WERE FUNCTIONALIZED ON THE BASIS  
7 OF LABOR.

8 A. Most of the A&G accounts are labor related, i.e., they relate to salaries, office supplies  
9 and expenses, the cost of outside services, and pensions and benefits. Accordingly,  
10 these items have been functionalized on the basis of the functionalized labor  
11 components of operation and maintenance expenses.

12 Plant related A&G expenses are Accounts 924 and 928, property insurance and  
13 regulatory commission expense, respectively. These expenses are incurred in  
14 proportion to the value of plant in service and have therefore been functionalized  
15 according to the net plant in service balances.

16 Q. PLEASE EXPLAIN HOW WORKING CAPITAL WAS FUNCTIONALIZED.

17 A. All cash working capital requirements were functionalized based on the total  
18 expenses. Functionalized cash working capital is shown in Section N Schedule 1,  
19 Page 6.

20 Material and supply balances are drawn upon by utility personnel to operate and  
21 maintain utility plant. All materials and supplies are accounted for by function, with  
22 transmission and distribution supplies split on transmission and distribution ("T&D")  
23 labor.

1       Prepayments relate primarily to advanced payments on insurance. Most  
2       prepayments are accounted for by function with the rest being functionalized using  
3       labor ratios.

4   Q. WHERE ARE THE FUNCTIONALIZED COMPONENTS OF WORKING  
5       CAPITAL SHOWN?

6   A. They are shown in Section N Schedule 1, Page 6.

7   Q. WOULD YOU NOW DESCRIBE THE CLASSIFICATION PHASE?

8   A. Generally, all production plant has been classified as demand-related since it is sized  
9       primarily to meet system peaks. Transmission plant has been classified as demand  
10      since it is generally sized to transmit power associated with system peak demands.  
11      Distribution plant has been classified as being demand and customer related since  
12      some costs of the distribution system are associated with both the number of  
13      customers and the maximum hourly usage of those customers. The installation of  
14      service drops and meters are a part of the customer component. Investment in these  
15      customer components of plant is necessary simply to hook up a customer, whether or  
16      not the customer uses any electricity. Classification by component is shown in  
17      Section N Schedule 1, Page 3.

18   Q. HOW WERE DISTRIBUTION PLANT ACCOUNTS CLASSIFIED?

19   A. First, an analysis of each distribution account to assign costs to functional groups was  
20      conducted. Each functionalized distribution account was then classified as either  
21      being demand-related, customer-related, or both.

22   Q. WHICH DISTRIBUTION PLANT ACCOUNTS WERE CLASSIFIED AS  
23       DEMAND-RELATED?

1 A. The accounts that are considered to be entirely demand-related are: Land and Land  
2 Rights, Account 360; Structures and Improvements, Account 361; and Substations,  
3 Account 362.

4 Q. WHICH DISTRIBUTION PLANT ACCOUNTS WERE CLASSIFIED AS  
5 CUSTOMER-RELATED?

6 A. The accounts considered to be completely customer-related are: Services, Account  
7 369; Meters, Account 370; Installations on Customer's Premises, Account 371; and  
8 Street Lighting and Signal Systems, Account 373.

9 Q. WHICH DISTRIBUTION PLANT ACCOUNTS WERE CLASSIFIED AS BEING  
10 BOTH DEMAND AND CUSTOMER-RELATED?

11 A. These accounts were classified as being both demand and customer-related: Poles,  
12 Towers, and Fixtures, Account 364; Overhead Conductors, Account 365;  
13 Underground Conduit, Account 366; Underground Conductors, Account 367; and  
14 Line Transformers, Account 368.

15 Q. HOW WERE ACCOUNTS 364 THROUGH 368 SPLIT BETWEEN CUSTOMER  
16 AND DEMAND?

17 A. For this case, the customer/demand split for these accounts is based on an analysis  
18 performed by the Commission Staff and Empire. The results of this analysis are  
19 shown in Section N Schedule 5.

20 Q. HOW WERE EXPENSES AND OTHER COSTS OF SERVICE CLASSIFIED?

21 A. Expenses were classified according to the classifications of the plant items with which  
22 they are associated. Customer service information and sales expenses were all  
23 classified as customer-related.



1           The classification of most expenses and rate base items is accomplished through the  
2           classification and allocation of related plant balances.

3   Q. PLEASE DISCUSS THE ALLOCATION PHASE.

4   A. The objective of the allocation phase is to allocate system costs to the various  
5       customer classes in proportion to each class's responsibility for those costs. This  
6       requires the selection of allocation factors that reflect both the operating and design  
7       characteristics of the system and the manner in which customers use the system.

8   Q. WHAT ALLOCATION METHOD WAS USED FOR DEMAND-RELATED PLANT  
9       AND EXPENSES?

10   A. An average and excess allocation method was used. Empire is a summer peaking  
11       system with an annual load factor of approximately 55%. The winter peak is  
12       approximately 80-90% of the summer peak. Empire's generation design and planning  
13       is oriented largely toward meeting summertime peaks. This means that customers  
14       who use the production facilities on peak should bear a cost responsibility  
15       proportional to their demands on peak. The Company also plans for maintenance  
16       capacity and also considers the duration of loads in deciding the types of plant it needs  
17       to meet its loads throughout the year in the most economic fashion.

18   Q. WHAT ELSE DOES THE AVERAGE AND EXCESS METHODOLOGY  
19       ACCOMPLISH?

20   A. It allocates a portion of plant according to peak and a portion according to energy or  
21       load duration.

22   Q. HOW WERE THE AVERAGE AND EXCESS FACTORS FOR EACH CLASS  
23       COMPUTED?

1 A. The average demand is the monthly energy divided by the number of hours in the  
2 month. The excess demand is the non-coincident peak demand less the average  
3 demand. The average and excess allocator is calculated by multiplying the average  
4 demand by the system load factor and summing this with the excess demand times one  
5 minus the load factor.

6 Q. HOW WERE PRODUCTION RELATED ENERGY COSTS ALLOCATED?

7 A. They were allocated on the basis of each customer rate group's kilowatt-hour use,  
8 expressed at the generation level.

9 Q. HOW WERE TRANSMISSION PLANT COSTS ALLOCATED?

10 A. All the transmission plant is demand related, being allocated on average and excess  
11 demand. Transmission operation and maintenance expenses were allocated on the  
12 same basis as plant.

13 Q. HOW WERE DISTRIBUTION COSTS ALLOCATED?

14 A. All direct assignments were made before allocations were performed. The demand  
15 components of distribution costs were allocated on the basis of each customer  
16 classification's maximum diversified non-coincident demand. Distribution systems  
17 are designed to meet more localized and customer class related peak requirements,  
18 whereas production and transmission systems are designed to meet system-wide peak  
19 requirements. Consequently, the demand allocation factor used for the distribution  
20 system must give weight to customer class demands regardless of the time they occur.  
21 The non-coincident demand allocation factor provides this weighting. The customer  
22 component of distribution costs was allocated based on a weighted number of  
23 customers.

1 All customer-related costs have been allocated on the basis of the number of  
2 customers within each class, special studies, or a direct assignment.

3 Q. WHAT SPECIAL STUDIES WERE USED IN ALLOCATING CUSTOMER  
4 COSTS?

5 A. With respect to the allocation factors used to allocate plant, previous studies were used  
6 to: (1) weight the number of customers in each class to reflect the relative costs of  
7 service drops within each class for allocating Account 369 - Services (CUST SERV);  
8 (2) estimate the investment in meters by type and class in order to allocate Account  
9 370 - Meters (WTD MET INV); and (3) specifically assign costs to the customer  
10 classes based upon a detailed review of Account 371 - Installations on Customer  
11 Premises.

12 With regard to customer expenses, studies were updated for: (1) assigning  
13 uncollectible accounts expenses - Account 904; and (2) allocating customer assistance  
14 expenses - Account 908.

15 Q. IN THE ALLOCATION STEP THERE WERE MANY ALLOCATION FACTORS.  
16 WHERE ARE THESE FACTORS SHOWN?

17 A. The allocation factors and specific assignments are presented on Section N Schedules  
18 2-5. Methods of allocation are summarized in Section N Schedule 6, Pages 1 - 3.

19 Q. WOULD YOU PLEASE SUMMARIZE THE RESULTS OF THE COST OF  
20 SERVICE STUDY?

21 A. Yes. The results without an increase are shown on Section N Schedule 1, Page 1. As  
22 can be seen, the residential rate groups, which account for approximately 45% of the  
23 total Missouri jurisdictional rate revenue, show rate group returns significantly less

1 than the system average return of 7.95%. Additionally, the commercial small heating,  
2 power furnace, and the lighting group show returns less than the system average  
3 return. All of the other rate groups show returns in excess of the system average  
4 return of 7.95%.

5 Q. WHAT ARE THE OVERALL PRICING OBJECTIVES THAT THE COMPANY  
6 SEEKS IN THIS PROCEEDING?

7 A. The Company has the objective of designing rates that provide for a stable recovery of  
8 the approved revenue requirement through the use of price signals which encourage  
9 the efficient utilization of electricity. These price signals should also recognize the  
10 realities of competition in the providing of energy services to our customers. The rate  
11 design must send the correct price signal to allow the customer to make cost-effective  
12 consumption decisions consistent with the Company's cost of service. The rate design  
13 must also satisfy a wide variety of customer needs and the costs associated with  
14 meeting these needs.

15 Q. WHAT HAS GUIDED THE DESIGN OF EMPIRE'S RATES IN THE PAST?

16 A. Proposals on rate design have been guided by a desire to have equitable and stable  
17 rates for all customer classes. The Company has tried to be sensitive to opportunities  
18 to increase the utilization of generating units so that fixed costs could be spread over  
19 more Kwh, thereby reducing the cost of power to all customers.

20 Q. HAS THE COMPANY PROPOSED RATE DESIGN CHANGES OR REVENUE  
21 SHIFTS IN THIS CASE?

22 A. Yes. In Case No. ER-94-174, significant shifts in revenue were made between  
23 customer classes and between summer and winter seasons. Also, many changes were

1 made in rate structure. An across the board increase is being proposed in this case,  
2 with an equal percent increase to each rate class.

3 However, a revenue-neutral change is being proposed in the tail-block rate for  
4 residential customers. The summer charge for residential service has historically been  
5 larger than the winter charge. This is accomplished by the customer charge and the  
6 first 600 Kwh charge being the same, and the winter tail-block charge being lower  
7 than the summer charge.

8 The Company is not proposing to change this design, just to lessen the differential  
9 in the tail-block, therefore making the customer's monthly bills more consistent, while  
10 leaving the Company's annual revenue the same.

11 Q. IS THE COMPANY RECOMMENDING OTHER CHANGES TO THE TARIFF  
12 SHEETS?

13 A. The Interim Energy Charge Rider, Rider IEC is discussed in the supplemental direct  
14 testimony provided by Empire witness Brad Beecher. In accordance with this  
15 testimony, the cents per kilowatt-hour amount has been changed from .0054 to .00267  
16 on the tariff sheets.

17 Q. IS THE COMPANY RECOMMENDING ANY ADDITIONS TO THE TARIFF  
18 SHEETS?

19 A. An addition to the tariffs, Experimental Low Income Rider, Rider ELIR, is being  
20 proposed. This pilot program, to be in effect for a 24-month period would provide  
21 credit for participants who must be classified as low-income by the Missouri  
22 Department of Social Services. This program would allow customers at or below  
23 poverty level some help in controlling their electric utility costs. A minimal amount

1 of 10 cents per month from residential customers and 25 cents per month from most  
2 commercial and industrial customers would be added to the customer charge to cover  
3 the cost of this program.

4 A rider is also being proposed to help offset the additional cost of providing  
5 security for our electric system in the future as proposed by the Federal Energy  
6 Regulatory Commission. With the events of the recent months, it has become  
7 necessary to tighten security and plan for preventing terrorism attacks that could create  
8 difficulties in the provision of service to our customers.

9 Q. DOES THIS CONCLUDE YOUR PREPARED SUPPLEMENTAL DIRECT  
10 TESTIMONY AT THIS TIME?

11 A. Yes.

1

LIST OF SCHEDULES

2

Supplemental  
Schedule No.

Description

KSW-1

Schedules Supporting Revenue Requirement

INDEX TO KSW-1

<u>Section No.</u>	<u>Supplemental Schedule No.</u>	<u>Description</u>
C	1	Comparative and Summary Information
D	1	Rate Base and Rate of Return
E	1	Electric Plant in Service by Primary Account
F	1	Accumulated Provision for Depreciation
G	1	Working Capital
G	2	Cash Working Capital
G	3	Income Tax and Interest Expense Factors
H	1	Capital Structure at December 31, 2001
H	2	Preferred Stock
H	3	Long-Term Debt
H	8	Capital Costs and Structure
J	1	Test Year Operating Income Statements
J	2	Test Year Adjustments
K	1	Depreciation Rates and Accruals
K	2	Normalized Depreciation Expense
L	1	Taxes Charged to Electric Operations
L	2	Income Tax Calculation
M	1	Bases of Allocation
M	2	Allocation of Rate Base Items
N	1-6	Cost of Service



The Empire District Electric Company  
Comparative and Summary Information

Section C  
Schedule 1  
03/26/2002

1. Total test year revenues at existing rates	\$234,878,814
2. Total test year revenues at proposed rates	\$254,769,239
3. Percentage change in revenues	8.47%
4. Test year rate base	\$548,073,378
Rate base on which existing rates were set	
5. (as filed in case no. ER-2001-99)	\$507,776,832
Return on rate base during the test year	
6. under existing rates	7.71%
7. Return on rate base under proposed rates	9.95%
Return on equity during the test year	
8. under existing rates	8.88%
9. Return on equity under proposed rates	12.00%
Total operating expenses on which existing rates	
10. were set (as filed in case no. ER-2001-99)	\$190,934,339
11. Total operating expenses under proposed rates	\$192,600,277

The Empire District Electric Company

Rate Base and Rate of Return

Section D  
Schedule 1  
03/26/2002

	A Missouri <u>Jurisdictional</u>	<u>Reference</u>
1. Electric Plant in Service	\$895,428,657	E-1
2. Less: Reserve for Depreciation	<u>293,326,906</u>	F-1
3. Net Electric Plant in Service	602,101,751	
4. Materials and Supplies (13-Month Average)	16,105,585	G-1
5. Prepayments	1,680,551	G-1
6. Cash Working Capital	(1,237,719)	G-2
Less:		
7. Injuries and Damages	1,179,253	
8. Liberalized Depreciation	60,350,349	M-2
9. Investment Tax Credit - Pre-1971	0	M-2
10. Customer Deposits	3,631,591	M-2
11. Customer Advances	308,306	
12. Interest Offset	3,916,059	G-4
13. Income Tax Offset	<u>1,191,231</u>	G-4
14. Total Original Cost Rate Base	\$548,073,378	
Net Electric Operating Income		
15. Before Effect of Proposed Increase	\$42,278,537	J-1
Indicated Rate of Return Before		
16. Proposed Increase	7.71%	
17. Proposed Increase (After Taxes)	\$12,254,764	
18. Income Tax Gross-up Factor	1.62308	
19. Proposed Increase (Revenue Requirement)	\$19,890,425	
Net Electric Operating Income		
20. After Effect of Proposed Increase	\$54,533,301	
Indicated Rate of Return After		
21. Effect of Proposed Increase	9.95%	H-8

## The Empire District Electric Company

Electric Plant in Service  
by Primary Plant AccountSection E  
Schedule 1  
Page 1 of 2  
03/26/2002

		A	B	C	D	E	F
ACCOUNT		31-Dec-00		31-Dec-01			
Number	Name	Total Company	Missouri Jurisdictional	Total Company	Adjustments*	Pro Forma	Missouri Jurisdictional
301	Intangible Plant Organization	\$7,941,724	\$6,705,449	\$7,447,573		\$7,447,573	\$6,288,221
	Production Plant						
	Steam Production Plant						
310	Land and Land Rights	857,310	696,733	908,332		908,332	738,198
311	Structures and Improvements	21,092,502	17,141,808	21,428,219		21,428,219	17,414,645
312	Boiler Plant and Equipment	107,840,868	87,641,927	114,012,583		114,012,583	92,657,660
312	Unit Coal Trains	3,639,013	2,957,414	5,580,296		5,580,296	4,535,089
314	Turbo Generator Units	34,922,344	28,381,277	35,506,213		35,506,213	28,855,785
315	Accessory Electric Equipment	7,214,016	5,862,808	7,174,940		7,174,940	5,831,051
316	Miscellaneous Power Plant Equipment	<u>3,980,826</u>	<u>3,235,204</u>	<u>3,569,981</u>		<u>3,569,981</u>	<u>2,901,312</u>
	Total Steam Production Plant	179,546,878	145,917,171	188,180,565	0	188,180,565	152,933,741
	Hydraulic Production Plant						
330	Land and Land Rights	224,490	182,442	224,490		224,490	182,442
331	Structures and Improvements	470,003	381,970	503,584		503,584	409,261
332	Reservoirs, Dams and Waterways	1,422,792	1,156,298	1,422,792		1,422,792	1,156,298
333	Water Wheels, Turbines & Generators	353,037	286,912	353,037		353,037	286,912
334	Accessory Electric Equipment	887,222	721,042	887,222		887,222	721,042
335	Miscellaneous Power Plant Equipment	<u>281,561</u>	<u>228,824</u>	<u>322,968</u>		<u>322,968</u>	<u>262,475</u>
	Total Hydraulic Production Plant	3,639,104	2,957,488	3,714,092	0	3,714,092	3,018,430
	Other Production Plant						
340	Land and Land Rights	410,507	333,617	449,421		449,421	365,243
341	Structures and Improvements	7,553,386	6,138,613	10,822,093		10,822,093	8,795,080
342	Fuel Holders, Producers & Accessories	4,642,446	3,772,901	12,867,269		12,867,269	10,457,189
343	Prime Movers	99,219,285	80,635,195	164,417,774		164,417,774	133,621,798
344	Generators	16,780,284	13,637,283	40,932,326		40,932,326	33,265,570
345	Accessory Electric Equipment	1,380,359	1,121,813	12,561,031		12,561,031	10,208,310
346	Miscellaneous Power Plant Equipment	<u>2,111,495</u>	<u>1,716,006</u>	<u>1,400,554</u>		<u>1,400,554</u>	<u>1,138,225</u>
	Total Other Production Plant	132,097,762	107,355,428	243,450,470	0	243,450,470	197,851,415
	Total Production Plant	315,283,745	256,230,087	435,345,126	0	435,345,126	353,803,586
	Transmission Plant						
350	Land and Land Rights	8,303,678	6,748,373	8,399,094		8,399,094	6,825,917
352	Structures and Improvements	2,334,009	1,896,842	2,335,614		2,335,614	1,898,146
353	Station Equipment	65,187,965	52,978,050	70,995,589		70,995,589	57,697,887
354	Towers and Fixtures	777,080	631,530	777,080		777,080	631,530
355	Poles and Fixtures	25,593,923	20,800,099	26,576,571		26,576,571	21,598,694
356	Overhead Conductors and Devices	<u>42,814,309</u>	<u>34,795,052</u>	<u>43,206,430</u>		<u>43,206,430</u>	<u>35,113,727</u>
	Total Transmission Plant	145,010,964	117,849,945	152,290,378	0	152,290,378	123,765,902

## The Empire District Electric Company

Electric Plant in Service  
by Primary Plant AccountSection E  
Schedule 1  
Page 2 of 2  
03/26/2002

ACCOUNT		A	B	C	D	E	F
		31-Dec-00		31-Dec-01			
Number	Name	Total Company	Missouri Jurisdictional	Total Company	Adjustments	Pro Forma	Missouri Jurisdictional
	Distribution Plant						
360	Land and Land Rights	1,538,131	1,367,474	1,538,131		1,538,131	1,367,474
361	Structures and Improvements	8,790,235	7,814,953	8,891,447		8,891,447	7,904,935
362	Station Equipment	48,072,931	42,739,208	51,292,343		51,292,343	45,601,424
364	Poles, Towers and Fixtures	77,623,607	69,011,216	82,533,378		82,533,378	73,376,245
365	Overhead Conductors and Devices	88,882,268	79,020,721	93,065,846		93,065,846	82,740,129
366	Underground Conduit	13,402,965	11,915,897	14,402,281		14,402,281	12,804,338
367	Underground Conductors and Devices	27,969,509	24,866,273	30,014,814		30,014,814	26,684,650
368	Line Transformers	58,534,347	52,039,922	60,024,992		60,024,992	53,365,179
369	Services	37,074,222	32,960,813	40,225,683		40,225,683	35,762,616
370	Meters	13,145,766	11,687,234	13,330,944		13,330,944	11,851,867
371	Installations on Customers' Premises	10,387,289	9,234,812	11,141,221		11,141,221	9,905,095
373	Street Lighting and Signal Systems	8,836,448	7,856,038	9,251,902		9,251,902	8,225,398
	Total Distribution Plant	394,257,717	350,514,561	415,712,981	0	415,712,981	369,589,350
	General Plant						
101.1	Capital Lease			748,474		748,474	631,960
389	Land and Land Rights	727,747	614,460	727,747		727,747	614,460
390	Structures and Improvements	9,158,328	7,732,665	9,396,301		9,396,301	7,933,594
391	Office Furniture and Equipment	7,556,370	6,380,082	8,199,748		8,199,748	6,923,307
392	Transportation Equipment	6,347,717	5,359,578	6,247,899		6,247,899	5,275,298
393	Stores Equipment	350,585	296,010	335,977		335,977	283,676
394	Tools, Shop and Garage Equipment	2,358,838	1,991,641	2,704,995		2,704,995	2,283,913
395	Laboratory Equipment	873,206	737,275	873,206		873,206	737,275
396	Power Operated Equipment	9,916,854	8,373,113	10,240,771		10,240,771	8,646,607
397	Communication Equipment	9,931,057	8,385,105	10,062,883		10,062,883	8,496,410
398	Miscellaneous Equipment	180,485	152,390	183,694		183,694	155,098
	Total General Plant	47,401,186	40,022,320	49,721,694	0	49,721,694	41,981,597
	Total Electric Plant in Service	\$909,895,336	\$771,322,362	\$1,060,517,752	0	\$1,060,517,752	\$895,428,657

The Empire District Electric Company  
Accumulated Provision for Depreciation  
of Electric Plant in Service

Section F  
Schedule 1  
03/26/2002

Functional Group	A	B	C	D	E	F
	31-Dec-00		31-Dec-01			
	<u>Total Company</u>	<u>Missouri Jurisdictional</u>	<u>Total Company</u>	<u>Adjustments</u>	<u>Pro Forma</u>	<u>Missouri Jurisdictional</u>
Production:						
1. Steam	\$86,354,640	\$70,180,139	\$92,923,242	0	\$92,923,242	75,518,421
2. Hydro	2,129,146	1,730,350	2,200,984	0	2,200,984	1,788,732
3. Other	34,619,957	28,135,528	35,858,780	0	35,858,780	29,142,315
4. Total Production	\$123,103,743	100,046,017	\$130,983,006	0	130,983,006	106,449,468
5. Transmission	42,110,001	34,222,663	44,758,480	0	44,758,480	36,375,073
6. Distribution	134,326,072	119,398,702	146,573,261	0	146,573,261	130,284,887
7. General	19,072,720	16,103,700	21,502,179	0	21,502,179	18,154,970
8. Amortization of Electric Plant	<u>1,780,534</u>	<u>1,503,361</u>	<u>2,442,771</u>	<u>0</u>	<u>2,442,771</u>	<u>2,062,508</u>
9. Total	\$320,393,071	\$271,274,444	\$346,259,696	\$0	\$346,259,696	\$293,326,906

## Working Capital

	A	B
		31-Dec-01
	<u>Total</u>	<u>Missouri</u>
	<u>Company</u>	<u>Jurisdictional</u>
<b>Materials and Supplies (13-Month Average)</b>		
Production:		
1. Fuel	\$9,066,070	\$7,418,558
2. Adjustments	0	0
3. Fuel Adjusted	9,066,070	7,418,558
4. Other Production Materials	515,396	418,860
5. Adjustments	591,010	480,312
6. Other Production Materials Adjusted	1,106,406	899,172
7. Total Production	9,581,466	7,837,418
8. Total Production Adjustments	591,010	480,312
9. Total Production Adjusted	10,172,476	8,317,730
10. Transmission and Distribution	7,798,772	6,933,493
11. Adjustments	476,286	423,442
12. Total Transmission and Distribution Adjusted	8,275,058	7,356,935
13. Clearing Account Materials	510,368	430,919
14. Total Materials and Supplies	17,890,605	15,201,831
15. Total Adjustments	1,067,296	903,754
16. Total Materials and Supplies Adjusted	\$18,957,901	\$16,105,585
<b>Prepayments (13-Month Average)</b>		
Prepaid Insurance:		
17. Boiler and Machinery Breakdown	\$363,659	\$307,049
18. Comprehensive Bond	3,056	2,580
19. P.B.G.C.	2,779	2,346
20. Auto Bodily Injury and Property Damage	54,429	45,956
21. Fixed and Nonfixed Property	21,531	18,179
22. Directors and Officers Liability	43,018	36,322
23. Excess Liability	221,553	187,064
24. Excess Workers Compensation	27,222	22,984
25. Total Prepaid Insurance	737,246	622,480
26. Other Prepayments	505,526	426,832
27. Prepaid Interest	159,752	134,883
28. Total Prepayments	1,402,524	1,184,195
29. Adjustments	587,710	496,222
30. Total Prepayments Adjusted	\$1,990,234	\$1,680,417

The Empire District Electric Company  
Materials and Supplies Without Adjustments

Section G  
Schedule 1  
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		A	B	C	D	E	F
		31-Dec-01					
Date		Fuel	Other Materials	Total	Transmission and Distribution	Clearing Account Materials	Total
	Dec-00	7,839,981	680,939	8,520,920	5,933,714	401,781	14,856,415
	Jan-01	9,378,812	686,156	10,064,968	5,916,279	539,334	16,520,580
	Feb-01	9,064,570	660,162	9,724,732	5,912,494	422,274	16,059,499
	Mar-01	8,596,613	698,316	9,294,929	5,867,284	450,801	15,613,014
	Apr-01	8,473,948	679,628	9,153,577	5,832,881	455,144	15,441,602
	May-01	7,898,838	717,273	8,616,112	6,053,011	469,369	15,138,491
	Jun-01	8,931,309	3,695,585	12,626,894	6,204,195	492,655	19,323,744
	Jul-01	8,989,323	2,511,561	11,500,885	9,596,730	540,255	21,637,869
	Aug-01	8,435,024	2,993,900	11,428,925	9,801,251	553,063	21,783,239
	Sep-01	8,606,722	(4,199,487)	4,407,235	9,986,665	560,958	14,954,859
	Oct-01	9,920,860	(4,157,855)	5,763,006	10,982,195	585,890	17,331,091
	Nov-01	11,078,416	627,558	11,705,973	11,022,281	656,284	23,384,538
	Dec-01	10,644,494	1,106,406	11,750,900	8,275,058	506,971	20,532,929
13-Month Total		\$117,858,911	\$6,700,143	\$124,559,054	\$101,384,038 0	\$6,634,778	\$232,577,870
Average		\$9,066,070	\$515,396	\$9,581,466	\$7,798,772	\$510,368	\$17,890,605

	A	B	C	D	E	F	G	H	I
	31-Dec-01								
Date	Boiler and Machinery Breakdown	Comprehensive Bond	Various	Auto Bodily Injury and Property Damage	Fiduciary Coverage Liability	Directors and Officers Liability	Excess Liability	Excess Workers Compensation	Total Prepayments
Dec-00	511,287	0	131	108,876	3,313	0	179,672	21,220	824,499
Jan-01	445,521	6,620	163	99,803	2,101	93,207	147,796	16,580	811,791
Feb-01	379,754	6,018	5,094	90,730	890	84,733	114,953	12,065	694,237
Mar-01	313,988	5,417	4,625	81,657	26,767	76,280	82,111	7,550	598,375
Apr-01	248,221	4,815	4,206	72,584	24,533	67,787	49,268	3,035	474,449
May-01	182,453	4,213	4,574	63,511	33,047	59,313	362,118	48,177	757,406
Jun-01	124,110	3,611	4,040	54,406	31,545	50,840	376,677	44,045	689,274
Jul-01	62,055	3,009	3,500	45,338	30,042	42,367	343,936	39,912	570,159
Aug-01	36,004	2,407	2,960	36,271	28,539	33,893	312,072	40,970	493,116
Sep-01	(30,241)	1,806	2,918	27,203	27,036	25,420	279,332	36,339	369,813
Oct-01	963,640	1,204	1,849	18,135	25,533	16,947	245,714	31,709	1,304,731
Nov-01	863,668	602	1,304	9,068	24,030	8,473	212,973	27,079	1,147,197
Dec-01	627,107	0	759	0	22,527	0	173,565	25,199	849,157
13-Month Total	\$4,727,567	\$39,722	\$36,123	\$707,582	\$279,903	\$559,240	\$2,880,187	\$353,880	\$9,584,204
Average	\$363,659	\$3,056	\$2,779	\$54,429	\$21,531	\$43,018	\$221,553	\$27,222	\$737,246



## Prepaid Interest

	A	B	C	D	E	F
		31-Dec-01				
Date					Other Prepayments	Prepaid Interest
Dec-00					1,938,302	271,916
Jan-01					1,264,469	84,181
Feb-01					454,350	(0)
Mar-01					215,827	193,111
Apr-01					203,973	255,595
May-01					258,028	112,513
Jun-01					641,778	175,046
Jul-01					91,247	215,817
Aug-01					82,967	225,711
Sep-01					121,349	144,245
Oct-01					1,013,203	186,139
Nov-01					124,009	164,053
Dec-01					162,335	48,444
13-Month Total					\$6,571,837	\$2,076,771
Average					\$505,526	\$159,752

## The Empire District Electric Company

## Cash Working Capital

Section G  
Schedule 2  
03/26/2002

Description	A Revenue Lag	B Expense Lag	C Cash Working Capital Lag	D Cash Working Capital Factor	E Normalized Test Year Expense	F Cash Working Capital Requirement
Fuel - Coal	35.0435	18.9386	16.1049	0.044123	20,867,704	920,746
Fuel - Gas	35.0435	36.3005	-1.2570	-0.003444	49,529,498	(170,571)
Fuel - Oil	35.0435	28.3766	6.6669	0.018265	490,662	8,962
Purchased power	35.0435	34.9314	0.1121	0.000307	33,956,132	10,429
Health care expense	35.0435	-12.2900	47.3335	0.129681	2,873	373
Payroll expense	35.0435	12.0071	23.0364	0.063113	17,170,039	1,083,660
FICA Withheld	35.0435	15.0495	19.9940	0.054778	1,642,395	89,967
Federal Income Tax Withheld	35.0435	15.0495	19.9940	0.054778	2,230,787	122,198
State Income Tax Withheld	35.0435	19.5054	15.5381	0.042570	859,515	36,590
Employees 401K withheld	35.0435	15.0495	19.9940	0.054778	975,106	53,414
Employers 401K matchings	35.0435	41.6702	-6.6267	-0.018155	487,553	(8,852)
Cash vouchers	35.0435	33.0649	1.9786	0.005421	17,440,811	94,544
Total O&M expenses (less depreciation)					145,653,076	2,241,460
Property taxes	35.0435	207.0403	-171.9968	-0.471224	7,441,012	(3,506,384)
Federal Unemployment	35.0435	75.1217	-40.0782	-0.109803	22,229	(2,441)
State Unemployment	35.0435	75.1217	-40.0782	-0.109803	4,993	(548)
Employer FICA	35.0435	15.0962	19.9473	0.054650	1,642,395	89,757
Gross Receipts Taxes	17.4200	20.5300	-3.1100	-0.008521	4,558,539	(38,841)
Sales & Use taxes	17.4200	19.1500	-1.7300	-0.004740	4,371,891	(20,722)
Total customer supplied funds						(3,479,179)
Net cash working capital						(1,237,719)

## Income Tax Gross-up Factor

## Formulas:

$$\text{FIT} = (\text{Taxable Income} - \text{Missouri Tax}) \cdot 0.35$$

$$\text{SIT} = (\text{Taxable Income} - (.5 \cdot \text{FIT})) \cdot 0.0625$$

## Federal Income Tax:

$$\text{FIT} = (\text{Taxable Income} - ((\text{Taxable Income} - (.5 \cdot \text{FIT})) \cdot 0.0625)) \cdot 0.35$$

$$\text{FIT} = (\text{TI} - .0625\text{TI} + .0625(.5 \cdot \text{FIT})) \cdot 0.35$$

$$\text{FIT} = 0.331754$$

## State Income Tax:

$$\text{SIT} = (\text{Taxable Income} - (.5 \cdot \text{FIT})) \cdot 0.0625$$

$$\text{SIT} = 0.052133$$

## Gross-up Factor:

$$\text{After Tax Income} = \text{Taxable Income} - \text{FIT} - \text{SIT}$$

$$\text{ATI} = 1.62308$$

## Effective Income Tax:

$$\text{Effective Income Tax} = \text{FIT} + \text{SIT}$$

$$\text{EIT} = 0.38389$$

## Income Tax Lag Calculation

	(A) Due Date	(B) Year Midpoint	(C) Lag Days	(D) % Payment	(E) C*D Days	(E) Weighted Days
<b>FEDERAL:</b>						
First payment	04/15/01	07/02/01	77.5	15.0%	11.63	
Second payment	06/15/01	07/02/01	16.5	15.0%	2.48	
Third payment	09/15/01	07/02/01	-75.5	10.0%	-7.55	
Fourth payment	12/15/01	07/02/01	-166.5	60.0%	-99.90	
Final installment	03/15/02	07/02/01	-256.5	0.0%	0.00	
Income tax days lag					-93.35	-80.67
<b>STATE:</b>						
First payment	04/15/01	07/02/01	77.5	22.5%	17.44	
Second payment	06/15/01	07/02/01	16.5	22.5%	3.71	
Third payment	09/15/01	07/02/01	-75.5	22.5%	-16.99	
Fourth payment	12/15/01	07/02/01	-166.5	22.5%	-37.46	
Final installment	04/15/02	07/02/01	-287.5	10.0%	-28.75	
Income tax days lag					-62.05	-8.43
Weighted tax days lag						-89.10
Revenue days lag						35.0435
Net lag						54.06
Percent lag						14.8098%

## Interest Expense Lag Calculation

1. Number of days in year	365
2. Interest is payable semi-annually, divide by 2	2
3. Days covered by payment (1 / 2)	182.5
4. Divide by 2 to find average days lag	2
5. Average days payment lag (3 / 4)	91.25
6. Revenue days lag	35.0435
7. Payment lag minus revenue lag (5 - 6)	56.2065
8. Percent lag (7 / 1)	15.3990%

The Empire District Electric Company  
Calculation of Interest Offset and Income Tax Offset

Section G  
Schedule 3  
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03/26/2002

A

Missouri  
Jurisdictional

Interest Offset:

Weighted cost - preferred stock	0.6100%
Weighted cost - bonds	3.7200%
Weighted cost - short-term debt	0.3100%
Total weighted cost	4.6400%
Rate base (section d, line 14)	\$548,073,378
Total weighted cost x rate base	\$25,430,605
Interest expense lag	15.3990%
Interest Offset	\$3,916,059

Income Tax Offset:

Federal income tax - current	\$6,951,185
State income tax - current	1,092,329
Total current income tax	\$8,043,515
Income tax lag	14.8098%
Income Tax Offset	\$1,191,231

## The Empire District Electric Company

Section H  
Schedule I  
03/26/2002

## Capital Structure @

31-Dec-01

	A	B	C	D
	<u>Amount Outstanding</u>	<u>% of Total</u>	<u>Cost Rate</u>	<u>Weighted Return on Tariffs Filed</u>
1. Long-term Debt	\$334,463,495	47.25%	7.87%	3.72%
2. Preferred Stock	48,167,168	6.80%	8.95%	0.61%
3. Common Equity	269,795,980	38.11%	12.00%	4.57%
4. Short-term Debt	55,500,000	7.84%	3.90%	0.31%
5. Total	\$707,926,643	100.00%		9.21%

**Adjusted Capital Structure**

	<u>Amount Outstanding</u>	<u>% of Total</u>	<u>Cost Rate</u>	<u>Weighted Return on Tariffs Filed</u>
1. Long-term Debt	\$297,077,774	44.84%	7.91%	3.55%
2. Preferred Stock	48,167,168	7.27%	8.95%	0.65%
3. Common Equity	317,295,980	47.89%	12.00%	5.75%
4. Short-term Debt	0	0.00%	3.90%	0.00%
5. Total	\$662,540,922	100.00%		9.95%

The Empire District Electric Company

Preferred Capital Stock

Section H  
Schedule 2  
03/26/2002

Series	A	B	C	D
	Principal Amount Issued	Percentage Annual Dividend Requirement	Net Discount, Premium and Issuance Expense	Amount Outstanding at <u>31-Dec-01</u>
1. Trust Preferred	\$50,000,000	8.5	(\$1,832,832)	\$50,000,000
2.				
3.				
4. Total	\$50,000,000		(\$1,832,832)	\$50,000,000



## The Empire District Electric Company

## Long-Term Debt

Section H  
Schedule 3  
03/26/2002

Series	A	B	C	D
	31-Dec-01 Unamortized Expense, Discount and Premium	Principal Amount Outstanding	31-Dec-01 Projected Unamortized Expense, Discount and Premium	Principal Amount Outstanding
Bonds and Unsecured Notes:				
1. 7.2% Series, Due 2016	(354,157)	25,000,000	(354,157)	25,000,000
2. 5.2% Pollution Control Series, Due 2013	(323,809)	5,200,000	(323,809)	5,200,000
3. 5.3% Pollution Control Series, Due 2013	(454,892)	8,000,000	(454,892)	8,000,000
4. 7-1/2% Series, Due 2002	(114,279)	37,500,000	0	0
5. 7% Series, Due 2023	(5,213,837)	45,000,000	(5,213,837)	45,000,000
6. 7-3/4% Series, Due 2025	(3,118,598)	30,000,000	(3,118,598)	30,000,000
7. 9-3/4% Series, Due 2020	(31,212)	2,250,000	(31,212)	2,250,000
8. 7-1/4% Series, Due 2028	(594,016)	13,154,000	(594,016)	13,154,000
9. 8-1/8% Series, Due 2009	(195,227)	20,000,000	(195,227)	20,000,000
10. 7.60% Series, Due 2005	(67,840)	10,000,000	(67,840)	10,000,000
11. 6-1/2% Series, Due 2010	(606,721)	50,000,000	(606,721)	50,000,000
12. 7.7% Unsecured Series, Due 2004	(565,918)	100,000,000	(565,918)	100,000,000
13. Total	(\$11,640,505)	\$346,104,000	(\$11,526,226)	\$308,604,000

The Empire District Electric Company

Capital Costs

Section H  
Schedule 8  
03/26/2002

	A	B	C	D
	31-Dec-01		31-Dec-01	
Bonds and Unsecured Notes Series:	Amount Outstanding	Annual Cost	Projected Amount Outstanding	Annual Cost
1. 7.2% Series, Due 2016	25,000,000	1,800,000	25,000,000	1,800,000
2. 5.2% Pollution Control Series, Due 2013	5,200,000	270,400	5,200,000	270,400
3. 5.3% Pollution Control Series, Due 2013	8,000,000	424,000	8,000,000	424,000
4. 7-1/2% Series, Due 2002	37,500,000	2,812,500	0	0
5. 7% Series, Due 2023	45,000,000	3,150,000	45,000,000	3,150,000
6. 7-3/4% Series, Due 2025	30,000,000	2,325,000	30,000,000	2,325,000
7. 9-3/4% Series, Due 2020	2,250,000	219,375	2,250,000	219,375
8. 7-1/4% Series, Due 2028	13,154,000	953,665	13,154,000	953,665
9. 8-1/8% Series, Due 2009	20,000,000	1,625,000	20,000,000	1,625,000
10. 7.60% Series, Due 2005	10,000,000	760,000	10,000,000	760,000
11. 6-1/5% Series, Due 2010	50,000,000	3,250,000	50,000,000	3,250,000
12. 7.7% Unsecured Series, Due 2004	100,000,000	7,700,000	100,000,000	7,700,000
13. Premium, Discount and Expense	(11,640,505)	1,034,212	(11,526,226)	1,024,059
14. Total	\$334,463,495	\$26,324,152	\$297,077,774	\$23,501,499
15. Annual Cost Rate		7.87%		7.91%
Trust Preferred Series				
16. Trust Preferred	\$50,000,000	\$4,250,000	\$50,000,000	\$4,250,000
17. Premium and Expenses				
18. Annual Dividend Rate				
19. Premium and Expense	(\$1,832,832)	62,840	(\$1,832,832)	62,840
20. Total	\$48,167,168	\$4,312,840	\$48,167,168	\$4,312,840
21. Annual Dividend Requirement Rate		8.95%		8.95%

## The Empire District Electric Company

Test-Year Utility Operating Income  
Statements and AdjustmentsSection J  
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03/26/2002

		A	B	C	D	E	F
		Twelve Months Ended December 31, 2001					
ACCOUNT		Total Company			Missouri Jurisdictional		
Number	Name	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma
Electric Utility Operating Revenues:							
440	Residential	\$110,584,151	\$8,391,694	\$118,975,845	\$97,889,093	\$8,391,694	\$106,280,787
442.1	Commercial	82,237,020	1,971,741	84,208,761	75,231,963	1,971,741	77,203,704
442.2-6	Industrial	44,508,806	4,856,119	49,364,925	36,430,232	4,856,119	41,286,351
444	Public Street & Highway Lighting	2,014,542	0	2,014,542	1,773,894	0	1,773,894
445	Other Sales to Public Authorities	4,296,577	239,579	4,536,156	3,721,632	239,579	3,961,211
448	Interdepartmental	92,039	0	92,039	92,039	0	92,039
447.2,4	Sales for Resale - On-System	12,911,248		12,911,248	0		0
447.1,3	Sales for Resale - Off-System	6,163,331	0	6,163,331	5,008,920	0	5,008,920
Total Sales of Electricity		262,807,714	15,459,133	278,266,847	220,147,771	15,459,133	235,606,904
450-456	Other Electric Operating Revenues	3,225,044		3,225,044	2,865,363	0	2,865,363
Less: Provision for Rate Refund		2,843,444	750,009	3,593,453	2,843,444	750,009	3,593,453
Total Sales of Electricity		263,189,315	14,709,124	277,898,439	220,169,690	14,709,124	234,878,814
Electric Utility Operating Expenses:							
401-2	Production	136,433,068	(2,845,087)	133,587,981	111,462,873	(2,305,274)	109,157,599
401-2	Transmission	3,581,488	36,030	3,617,499	2,910,648	29,282	2,939,930
401-2	Distribution	11,997,663	230,371	12,228,034	10,866,515	204,811	10,871,326
401-2	Customer Accounts	7,173,156	117,520	7,290,677	6,247,560	102,356	6,349,916
401-2	Customer Assistance	869,018	21,654	890,672	756,884	18,859	775,743
401-2	Sales	464,111	15,998	480,109	407,874	14,059	421,934
401-2	Administrative & General **	13,567,375	4,067,378	17,634,752	11,679,964	3,456,665	15,136,629
403	Depreciation	29,393,175	(3,471,030)	25,922,145	24,968,626	(2,950,779)	22,017,847
408.1	Taxes Other Than Income Taxes	13,473,355	2,391,323	15,864,678	11,648,199	2,020,969	13,669,168
409.1	Income Taxes - Federal	(23,040)	7,333,770	7,310,730	(19,643)	6,970,829	6,951,185
409.1	Income Taxes - State	34,240	1,114,589	1,148,829	29,192	1,063,137	1,092,329
410.1	Provision for Deferred Income Taxes	8,898,762	(4,229,430)	4,669,332	7,137,781	(3,172,597)	3,965,184
411.1	Provision for Deferred Income Taxes - Cr.	(6,710,633)	6,164,686	(545,947)	(5,382,662)	4,917,200	(465,462)
411.4	Investment Tax Credit Adjustments - Net	(547,650)	2,679	(544,971)	(439,275)	(25,355)	(464,630)
431.1	Interest on Customer Deposits		0	0		181,580	181,580
Total Electric Utility Operating Expenses		218,604,070	10,950,450	229,554,520	182,074,535	10,525,742	192,600,277
Net Electric Utility Operating Income		44,585,244	3,758,674	48,343,919	38,095,155	4,183,382	42,278,537

		A	B	C	D	E	F
		Twelve Months Ended December 31, 2001					
ACCOUNT		Total Company			Missouri Jurisdictional		
Number	Name	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma
Water Utility Operating Revenues:		1,065,348		1,065,348			
Water Utility Operating Expenses:							
414.1	Operation	300,780		300,780			
414.2	Maintenance	341,535		341,535			
403	Depreciation	156,704		156,704			
408.1	Taxes Other than Income Taxes	85,083		85,083			
409.1	Income Taxes - Federal	(26,960)		(26,960)			
409.1	Income Taxes - State	(4,240)		(4,240)			
410.1	Provision for Deferred Income Taxes	59,043		59,043			
411.4	Investment Tax Credit Adjustments - Net	(2,350)		(2,350)			
Total Water Operating Expenses		909,595	0	909,595			
Net Water Utility Operating Income		155,753	0	155,753			
Other Income:							
417	Nonutility revenue	1,566,028		1,566,028			
417	Nonutility costs and expenses	(1,892,377)		(1,892,377)			
418	Nonoperating Rental Income	0		0			
418.2	Nonoperating Rental Expense	(5,736)		(5,736)			
419	Interest and Dividend Income	199,447		199,447			
419.1	Allowance for Funds used During Construction	569,961		569,961			
411.8	Gain (Loss) on Disposition of Allowances	47,798		47,798			
421	Gain on Option Contracts	(417,360)		(417,360)			
Total Other Income		67,761		67,761			
Other Income Deductions:							
421.2	Loss on Disposition of Property			0			
426	Miscellaneous Income Deductions	655,531		655,531			
Total Other Income Deductions		655,531		655,531			
Taxes Applicable to Other Income & Deductions:							
408.2	Taxes Other than Income Taxes	31,585		31,585			
409.2	Income Taxes - Federal	(90,000)		(90,000)			
409.2	Income Taxes - State	(30,000)		(30,000)			
Total Taxes on Other Income & Deductions		(88,415)		(88,415)			
Net Other Income and Deductions		(499,355)		(499,355)			
Interest Charges:							
427	Interest on Long-term Debt including Trust Preferred	28,890,336		28,890,336			
428	Amortization of Debt Discount and Expense	1,035,641		1,035,641			
431	Interest on Short-term Debt	2,229,216		2,229,216			
431	Other Interest Expense	896,567	0	896,567			
432	Allowance for Borrowed Funds	(3,041,298)		(3,041,298)			
Net Interest Charges		30,010,462	0	30,010,462			
Net Income		\$14,231,180	\$3,758,675	\$17,989,855			
Preferred Dividend		0		0			
Net to common		14,231,180		17,989,855			
End of period earnings per share		\$0.72		\$0.91			
** excludes merger expenses in the amount of		\$1,391,673					
** excludes plant disallowance		\$2,529,894					
** net income include merger/plant disallowance		\$10,309,613					
** adjusted earnings per share		\$0.52					

	Increase (Decrease)	
	Total Company	Missouri Jurisdictional
	Revenues	Revenues
	Expenses	Expenses
Revenue:		
1. To adjust customer growth - Res	872,190	872,190
2. To adjust customer growth - Comm	71,427	71,427
3. To adjust customer growth - Ind	(9,176)	(9,176)
4. To normalize weather - Residential	1,487,669	1,487,669
5. To normalize weather - Commercial	(35,904)	(35,904)
6. To normalize weather - Industrial	(53,802)	(53,802)
7. To increase revenue 8.4% -Res	6,031,835	6,031,835
8. To increase revenue 8.4%- Com	1,936,218	1,936,218
9. To increase revenue 8.4% -Ind	4,919,097	4,919,097
10. To increase revenue 8.4% -Other	239,579	239,579
 Total Revenue Adjustment	 15,459,133	 15,459,133
Production:		
	0	0
11. To reflect normalization of O & M Expenses	6,624,299	5,420,513
	0	0
12. To normalize test year payroll	272,539	222,382
	0	0
13. To reflect decrease capacity charges for 6/1/01 contract year	(4,197,850)	(3,411,579)
14. To reflect normalization of Fuel/PP	(5,544,075)	(4,536,590)
	0	0
 Total Production	 (2,845,087)	 (2,305,274)
Transmission:		
15. To normalize test year payroll	36,030	29,282
 Total Transmission	 36,030	 29,282
Distribution:		
16. To normalize test year payroll	230,371	204,811
 Total Distribution	 230,371	 204,811
Customer Accounts		
17. To normalize test year payroll	117,520	102,356
 Total Customer Accounts	 117,520	 102,356
Customer Assistance		
18. To normalize test year payroll	21,654	18,859
 Total Customer Assistance	 21,654	 18,859
Sales Expense:		
19. To normalize test year payroll	15,998	14,059
 Total Sales Expense	 15,998	 14,059

The Empire District Electric Company  
Explanation of Adjustments to Test-Year  
Revenues & Expenses

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	Increase (Decrease)	
	Total Company	Missouri Jurisdictional
	Revenues	Expenses
Administrative & General:		
20. To reflect increased insurance expenses	587,710	485,025
21. To normalize test year payroll & 401k costs	283,879	242,731
	0	0
	0	0
22. To amortize FAS 106 and 87 gain/loss	1,172,163	967,363
	0	0
	0	0
23. To reflect amortization of common stock expense	1,500,000	1,237,920
24. To reflect amortization of rate case expenses over 2 year*	523,626	523,626
Total Administrative & General	4,067,378	3,456,665
Depreciation:		
25. To recognize expense for cost of removal	1,639,214	1,392,322
26. To annualize depreciation expense	(5,110,244)	(4,343,100)
	(3,471,030)	(2,950,779)
Taxes Other Than Income Taxes:		
27. To annualize property taxes	2,175,966	1,837,237
28. To recognize FICA taxes from wage increase (decrease)	213,771	182,376
29. To recognize FUTA tax from wage increase (decrease)	157	134
30. To recognize SUTA tax from wage increase (decrease)	1,429	1,222
Total Taxes Other Than Income Taxes	2,391,323	2,020,969
Income Taxes - Federal:		
31. To adjust book taxes	7,333,770	6,970,829
Total Taxes - Federal	7,333,770	6,970,829
Income Taxes - State:		
32. To adjust book taxes	1,114,589	1,063,137
Total Taxes - State	1,114,589	1,063,137
Provision for Deferred Income Tax:		
33. To adjust book taxes	(4,229,430)	(3,172,597)
Total Provision for Deferred Income Tax	(4,229,430)	(3,172,597)
Provision for Deferred Income Tax Cr.:		
34. To adjust book taxes	6,164,686	4,917,200
Total Provision for Deferred Income Tax Cr.	6,164,686	4,917,200
Provision for Investment Tax Credit:		
35. To adjust book taxes	2,679	(25,355)
Total Provision for Investment Tax Cr.	2,679	(25,355)
Interest on Customer Deposits:		
36. To include interest on customer deposits at 5.0% *	0	181,580
Total Interest on Customer Deposits	0	181,580

## The Empire District Electric Company

## Depreciation Rates and Accruals

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		A	B	C
			Test Year Accrual	
Plant Account		Actual Depreciation Rates	Total Company	Missouri Jurisdictional
Number	Plant Account			
311	Structures and Improvements	1.05		
312	Boiler Plant and Equipment	1.85		
314	Turbo Generator Units	1.59		
315	Accessory Electric Equipment	1.79		
316	Miscellaneous Power Plant Equipment	1.96		
Total Steam			\$4,683,840	3,806,542
331	Structures and Improvements	1.64		
332	Reservoirs, Dams and Waterways	1.67		
333	Water Wheels, Turbines & Generators	1.47		
334	Accessory Electric Equipment	1.43		
335	Miscellaneous Power Plant Equipment	2.44		
Total Hydro			57,522	46,748
341	Structures and Improvements	1.82		
342	Fuel Holders, Producers & Accessories	3.85		
343	Prime Movers	1.92		
344	Generators	1.82		
346	Miscellaneous Power Plant Equipment	4.00		
Total Other Production			5,967,627	4,849,871
Total Production			10,708,989	8,703,161
352	Structures and Improvements	1.37		
353	Station Equipment	2.19		
354	Towers and Fixtures	1.30		
355	Poles and Fixtures	1.85		
356	Overhead Conductors and Devices	1.43		
Total Transmission			3,288,731	2,672,741
361	Structures and Improvements	1.98		
362	Station Equipment	2.44		
364	Poles, Towers and Fixtures	2.43		
365	Overhead Conductors and Devices	2.10		
366	Underground Conduit	2.97		
367	Underground Conductors and Devices	3.61		
368	Line Transformers	2.51		
369	Services	3.03		
370	Meters	2.58		
371	Installations on Customers' Premises	5.15		
373	Street Lighting and Signal Systems	2.36		
Total Distribution			13,332,896	11,851,240

The Empire District Electric Company

Depreciation Rates and Accruals

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Plant Account Number	Plant Account	A	B	C
		Actual Depreciation Rates	Test Year Accrual Total Company	Missouri Jurisdictional
390	Structures and Improvements	4.27		
391	Office Furniture and Equipment	4.81		
393	Stores Equipment	3.95		
394	Tools, Shop and Garage Equipment	2.50		
395	Laboratory Equipment	2.66		
397	Communication Equipment	4.95		
398	Miscellaneous Equipment	3.75		
	Total General		1,400,323	1,182,337
	Amortization of Electric Plant		662,236	559,147
	Amount Charged to Operations		29,393,175	24,968,626
312.5	Unit Coal Trains	5.67	325,703	266,516
312.7	Unit Coal Trains	5.67	0	0
392	Transportation Equipment	9.52	480,638	405,818
396	Power Operated Equipment	6.67	674,005	569,084
	Total Depreciation Provision less amount charged to fuel		\$30,547,819	\$25,943,528



## The Empire District Electric Company

## Normalized Depreciation Expense

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		A	B	C		D	E	
		31-Dec-01						
Account		Total Company	Missouri Jurisdictional	Approved Rate	Proposed Rate		Normalized	Total Company
Number	Name							
Riverton Station (Steam Production)								
310	Land and Land Rights	398,367	323,751					
311	Structures and Improvements	8,428,277	6,849,634	1.05	1.05		71,921	88,497
312	Boiler Plant and Equipment	20,717,090	16,836,713	1.85	1.85		311,479	383,266
314	Turbo Generator Units	6,515,920	5,295,467	1.59	1.59		84,198	103,603
315	Accessory Electric Equipment	1,275,048	1,036,227	1.79	1.79		18,548	22,823
316	Miscellaneous Power Plant Equipment	1,144,047	929,763	1.96	1.96		18,223	22,423
Total Riverton		38,478,749	31,271,556				504,370	620,613
Asbury Station (Steam Production)								
310	Land and Land Rights	387,547	314,958					
311	Structures and Improvements	9,077,733	7,377,444	1.05	1.05		77,463	95,316
312	Boiler Plant and Equipment	64,755,965	52,626,965	1.85	1.85		973,599	1,197,985
312.7	Unit Train	5,580,296	4,535,089	6.67	6.67		302,490	372,206
314	Turbo Generator Units	20,759,345	16,871,053	1.59	1.59		268,250	330,074
315	Accessory Electric Equipment	2,327,936	1,891,906	1.79	1.79		33,865	41,670
316	Miscellaneous Power Plant Equipment	1,624,557	1,320,272	1.96	1.96		25,877	31,841
Total Asbury		104,513,379	84,937,688				1,681,545	2,069,092
Iatan Station (Steam Production)								
							0	0
310	Land and Land Rights	122,418	99,489					
311	Structures and Improvements	3,957,018	3,215,856	1.05	1.05		33,766	41,549
312	Boiler Plant and Equipment	28,531,164	23,187,185	1.85	1.85		428,963	527,827
312.5	Unit Train	8,365	6,798	6.67	6.67		453	558
314	Turbo Generator Units	8,196,140	6,660,977	1.59	1.59		105,910	130,319
315	Accessory Electric Equipment	3,571,955	2,902,916	1.79	1.79		51,962	63,938
316	Miscellaneous Power Plant Equipment	801,377	651,277	1.96	1.96		12,765	15,707
Total Iatan		45,188,437	36,724,498				633,820	779,897
Total Steam Production		188,180,565	152,933,741				2,819,734	3,469,602

## The Empire District Electric Company

## Normalized Depreciation Expense

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		A	B	C		D	E	
		31-Dec-01						
Account		Total Company	Missouri Jurisdictional	Approved Rate	Proposed Rate	Normalized		
Number	Name							
Ozark Beach Station (Hydroelectric)								
330	Land and Land Rights	224,490	182,442					
331	Structures and Improvements	503,584	409,261	1.64	1.64	6,712		8,259
332	Reservoirs, Dams and Waterways	1,422,792	1,156,298	1.67	1.67	19,310		23,761
333	Water Wheels, Turbines & Generators	353,037	286,912	1.47	1.47	4,218		5,190
334	Accessory Electric Equipment	887,222	721,042	1.43	1.43	10,311		12,687
335	Miscellaneous Power Plant Equipment	322,967	262,474	2.44	2.44	6,404		7,880
Total Ozark Beach		3,714,091	3,018,430				46,955	57,777
Riverton Station (Combustion Turbine)								
341	Structures and Improvements	193,357	157,141	1.82	1.82	2,860		3,519
342	Fuel Holders, Producers & Accessories	87,123	70,805	3.85	3.85	2,726		3,354
343	Prime Movers	10,147,140	8,246,548	1.92	1.92	158,334		194,825
344	Generators	926,850	753,248	1.82	1.82	13,709		16,869
345	Accessory Electric Equipment	288,226	234,241	3.57	3.57	8,362		10,290
346	Miscellaneous Power Plant Equipment	83,907	68,191	4.00	4.00	2,728		3,356
Total Riverton		11,726,604	9,530,174				188,719	232,213
Energy Center								
340	Land and Land Rights	163,097	132,548					
341	Structures and Improvements	1,890,751	1,536,607	1.82	1.82	27,966		34,412
342	Fuel Holders, Producers & Accessories	1,165,473	947,176	3.85	3.85	36,466		44,871
343	Prime Movers	26,006,251	21,135,197	1.92	1.92	405,796		499,320
344	Generators	4,160,383	3,381,130	1.82	1.82	61,537		75,719
345	Accessory Electric Equipment	364,499	296,227	3.57	3.57	10,575		13,013
346	Miscellaneous Power Plant Equipment	1,173,381	953,603	4.00	4.00	38,144		46,935
Total Energy Center		34,923,834	28,382,488				580,484	714,269
State Line								
340	Land and Land Rights	286,325	232,695					
341	Structures and Improvements	8,737,985	7,101,332	1.82	1.82	129,244		159,031
342	Fuel Holders, Producers & Accessories	11,614,673	9,439,207	3.85	3.85	363,409		447,165
343	Prime Movers	128,264,344	104,240,021	1.92	1.92	2,001,408		2,462,675
344	Generators	35,845,093	29,131,192	1.82	1.82	530,188		652,381
345	Accessory Electric Equipment	11,908,306	9,677,842	3.57	3.57	345,499		425,127
346	Miscellaneous Power Plant Equipment	143,266	116,432	4.00	4.00	4,657		5,731
Total State Line Combined Cycle		196,799,992	159,938,722				3,374,406	4,152,109
Total Production Plant		435,345,086	353,803,554				7,010,298	8,625,970

## The Empire District Electric Company

## Normalized Depreciation Expense

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		A	B	C	D	E	
		31-Dec-01					
		Total Company	Missouri Jurisdictional	Approved Rate	Proposed Rate	Normalized	
Account							
Number	Name						
Transmission Plant							
350	Land and Land Rights	8,399,094	6,825,917				
352	Structures and Improvements	2,335,614	1,898,146	1.37	1.37	26,005	31,998
353	Station Equipment	70,995,589	57,697,887	2.19	2.19	1,263,584	1,554,803
354	Towers and Fixtures	777,080	631,530	1.30	1.30	8,210	10,102
355	Poles and Fixtures	26,576,571	21,598,694	1.85	1.85	399,576	491,667
356	Overhead Conductors and Devices	43,206,430	35,113,727	1.43	1.43	502,126	617,852
Total Transmission		152,290,378	123,765,902			2,199,500	2,706,422
Distribution Plant							
360	Land and Land Rights	1,538,131	1,367,474				
361	Structures and Improvements	8,891,447	7,904,935	1.98	1.98	156,518	176,051
362	Station Equipment	51,292,343	45,601,424	2.44	2.44	1,112,675	1,251,533
364	Poles, Towers and Fixtures	82,533,378	73,376,245	2.43	2.43	1,783,043	2,005,561
365	Overhead Conductors and Devices	93,065,846	82,740,129	2.10	2.10	1,737,543	1,954,383
366	Underground Conduit	14,402,281	12,804,338	2.97	2.97	380,289	427,748
367	Underground Conductors and Devices	30,014,814	26,684,650	3.61	3.61	963,316	1,083,535
368	Line Transformers	60,024,992	53,365,179	2.51	2.51	1,339,466	1,506,627
369	Services	40,225,683	35,762,616	3.03	3.03	1,083,607	1,218,838
370	Meters	13,330,944	11,851,867	2.58	2.58	305,778	343,938
371	Installations on Customers' Premises	11,141,221	9,905,095	5.15	5.15	510,112	573,773
373	Street Lighting and Signal Systems	9,251,902	8,225,398	2.36	2.36	194,119	218,345
Total Distribution		415,712,981	369,589,350			9,566,466	10,760,332
General Plant							
389	Land and Land Rights	727,747	614,460				
390	Structures and Improvements	9,396,301	7,933,594	4.27	4.27	338,764	401,222
391	Office Furniture and Equipment	8,199,748	6,923,307	4.81	4.81	333,011	394,408
392	Transportation Equipment	6,247,899	5,275,298	9.52	9.52	502,208	594,800
393	Stores Equipment	335,977	283,676	3.95	3.95	11,205	13,271
394	Tools, Shop and Garage Equipment	2,704,995	2,283,913	2.50	2.50	57,098	67,625
395	Laboratory Equipment	873,206	737,275	2.66	2.66	19,612	23,227
396	Power Operated Equipment	10,240,771	8,646,607	6.67	6.67	576,729	683,059
397	Communication Equipment	10,062,883	8,496,410	4.95	4.95	420,572	498,113
398	Miscellaneous Equipment	183,694	155,098	3.75	3.75	5,816	6,889
Total General		48,973,220	41,349,638			2,265,016	2,682,614
Total Depreciable Plant		\$1,052,321,666	\$888,508,443			\$21,041,280	\$24,775,338

The Empire District Electric Company  
Summary of Depreciation and Amortization

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	<u>Missouri Jurisdiction</u>	<u>Total Company</u>
Total Depreciation	\$21,041,280	\$24,775,338
Total Amortization	<u>559,147</u>	<u>662,236</u>
Total depreciation & amortization	21,600,427	25,437,574
Amount Charged to Fuel:		
Unit Train Depreciation - Asbury	266,516	325,703
Unit Train Depreciation - Iatan	453	558
Total Depreciation Charged to Operations less amount charged to fuel	21,600,427	25,437,574
Total Book Depreciation Charged to Operations plus clearings	25,943,528	30,547,819
Depreciation Adjustment	(\$4,343,100)	(\$5,110,244)
Unit Train Depreciation - Old Rate	266,516	325,703
Unit Train Depreciation - New Rate	302,944	372,764
Adjustment to Production Expense	0	0

	A	B	C	D	E	F
	Twelve Months Ended December 31, 2001 Total Company			Missouri Jurisdictional		
	<u>Actual</u>	<u>Adjustments</u>	<u>Pro Forma</u>	<u>Actual</u>	<u>Adjustments</u>	<u>Pro Forma</u>
<b>Taxes Other Than Income Taxes</b>						
1. Real and Property	\$6,636,937	\$2,175,966	\$8,812,903	\$5,603,775	\$1,837,237	7,441,012
2. Federal Insurance Contribution Act	1,769,120	213,771	1,982,891	1,460,019	182,376	1,642,395
3. Federal Unemployment	26,772	157	26,929	22,095	134	22,229
4. State Unemployment	4,569	1,429	5,998	3,771	1,222	4,993
5. Corporation Franchise	185,467	0	185,467	167,885		167,885
6. Merchants			0	0		0
7. City Tax or Fee	4,850,490	0	4,850,490	4,390,654		4,390,654
8. Environmental	0		0	0		0
9. Total Taxes Other Than Income Taxes	13,473,355	2,391,323	15,864,678	11,648,199	2,020,969	13,669,168
10. Federal Income Taxes	1,617,439	9,271,705	10,889,144	1,296,200	8,690,077	9,986,278
11. State Income Taxes	34,240	1,114,589	1,148,829	29,192	1,063,137	1,092,329
12. Total Taxes Charged to Electric Operations	\$15,125,035	\$12,777,617	\$27,902,651	\$12,973,592	\$11,774,183	\$24,747,775

	A		Adjusted Total Company	B	C	D
	Total Company	Adjustments		Missouri Jurisdictional	Adjustments	Adjusted Missouri
1. Net Income from Section J, Schedule 1	\$44,585,244	\$3,758,675	\$48,343,919	\$38,095,155	\$4,183,382	\$42,278,537
2. Adjustments						
3. Adjusted Net Income	44,585,244	3,758,675	48,343,919	38,095,155	4,183,382	42,278,537
Add:						
4. Current Income Tax	11,200	8,448,358	8,459,558	9,549	8,033,965	8,043,515
5. Deferred Income Taxes	1,640,479	1,937,935	3,578,414	1,315,844	1,719,248	3,035,092
6. Total Income Tax	1,651,679	10,386,293	12,037,973	1,325,393	9,753,214	11,078,607
7. Net Operating Income Before Income Taxes	46,236,924	14,144,968	60,381,892	39,420,548	13,936,596	53,357,144
Add:						
8. Book Depreciation	30,547,819	(3,471,030)	27,076,788	25,943,528	(2,950,779)	22,992,749
9. Nondeductible Expenses (Meals)	60,000		60,000	51,155	0	51,155
10. Contributions in Aid of Construction	1,173,548		1,173,548	1,000,540	0	1,000,540
11. Interest Capitalized for Tax (Excess over AFUDC De	0		0	0	0	0
12. Non-deductible Club Dues	30,000		30,000	25,577	0	25,577
13.	0		0	0	0	0
14. Total Additions	31,811,367	(3,471,030)	28,340,336	27,020,800	(2,950,779)	24,070,021
Less:						
15. Interest Sync	27,292,958		27,292,958	23,019,082		23,019,082
16. Tax Depreciation	39,392,643	0	39,392,643	33,455,224	0	33,455,224
17. Preferred Stock Dividends	0		0	0	0	0
18.	0		0	0	0	0
19. Total Deductions	66,685,601	0	66,685,601	56,474,306	0	56,474,306
20. Net Taxable Income	11,362,689	10,673,938	22,036,627	9,967,042	10,985,817	20,952,859
Provision for Federal Income Tax:						
21. Income Before Income Taxes	11,362,689	10,673,938	22,036,627	9,967,042	10,985,817	20,952,859
22. Less: Missouri Income Tax - 100%	592,368	556,461	1,148,829	519,609	572,720	1,092,329
23. Federal Taxable Income	10,770,321	10,117,476	20,887,798	9,447,433	10,413,097	19,860,530
24. Federal Income Tax @ 35%	3,769,612	3,541,117	7,310,729	3,306,602	3,644,584	6,951,185
Provision for Missouri Income Tax:						
25. Income Before Income Taxes	11,362,689	10,673,938	22,036,627	9,967,042	10,985,817	20,952,859
26. Less: One-Half of Federal Income Tax	1,884,806	1,770,558	3,655,365	1,653,301	1,822,292	3,475,593
27. Missouri Taxable Income	9,477,883	8,903,379	18,381,262	8,313,741	9,163,525	17,477,266
28. Provision for Missouri Income Tax @ 6.25	\$592,368	\$556,461	\$1,148,829	\$519,609	\$572,720	\$1,092,329

	A		B		C	D
	Total Company	Adjustments	Adjusted Total Company	Missouri Jurisdictional	Adjustments	Adjusted Missouri
Deferred Taxes:						
1. Depreciation - Tax	\$39,392,643	\$0	\$39,392,643	\$33,455,224	\$0	\$33,455,224
2. Depreciation Book	30,547,819	(3,471,030)	27,076,788	25,943,528	(2,950,779)	22,992,749
3. Depreciation - S/L Life Differences	1,021,016	0	\$1,021,016	867,124	0	\$867,124
4. Total Depreciation (1+2+3)	9,865,840	3,471,030	13,336,871	8,378,821	2,950,779	11,329,600
5. Interest Capitalized for Tax (Excess over AFUDC Deb	0	0	\$0	0	0	\$0
6. Contributions in Aid of Construction	(1,173,548)	0	(\$1,173,548)	(1,000,540)	0	(\$1,000,540)
7.	0	0	\$0	0	0	\$0
8. Total Deferral Items	\$8,692,292	\$3,471,030	\$12,163,323	\$7,378,281	\$2,950,779	\$10,329,059
9. Deferral Rate	0.3839	0.3839	0.3839	0.3839	0.3839	0.3839
10. Amount Deferred (8x9)	\$3,336,852	\$1,332,481	\$4,669,332	\$2,832,421	\$1,132,763	\$3,965,184
11.	0	0	\$0	0	0	\$0
12. Amortization of Excess Deferred	(545,947)	0	(\$545,947)	(465,462)	0	(\$465,462)
13. Deferred Taxes (8+9)	2,790,905	1,332,481	4,123,385	2,366,959	1,132,763	3,499,722
14. ITC - Net	(544,971)	0	(\$544,971)	(464,630)	0	(\$464,630)
15. Net Deferred Taxes (10+11)	\$2,245,934	\$1,332,481	\$3,578,414	\$1,902,329	\$1,132,763	\$3,035,092

THE EMPIRE DISTRICT ELECTRIC COMPANY

Bases of Allocation of Property and Expenses

Section M, Schedule 2 shows in detail the bases of allocation, total Company pro forma figures and the pro forma amounts allocated to each of the four states with each separate item necessary to properly allocate rate base components and net electric operating revenue components to each of the four states.

In this process of allocation by states, there are two exceptions to the basic uniform procedure. Those portions of the rate base components and net operating revenue components which relate to off-system wholesale and to on-system wholesale are allocated by procedures using different factors than those used for all other customers.

Kilowatt-hour sales by states are used as the basis of allocating energy costs. However, large volumes of kilowatt-hours have been sold to other utility companies and systems for resale, with such transactions carried out over Company high-voltage transmission facilities installed, used and necessary for on-system operation and protection of service continuity to Empire's own customers. Such off-system kilowatt-hour sales for resale are not a proper basis for allocation of property or operating expenses related to the Company's retail business and are; therefore, deducted from the total.

Three towns in Missouri, one town in Kansas and three rural electric cooperative customers in Kansas are supplied by Empire at wholesale rates. Amounts of fixed generation property and expense and common transmission property and expense allocated to these on-system wholesale transactions are assigned on the basis of coincident peak demands of these wholesale customers in relation to the total Company system demand. All other property and expense allocations to these seven wholesale customers are made on the same uniform bases used for retail customers.

The Company's generation and transmission system is required by and was constructed to meet the needs of the Company's own customers. Since amounts earned from these off-system wholesale transactions are made possible by the use of these facilities constructed for service to and supported by all of the Company's customers in all four states, the net operating revenue from these off-system wholesale transactions is allocated to on-system jurisdictions based on a twelve-month average coincident peak demand.

After deductions for property and expenses applicable to wholesale transactions, the remaining property and operating costs are then allocated on uniform bases to all retail customers in each of the four states.



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Variable production expenses are allocated on the basis of kilowatt-hour sales by jurisdiction. Fixed production expenses are allocated based on a twelve-month average coincident peak demand.

Twelve-month average retail coincident peak demands by states are used as the basis for allocation of remaining property and expenses related to generation and transmission facilities.

All distribution property and related expenses are allocated to states on the basis of actual physical location, except that those portions applicable to on-system wholesale are assigned separately.

Customer accounts expenses are allocated to states on the basis of the number of customers served.

Customer assistance expenses are allocated on the basis of a composite of revenues and number of customers served.

Sales expenses are allocated on the basis of on-system revenues by states.

General property is allocated on the basis of the ratios by states of the sum of all other classes of property as allocated.

Administrative and general expenses are allocated on the basis of the ratio by states of the sum of all other operation and maintenance expenses as allocated except Electric Power Research Institute research and development costs, franchise requirements and regulatory commission expenses, which are assigned directly to jurisdiction of origin.

Depreciation expense is allocated by functional groups of property on the basis of depreciable electric plant in service by functional classes as allocated by states.

Real and personal property taxes are allocated on the basis of electric plant in service as allocated, payroll taxes on the basis of allocated operation and maintenance expenses, and other taxes by state of origin.

Income taxes are calculated on the basis of taxable income by states.

Prepayments are allocated on the basis of electric plant in service as allocated by states.

Fuel inventory is allocated on the basis of kilowatt-hour sales.

Other materials and supplies related to generating plants are allocated on the same basis as allocated generation plant, with the remainder of materials and supplies on the basis of distribution property by states.

Deferred income tax and investment tax credit balances are allocated on the basis of total electric plant in service.

Customer deposits are directly assigned to state of origin.

The Empire District Electric Company  
Allocation of Rate Base

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	Basis of Allocation Reference	Total Company	On-System Wholesale				Retail		
			Missouri	Kansas	Total	Missouri	Kansas	Oklahoma	Arkansas
Electric Utility Plant:									
1. Production Plant	22	435,345,126	26,097,565	3,066,375	406,181,186	353,803,586	26,609,369	13,391,469	12,376,761
Adjustments		0	0	0	0	0	0	0	0
Production Plant Adjusted		435,345,126	26,097,565	3,066,375	406,181,186	353,803,586	26,609,369	13,391,469	12,376,761
%		100.0000%	5.9947%	0.7044%	93.3010%	81.2697%	6.1122%	3.0761%	2.8430%
2. Transmission Plant	22	152,290,378	9,129,327	1,072,665	142,088,386	123,765,902	9,308,364	4,684,540	4,329,580
Adjustments		0	0	0	0	0	0	0	0
Transmission Plant Adjusted		152,290,378	9,129,327	1,072,665	142,088,386	123,765,902	9,308,364	4,684,540	4,329,580
%		100.0000%	5.9947%	0.7044%	93.3010%	81.2697%	6.1122%	3.0761%	2.8430%
3. Distribution Plant	58	415,712,981	2,254,945	209,055	413,248,981	369,589,350	24,024,772	11,365,413	8,269,447
Adjustments		0	0	0	0	0	0	0	0
Distribution Plant Adjusted		415,712,981	2,254,945	209,055	413,248,981	369,589,350	24,024,772	11,365,413	8,269,447
%		100.0000%	0.5424%	0.0503%	99.4073%	88.9049%	5.7792%	2.7340%	1.9892%
Production, Transmission & Distribution									
4. Plant Subtotal		1,003,348,485	37,481,837	4,348,094	961,518,554	847,158,838	59,942,505	29,441,422	24,975,789
Adjustments		0	0	0	0	0	0	0	0
Production, Transmission & Distribution									
Transmission Plant Adjusted		1,003,348,485	37,481,837	4,348,094	961,518,554	847,158,838	59,942,505	29,441,422	24,975,789
%		100.0000%	3.7357%	0.4334%	95.8310%	84.4332%	5.9742%	2.9343%	2.4892%
5. General Plant	4	49,721,694	1,857,441	215,473	47,648,780	41,981,597	2,970,496	1,458,992	1,237,694
Adjustments		0	0	0	0	0	0	0	0
General Plant Adjusted		49,721,694	1,857,441	215,473	47,648,780	41,981,597	2,970,496	1,458,992	1,237,694
%		100.0000%	3.7357%	0.4334%	95.8310%	84.4332%	5.9742%	2.9343%	2.4892%
6. Intangible Plant	4,59	7,447,573	278,217	32,275	7,137,081	6,288,221	444,936	218,535	185,388
Adjustments		0	0	0	0	0	0	0	0
Intangible Plant Adjusted		7,447,573	278,217	32,275	7,137,081	6,288,221	444,936	218,535	185,388
%		100.0000%	3.7357%	0.4334%	95.8310%	84.4332%	5.9742%	2.9343%	2.4892%
7. Total Electric Utility Plant		1,060,517,752	39,617,495	4,595,842	1,016,304,415	895,428,656	63,357,938	31,118,949	26,398,871
Adjustments		0	0	0	0	0	0	0	0
Total Electric Utility Plant Adjusted		1,060,517,752	39,617,495	4,595,842	1,016,304,415	895,428,656	63,357,938	31,118,949	26,398,871
%		100.0000%	3.7357%	0.4334%	95.8310%	84.4332%	5.9742%	2.9343%	2.4892%

The Empire District Electric Company  
Allocation of Rate Base

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	Basis of Allocation Reference	Total Company	On-System Wholesale Missouri	Kansas	Total	Missouri	Retail Kansas	Oklahoma	Arkansas
Electric Utility Depreciation Reserve:									
8. Production Reserve	1	130,983,006	7,852,017	922,585	122,208,403	106,449,468	8,006,005	4,029,113	3,723,817
Adjustments		0	0	0	0	0	0	0	0
Production Reserve Adjusted		130,983,006	7,852,017	922,585	122,208,403	106,449,468	8,006,005	4,029,113	3,723,817
9. Transmission Reserve	2	44,758,480	2,683,129	315,259	41,760,092	36,375,073	2,735,749	1,376,797	1,272,473
Adjustments		0	0	0	0	0	0	0	0
Transmission Reserve Adjusted		44,758,480	2,683,129	315,259	41,760,092	36,375,073	2,735,749	1,376,797	1,272,473
10. Distribution Reserve	23	146,573,261	793,791	72,952	145,706,518	130,284,887	8,484,300	4,016,189	2,921,142
Adjustments		0	0	0	0	0	0	0	0
Distribution Reserve Adjusted		146,573,261	793,791	72,952	145,706,518	130,284,887	8,484,300	4,016,189	2,921,142
11. General Reserve	5	21,502,179	803,252	93,181	20,605,746	18,154,970	1,284,593	630,942	535,242
Adjustments		0	0	0	0	0	0	0	0
General Reserve Adjusted		21,502,179	803,252	93,181	20,605,746	18,154,970	1,284,593	630,942	535,242
12. Amortization of Electric Plant	4	2,442,771	91,254	10,586	2,340,931	2,062,508	145,937	71,679	60,807
Adjustments		0	0	0	0	0	0	0	0
Amortization of Electric Plant Adjusted		2,442,771	91,254	10,586	2,340,931	2,062,508	145,937	71,679	60,807
13. Total Electric Utility Depreciation Reserve and Amortization		346,259,696	12,223,443	1,414,564	332,621,690	293,326,906	20,656,584	10,124,720	8,513,480
Adjustments		0	0	0	0	0	0	0	0
Total Electric Utility Depreciation Reserve and Amortization Adjusted		346,259,696	12,223,443	1,414,564	332,621,690	293,326,906	20,656,584	10,124,720	8,513,480
14. Construction Work in Progress:									
Production	1	11,453,804	686,619	80,675	10,686,509	9,308,470	700,085	352,326	325,629
Adjustments									
Production Adjusted		11,453,804	686,619	80,675	10,686,509	9,308,470	700,085	352,326	325,629
Transmission	2	5,074,004	304,171	35,739	4,734,094	4,123,627	310,136	156,079	144,253
Adjustments		0	0	0	0	0	0	0	0
Transmission Adjusted		5,074,004	304,171	35,739	4,734,094	4,123,627	310,136	156,079	144,253
Distribution	58	2,509,655	0	0	0		0	0	0
Adjustments		0	0	0	0	0	0	0	0
Distribution Adjusted		2,509,655	0	0	0	0	0	0	0
General	5	541,017	20,211	2,345	518,462	456,798	32,322	15,875	13,467
Adjustments		0	0	0	0	0	0	0	0
General Adjusted		541,017	20,211	2,345	518,462	456,798	32,322	15,875	13,467
Total Construction Work in Progress		19,578,480	1,011,001	118,759	15,939,066	13,888,894	1,042,542	524,280	483,349
Adjustments		0	0	0	0	0	0	0	0
Total Construction Work in Progress Adjusted		19,578,480	1,011,001	118,759	15,939,066	13,888,894	1,042,542	524,280	483,349

The Empire District Electric Company  
Allocation of Rate Base

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	Basis of Allocation Reference	Total Company	On-System Wholesale Missouri	Kansas	Total	Missouri	Retail Kansas	Oklahoma	Arkansas
15. Materials and Supplies (13-Month Avg):									
Fuel	21	9,066,070	591,099	60,372	8,414,600	7,418,558	485,823	244,229	265,989
Adjustments									
Fuel Adjusted		9,066,070	591,099	60,372	8,414,600	7,418,558	485,823	244,229	265,989
Other Production Materials	1	515,396	30,896	3,630	480,869	418,860	31,502	15,854	14,653
Adjustments		591,010	35,429	4,163	551,418	480,312	36,124	18,180	16,802
Other Production Materials Adjusted		1,106,406	66,325	7,793	1,032,287	899,172	67,626	34,034	31,455
Transmission & Distribution Materials	3	7,798,772	42,303	3,922	7,752,548	6,933,493	450,705	213,215	155,135
Adjustments		476,286	2,584	240	473,462	423,442	27,525	13,021	9,474
Transmission & Distribution Materials Adjusted		8,275,058	44,887	4,162	8,226,010	7,356,935	478,230	226,236	164,609
Clearing Account Materials	7	510,368	19,066	2,212	489,090	430,919	30,491	14,976	12,704
Adjustments		0	0	0	0	0	0	0	0
Clearing Account Materials Adjusted		510,368	19,066	2,212	489,090	430,919	30,491	14,976	12,704
Total Materials and Supplies		17,890,605	683,363	70,136	17,137,106	15,201,831	998,521	488,274	448,481
Adjustments		1,067,296	38,013	4,403	473,462	903,754	63,648	31,201	26,276
Total Materials and Supplies Adjusted		18,957,901	721,376	74,539	18,161,986	16,105,585	1,062,170	519,475	474,757
16. Prepayments - 13-Month Average	7	1,402,682	52,400	6,079	1,344,204	1,184,329	83,800	41,159	34,916
Adjustments		587,710	21,955	2,547	563,208	496,222	35,111	17,245	14,630
Prepayments Adjusted		1,990,392	74,355	8,626	1,907,412	1,680,551	118,911	58,404	49,546
17. Cash Working Capital	58	(1,237,719)			(1,237,719)	(1,237,719)			
Deferred Income Taxes:									
18. Liberalized Depreciation	7,58	72,408,263	2,974,115	345,013	69,089,134	60,350,349	4,718,080	2,245,119	1,775,586
Adjustments									
Liberalized Depreciation Adjusted		72,408,263	2,974,115	345,013	69,089,134	60,350,349	4,718,080	2,245,119	1,775,586
Investment Tax Credit:									
19. Prior 1971 Additions	7	0	0	0	0	0	0	0	0
20. Customer Deposits	58	4,127,061	0	0	4,127,061	3,631,591	200,929	176,100	118,441
21. Kilowatt-Hour Sales		4,591,698,629							
Less Off-System Wholesale		105,975,000							
System Kilowatt-Hour Sales	58	4,485,723,629	292,464,700	29,870,800	4,163,388,129	3,670,565,162	240,376,358	120,840,034	131,606,575
%		100.0000%	6.5199%	0.6659%	92.8142%	81.8277%	5.3587%	2.6939%	2.9339%
22. 12-Month Average Coincident Peak Demand	58	815,167	48,867	5,742	760,558	662,483	49,825	25,075	23,175
%		100.0000%	5.9947%	0.7044%	93.3010%	81.2897%	6.1122%	3.0781%	2.8430%
Depreciable Distribution Plant:									
23. Total Distribution Plant	58	415,712,981	2,254,945	209,055	413,248,981	369,589,350	24,024,772	11,365,413	8,269,447
Less Nondepreciable Distribution Plant		1,538,131	11,916	2,912	1,523,303	1,440,869	50,523	16,791	15,120
Depreciable Distribution Plant		414,174,850	2,243,029	206,143	411,725,678	368,148,481	23,974,249	11,348,622	8,254,327
%		100.0000%	0.5416%	0.0498%	99.4087%	88.8872%	5.7884%	2.7401%	1.9930%

The Empire District Electric Company  
Allocation of Revenue and Expense

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	Basis of Allocation Reference	Total Company	On-System Wholesale Missouri	Kansas	Total	Missouri	Retail Kansas	Oklahoma	Arkansas
<b>Electric Operating Revenues:</b>									
24. Residential	58	110,584,151	0	0	110,584,151	97,889,093	6,576,695	3,609,640	2,508,723
Adjustments		8,391,694	0	0	8,391,694	8,391,694	0	0	0
Residential Adjusted		118,975,845	0	0	118,975,845	106,280,787	6,576,695	3,609,640	2,508,723
25. Commercial	58	82,237,020	0	0	82,237,020	75,231,963	3,148,312	1,850,381	2,006,365
Adjustments	0	1,971,741	0	0	1,971,741	1,971,741	0	0	0
Commercial Adjusted		84,208,761	0	0	84,208,761	77,203,704	3,148,312	1,850,381	2,006,365
26. Industrial	58	44,508,806	0	0	44,508,806	36,430,232	3,312,186	1,983,981	2,782,407
Adjustments		4,856,119	0	0	4,856,119	4,856,119	0	0	0
Industrial Adjusted		49,364,925	0	0	49,364,925	41,286,351	3,312,186	1,983,981	2,782,407
27. Public Street & Hwy Lighting	58	2,014,542	0	0	2,014,542	1,773,894	116,494	71,780	52,373
Adjustments		0	0	0	0	0	0	0	0
Public Street & Hwy Lighting Adjusted		2,014,542	0	0	2,014,542	1,773,894	116,494	71,780	52,373
28. Other Public Authorities	58	4,296,577	0	0	4,296,577	3,721,632	204,582	176,220	194,143
Adjustments		239,579	0	0	239,579	239,579	0	0	0
Other Public Authorities Adjusted		4,536,156	0	0	4,536,156	3,961,211	204,582	176,220	194,143
29. Interdepartmental	58	92,039	0	0	92,039	92,039	0	0	0
Adjustments		0	0	0	0	0	0	0	0
Interdepartmental Adjusted		92,039	0	0	92,039	92,039	0	0	0
30. On-System Wholesale	58	12,911,248	11,650,886	1,260,363	0	0	0	0	0
<b>Total On-System Revenue from</b>									
31. Sale of Electricity	58	256,844,383	11,650,888	1,260,363	243,733,134	215,138,852	13,358,269	7,692,002	7,544,012
Adjustments		15,459,133	0	0	15,459,133	15,459,133	0	0	0
Total On-System Revenue from Sale of Electricity Adjusted		272,103,516	11,650,888	1,260,363	259,192,267	230,597,985	13,358,269	7,692,002	7,544,012
Less Provision for Rate Refund		2,843,444	0	0	0	2,843,444	0	0	0
Total On-System Revenue Adjusted Less Provision for Rate Refund		269,260,072	11,650,888	1,260,363	259,192,267	227,754,541	13,358,269	7,692,002	7,544,012
32. Other Electric Operating Revenues	58	3,225,044	0	0	3,225,044	2,865,363	185,352	108,863	65,467
33. Total On-System Electric Revenues		257,025,983	11,650,888	1,260,363	246,958,179	215,160,771	13,543,621	7,800,864	7,609,479
%		100.0000%	4.5330%	0.4904%	94.9767%	83.7117%	5.2694%	3.0350%	2.9606%
Adjustments		15,459,133	0	0	15,459,133	15,459,133	0	0	0
Total On-System Electric Revenues Adjusted		272,485,116	11,650,888	1,260,363	262,417,312	230,619,904	13,543,621	7,800,864	7,609,479
34. Off-System Wholesale	22	6,163,331	369,472	43,412	5,750,447	5,008,920	376,718	189,588	175,222
Adjustments		0	0	0	(0)	0	0	0	0
Off-System Wholesale Adjusted		6,163,331	369,472	43,412	5,750,447	5,008,920	376,718	189,588	175,222
35. Total Electric Operating Revenues		263,189,315	12,020,358	1,303,774	252,708,626	220,169,690	13,920,339	7,990,452	7,784,701
Adjustments		15,459,133	0	0	15,459,133	15,459,133	0	0	0
Total Electric Operating Revenues Adjusted		278,648,448	12,020,358	1,303,774	268,167,759	235,628,823	13,920,339	7,990,452	7,784,701

The Empire District Electric Company  
Allocation of Revenue and Expense

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	Basis of Allocation Reference	Total Company	On-System Wholesale					Retail		
			Missouri	Kansas	Total	Missouri	Kansas		Oklahoma	Arkansas
Electric Operating Expenses:										
36. Production Expense:										
Off-System Wholesale	22	2,901,631	189,183	19,322	2,693,125	2,374,338	155,490		78,166	85,131
Adjustments		0	0	0	0	0	0		0	0
Off-System Wholesale Adjusted		2,901,631	189,183	19,322	2,693,125	2,374,338	155,490		78,166	85,131
a. Variable Production Expense	21	101,779,150	6,635,899	677,756	94,465,495	83,283,553	5,454,037		2,741,809	2,986,097
Adjustments	0	(5,271,536)	(120,687)	(35,104)	(5,115,746)	(4,536,590)	(282,486)		(142,009)	(154,662)
Variable Production Expense Adjusted		96,507,613	6,515,212	642,652	89,349,749	78,746,963	5,171,551		2,599,800	2,831,435
b. Fixed Production Expense	22	31,752,288	1,903,449	223,649	29,625,189	25,804,982	1,940,778		976,719	902,710
Adjustments		(4,197,850)	(251,648)	(29,568)	1,726,261	2,231,316	(256,583)		(129,128)	(119,344)
Fixed Production Expense Adjusted		27,554,438	1,651,801	194,081	31,351,450	28,036,298	1,684,195		847,591	783,366
c. Total On-System Production Expense		133,531,437	8,539,348	901,404	124,090,685	109,088,535	7,394,815		3,718,527	3,888,807
Adjustments		(9,469,386)	(372,335)	(64,671)	(3,389,485)	(2,305,274)	(539,089)		(271,137)	(274,005)
Total On-System Production Expense Adjusted		124,062,051	8,167,014	836,733	120,701,199	106,783,261	6,855,746		3,447,390	3,614,802
37. Transmission Expense	2	3,581,468	214,698	25,226	3,341,544	2,910,648	218,908		110,168	101,820
Adjustments		36,030	2,160	254	33,617	29,282	2,202		1,108	1,024
Transmission Expense Adjusted		3,617,499	216,858	25,480	3,375,161	2,939,930	221,110		111,276	102,845
38. Distribution Expense	3	11,997,663	65,079	6,033	11,926,551	10,666,515	693,366		328,011	238,660
Adjustments		230,371	1,250	116	229,005	204,811	13,314		6,298	4,583
Distribution Expense Adjusted		12,228,034	66,328	6,149	12,155,557	10,871,326	706,679		334,309	243,243
39. Customer Accounts Expense	56	7,173,156	143	190	7,172,823	6,247,560	488,733		258,001	178,528
Adjustments		117,520	2	3	117,515	102,356	8,007		4,227	2,925
Customer Accounts Expense Adjusted		7,290,677	145	194	7,290,338	6,349,916	496,741		262,228	181,453
40. Customer Assistance Expense	56	869,018	17	23	868,978	756,884	59,209		31,256	21,628
Adjustments		21,654	0	1	21,653	18,859	1,475		779	539
Customer Assistance Expense Adjusted		890,672	18	24	890,631	775,743	60,685		32,035	22,167
41. Sales Expense	33	464,111	0	0	459,082	407,874	23,953		13,797	13,458
Adjustments		15,998	0	0	15,824	14,059	826		476	464
Sales Expense Adjusted		480,109	0	0	474,907	421,934	24,779		14,272	13,922
42. Subtotal		160,518,486	9,008,468	952,200	150,552,789	132,452,354	9,034,475		4,537,927	4,528,033
Less Off-System Wholesale		2,901,631	189,183	19,322	2,693,125	2,374,338	155,490		78,166	85,131
System Subtotal		157,616,855	8,819,285	932,878	147,859,664	130,078,016	8,878,985		4,459,760	4,442,902
%		100.0000	5.5985	0.5919	93.8096	82.5280	5.6333		2.8295	2.8188
Adjustments		(9,047,813)	(368,922)	(64,298)	(2,971,871)	(1,935,907)	(513,245)		(258,249)	(264,471)
System Subtotal Adjusted		148,569,042	8,450,363	868,580	144,887,792	128,142,109	8,365,740		4,201,511	4,178,432

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	Basis of Allocation Reference	Total Company	On-System Missouri	Wholesale Kansas	Total	Missouri	Retail Kansas	Oklahoma	Arkansas
43. Administrative and General Expenses:									
a. Research and Development Adjustments	58	(25,008)	0	0	(25,008)	(21,802)	(1,450)	(859)	(898)
Research and Development Adjusted		(25,008)	0	0	(25,008)	(21,802)	(1,450)	(859)	(898)
b. Franchise Requirements Adjustments	58	0	0	0	0	0	0	0	0
Franchise Requirements Adjusted		0	0	0	0	0	0	0	0
c. Regulatory Commission Adjustments	58	578,260	13,423	17,898	546,939	476,970	35,190	6,435	28,344
Regulatory Commission Adjusted		523,626			523,626	523,626	0	0	
		1,101,886	13,423	17,898	1,070,565	1,000,596	35,190	6,435	28,344
d. Other Administrative & General Adjustments	42	13,014,123	246,380	76,085	12,691,658	11,224,796	732,809	368,038	366,016
Other Administrative & General Adjusted		3,543,752	84,092	25,968	3,433,692	2,933,039	250,114	125,614	124,924
		16,557,875	330,472	102,053	16,125,350	14,157,835	982,923	493,652	490,940
e. Total Administrative & General Expense Adjustments		13,567,375	259,803	93,982	13,213,589	11,679,964	766,550	373,614	393,462
Total Administrative & General Adjusted		4,067,378	84,092	25,968	3,957,318	3,456,665	250,114	125,614	124,924
		17,634,752	343,895	119,951	17,170,907	15,136,629	1,016,664	499,228	518,386
44. Total System Electric Operating Expense Adjustments		171,184,230	9,079,068	1,026,860	161,073,253	141,757,980	9,645,535	4,833,374	4,836,364
Adjusted System Electric Operating Expense Plus Off-System Wholesale		(4,980,436)	(284,831)	(38,330)	985,446	1,520,758	(263,131)	(132,635)	(139,546)
Total Adjusted System Electric Operating Expense		166,203,794	8,794,257	988,530	162,058,699	143,278,738	9,382,404	4,700,739	4,696,818
		2,901,631	189,183	19,322	2,693,125	2,374,338	155,490	78,166	85,131
		169,105,425	8,983,441	1,007,852	164,751,824	145,653,076	9,537,894	4,778,906	4,781,949
Depreciation and Amortization Expense:									
45. Production Adjustments	1	10,708,989	641,970	75,429	9,991,589	8,703,161	654,560	329,415	304,454
Production Adjusted		(2,083,018)	(124,870)	(14,672)	(1,943,476)	(1,692,862)	(127,319)	(64,075)	(59,220)
		8,625,970	517,100	60,757	8,048,113	7,010,298	527,241	265,340	245,234
46. Transmission Adjustments	2	3,288,731	197,149	23,164	3,068,418	2,672,741	201,015	101,163	93,498
Transmission Adjusted		(582,309)	(34,908)	(4,102)	(543,300)	(473,241)	(35,592)	(17,912)	(16,555)
		2,706,422	162,241	19,063	2,525,118	2,199,500	165,423	83,251	76,943
47. Distribution Adjustments	23	13,332,896	72,208	6,636	13,254,054	11,851,240	771,766	365,329	265,719
Distribution Adjusted		(2,572,564)	(154,217)	(18,120)	(2,400,227)	(2,284,774)	(63,517)	(30,067)	(21,869)
		10,760,332	(82,011)	(11,484)	10,853,826	9,566,466	708,249	335,262	243,850
48. General Adjustments	5	1,400,323	52,312	6,068	1,341,943	1,182,337	83,659	41,090	34,857
General Adjusted		127,647	7,652	899	119,096	107,776	5,933	2,914	2,472
		1,527,970	59,964	6,968	1,461,039	1,290,114	89,592	44,004	37,330
49. Amortization of Electric Plant Adjustments	4	662,236	24,739	2,870	634,627	559,147	39,564	19,432	16,485
Amortization of Electric Plant Adjusted		662,236	24,739	2,870	634,627	559,147	39,564	19,432	16,485
50. Total Depreciation Expense Adjustments		29,393,175	988,376	114,168	28,290,631	24,968,626	1,750,564	856,429	715,013
Total Depreciation Expense Adjusted		(5,110,244)	(306,343)	(35,994)	(4,767,907)	(4,343,100)	(220,495)	(109,140)	(95,171)
		24,282,931	682,033	78,174	23,522,724	20,625,525	1,530,068	747,289	619,841



The Empire District Electric Company  
Allocation of Revenue and Expense

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	Basis of Allocation Reference	Total Company	On-System Wholesale					Retail		
			Missouri	Kansas	Total	Missouri	Kansas		Oklahoma	Arkansas
51. Taxes Other Than Income Taxes:										
a. Property Taxes	7	6,636,937	247,934	28,762	6,360,240	5,603,775	396,507		194,749	165,210
Adjustments		2,175,966	81,287	9,430	2,085,249	1,837,237	129,998		63,850	54,165
Property Taxes Adjusted		8,812,903	329,221	38,191	8,445,490	7,441,012	526,504		258,598	219,375
b. Payroll Taxes	42	1,800,462	100,743	10,656	1,689,005	1,485,885	101,425		50,944	50,751
Adjustments		215,357	10,128	1,071	204,152	183,732	10,196		5,121	5,102
Payroll Taxes Adjusted		2,015,818	110,871	11,728	1,893,157	1,669,617	111,621		56,065	55,853
c. Other Taxes	58	5,035,957	0	0	5,035,438	4,558,539	250,236		122,342	104,321
Adjustments										
Other Taxes Adjusted		5,035,957	0	0	5,035,438	4,558,539	250,236		122,342	104,321
Total Taxes Other Than Income Taxes		13,473,355	348,677	39,418	13,084,684	11,648,199	748,168		368,035	320,282
Adjustments		2,391,323	91,415	10,501	2,289,401	2,020,969	140,194		68,971	59,267
Total Taxes Other Than Income Taxes Adjusted		15,864,678	440,092	49,919	15,374,085	13,669,168	888,362		437,006	379,549
52. Net Elec Operating Income Before Inc Tax		46,236,924	1,415,033	104,006	47,566,933	39,420,548	1,620,583		1,854,447	1,827,911
Less Off-System Wholesale		3,261,701	180,289	24,090	3,057,322	2,634,581	221,228		111,421	90,091
System Net Electric Operating Income		42,975,223	1,234,744	79,917	44,509,611	36,785,967	1,399,354		1,743,026	1,737,820
Adjustments		23,158,490	499,759	63,823	16,952,193	16,260,506	343,432		172,804	175,451
Net On-System Electric Operating Income Before Income Taxes Adjusted		66,133,713	1,734,503	143,740	61,461,804	53,046,473	1,742,786		1,915,830	1,913,271
53. State Income Taxes	60	34,240	1,048	77	33,119	29,192	1,200		1,373	1,354
Less Off-System Wholesale		2,309	74	10	2,225	1,876	80		187	81
System State Income Taxes		31,931	974	67	30,894	27,316	1,120		1,186	1,272
Adjustments		1,114,589	10,681	785	1,103,165	1,063,137	12,233		13,998	13,798
System State Income Taxes Adjusted		1,146,520	11,655	852	1,134,059	1,090,453	13,353		15,184	15,070
54. Federal Income Taxes	60	1,617,439	42,320	3,514	1,431,771	1,296,200	42,423		46,599	46,549
Less Off-System Wholesale		(1,554)	(50)	(7)	(1,497)	(1,263)	(54)		(126)	(55)
System Federal Income Taxes		1,618,993	42,370	3,520	1,433,269	1,297,463	42,477		46,725	46,603
Adjustments		9,271,705	76,624	6,362	8,935,539	8,690,077	76,810		84,371	84,280
System Federal Income Taxes Adjusted		10,890,698	118,994	9,882	10,368,808	9,987,540	119,288		131,096	130,884
55. Net Electric Operating Income		44,585,244	1,371,665	100,416	46,102,043	38,095,155	1,576,959		1,806,475	1,780,009
Less Off-System Wholesale		3,260,945	180,265	24,086	3,056,594	2,633,968	221,202		111,360	90,065
System Net Electric Operating Income		41,324,299	1,191,401	76,329	43,045,448	35,461,188	1,355,757		1,695,115	1,689,944
Adjustments		(12,772,196)	(412,454)	(56,676)	(6,913,489)	(6,507,292)	(254,389)		(74,435)	(77,373)
System Net Electric Operating Income Adjusted		54,096,495	1,603,855	133,005	49,958,937	41,968,480	1,610,146		1,769,550	1,767,317

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[illegible]

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

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Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting
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RATE BASE														
1	Electric Plant in Service	895,428,657	484,966,763	98,666,359	25,691,641	114,842,589	990,568	5,061,993	60,856,321	491,924	77,157,341	82,527	26,620,623	3 14
2	Depreciation Reserve	(293,326,906)	(160,874,770)	(32,592,567)	(8,366,658)	(36,728,364)	(301,529)	(1,568,362)	(19,448,825)	(159,627)	(24,288,013)	(26,832)	(9,172,368)	4 18
3	Total Rate Base Adjustments	(54,028,506)	(29,836,697)	(6,474,574)	(1,652,272)	(6,570,754)	(64,731)	(239,723)	(3,643,579)	(29,533)	(3,982,009)	(4,468)	(1,530,167)	6 21+25
4	Total Rate Base	548,073,245	294,455,296	59,599,218	15,672,711	71,545,471	624,308	3,253,908	37,762,917	302,764	48,887,319	51,227	15,918,088	(sum 1..3)
OPERATING EXPENSES														
5	Total O & M Expenses	145,834,656	69,528,897	14,276,994	4,140,311	23,382,820	104,990	1,659,331	10,953,554	62,391	19,199,518	14,545	2,511,508	9 18
6	Total Depreciation Exp.	22,017,847	12,210,497	2,451,893	619,884	2,706,432	20,475	112,887	1,421,411	11,865	1,767,628	1,975	692,899	9 28
7	Total Other Tax & Misc.	9,283,605	5,083,799	1,017,015	261,385	1,182,706	9,321	53,339	817,003	5,056	791,137	831	262,012	9 39
8	Total Op Exp Ex Inc Tax	177,136,108	86,823,193	17,745,902	5,021,580	27,271,758	134,786	1,825,557	12,991,868	79,312	21,758,283	17,351	3,468,419	(sum 5..7)
9	Net Federal Income Tax	9,986,278	5,365,181	1,085,939	285,568	1,303,808	11,375	59,288	688,067	5,517	890,781	933	290,039	(sum 1..4)
10	Net State Income Tax	1,092,329	586,860	118,783	31,236	142,953	1,244	6,485	75,263	603	97,434	102	31,725	10 2
11	Tax on Increase	7,635,661	4,102,300	830,326	218,349	996,759	8,698	45,333	526,106	4,218	681,090	714	221,768	10 3
12	Interruptible Credit	342,912	163,843	34,497	10,425	54,729	652	3,189	29,113	206	41,458	34	4,766	
13	Total Operating Expenses	196,193,287	97,041,377	19,815,447	5,567,158	29,769,447	156,755	1,939,852	14,310,517	89,856	23,469,026	19,134	4,014,717	(sum 9..11a)
14	Return On Rate Base	54,533,288	29,298,302	5,930,122	1,559,435	7,118,774	82,119	323,764	3,757,410	30,125	4,864,288	5,097	1,583,850	6 31
15	Other Operating Revenues	7,874,282	3,734,063	973,028	267,791	1,196,853	11,743	57,492	654,902	6,337	853,137	629	118,308	10 16
16	TOTAL COST OF SERVICE	242,852,293	122,605,616	24,772,541	6,858,802	35,691,368	207,131	2,206,124	17,413,025	113,644	27,480,177	23,602	5,480,259	13+14+15
17	Other Retail Revenues	0	0	0	0	0	0	0	0	0	0	0	0	
18	Revenue Credits	1,578,503	704,871	115,818	24,688	58,281	0	0	33,911	366	0	146	640,522	10 27
19	NET COST OF SERVICE	241,273,790	121,900,745	24,656,723	6,834,214	35,633,087	207,131	2,206,124	17,379,114	113,278	27,480,177	23,456	4,839,737	16-17-18
20	Proposed Rate Revenues	241,273,821	110,257,162	28,430,178	6,415,579	41,998,566	97,850	2,459,621	18,084,796	131,212	28,909,361	32,365	4,477,131	12 27
21	Net COS less Proposed Revenue	(31)	11,643,583	(3,773,455)	418,635	(6,365,479)	109,281	(253,497)	(685,682)	(17,934)	(1,429,184)	(8,909)	362,606	19-20
22	Return On Proposed Rates	54,533,307	22,124,530	8,254,999	1,301,508	11,040,633	(5,210)	479,947	4,179,868	41,174	5,744,828	10,586	1,360,443	14-21+(10,5)
23	Rate of Return on Proposed Rates	9.95%	7.51%	13.85%	8.30%	15.43%	-0.83%	14.75%	11.07%	13.60%	11.75%	20.66%	8.55%	22/4
24	Allowed Rate Of Return	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	10 44
25	Proposed Rev less Present Rev	19,890,426	9,089,515	2,343,782	528,895	3,462,328	8,067	202,769	1,489,248	10,817	2,383,265	2,668	369,091	20-27
26	% Increase (Prop Incr/Pres Rev)	8.9846%	8.9846%	8.9848%	8.9846%	8.9846%	8.9850%	8.9846%	8.9846%	8.9846%	8.9846%	8.9841%	8.9846%	25/27
27	Present Rate Revenues	221,383,395	101,167,647	26,086,416	5,886,684	38,536,237	89,783	2,256,852	16,575,548	120,395	26,526,096	29,697	4,108,040	12 25
28	Return On Present Rates	42,278,554	12,667,504	8,190,141	830,254	11,018,683	(46,531)	419,825	3,479,950	41,460	4,591,297	12,052	1,073,921	14-30+11
29	Rate of Return On Present Rates	7.71%	4.30%	13.74%	5.30%	15.40%	-7.45%	12.90%	9.22%	13.69%	9.39%	23.53%	6.75%	27/4
30	COS less Present Revenue	19,890,395	20,733,098	(1,429,693)	947,530	(2,903,150)	117,348	(50,728)	803,566	(7,117)	954,081	(8,241)	731,697	19-27
31	% Increase (COS / Present Rev)	8.9846%	20.4938%	-5.4806%	16.0962%	-7.5336%	130.7019%	-2.2477%	4.8479%	-5.9116%	3.5968%	-21.0156%	17.8113%	30/27
32	Equal % Increase Rate Rev	241,273,790	110,257,147	28,430,174	6,415,579	41,998,561	97,850	2,459,621	18,064,793	131,212	28,909,357	32,365	4,477,131	13 25
33	Equal % Increase less COS	(0)	11,643,598	(3,773,451)	418,635	(6,365,474)	109,281	(253,496)	(685,679)	(17,934)	(1,429,180)	(8,909)	362,606	19-32
34	Return on Eq % Incr Rates	54,533,301	22,124,521	8,254,997	1,301,508	11,040,630	(5,210)	479,946	4,179,866	41,174	5,744,825	10,586	1,360,444	14-33+(10,6)
35	ROR on Eq % Incr Rates	9.95%	7.51%	13.85%	8.30%	15.43%	-0.83%	14.75%	11.07%	13.60%	11.75%	20.67%	8.55%	34/4
36	Equal % Incr Rev less Present Rev	19,890,395	9,089,500	2,343,758	528,895	3,462,324	8,067	202,769	1,489,245	10,817	2,383,261	2,668	369,091	32-27
37	% Increase (Eq % Incr / Present)	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	8.985%	36/27

Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule I

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Prvgair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 2 of 14
GROSS PLANT IN SERVICE														
PRODUCTION PLANT														
1 Production Plant	1	353,803,586	169,047,354	35,592,641	10,755,629	56,467,052	672,227	3,290,373	30,037,924	212,282	42,774,854	35,380	4,917,870	
2 Total Production Plant		353,803,586	169,047,354	35,592,641	10,755,629	56,467,052	672,227	3,290,373	30,037,924	212,282	42,774,854	35,380	4,917,870	
TRANSMISSION PLANT														
3 Assigned Trans. Plant	22	6,988	0	0	0	0	0	6,988	0	0	0	0	0	
4 Other Trans. Plant	2	123,758,914	59,132,009	12,450,147	3,762,271	19,751,923	235,142	1,150,958	10,507,132	74,255	14,962,453	12,376	1,720,249	
5 Total Transmission Plant		123,765,902	59,132,009	12,450,147	3,762,271	19,751,923	235,142	1,157,946	10,507,132	74,255	14,962,453	12,376	1,720,249	
6 Total P & T Plant		477,569,488	228,179,363	48,042,788	14,517,900	76,218,975	907,369	4,448,319	40,545,056	286,537	57,737,307	47,756	6,638,119	
DISTRIBUTION PLANT														
7 Acct 360	4	1,367,474	677,350	141,797	42,169	206,939	3,252	11,146	116,693	989	146,175	79	20,884	
8 Acct 361	4	7,904,935	3,915,545	819,681	243,768	1,196,250	18,801	64,433	674,566	5,718	844,992	456	120,725	
9 Acct 362 Spec Assn.	22	252,799	0	0	0	0	0	252,799	0	0	0	0	0	
10 Acct 362 Other	4a	45,348,625	22,701,529	4,752,345	1,413,319	6,935,614	0	0	3,910,993	33,151	4,899,093	2,643	699,937	
11 Total Acct 362		45,601,424	22,701,529	4,752,345	1,413,319	6,935,614	0	252,799	3,910,993	33,151	4,899,093	2,643	699,937	
12 Acct 364 Spec Assn.	23	3,326	0	0	0	0	0	3,326	0	0	0	0	0	
13 Pri -Demand	5	36,419,455	18,233,526	3,815,704	1,135,151	5,568,671	0	0	3,140,915	26,668	3,934,377	2,100	562,343	
14 -Cust	8	15,675,317	13,072,939	1,969,767	295,305	145,405	0	0	78,914	2,011	4,259	118	106,599	
15 Sec -Demand	6	9,309,189	5,226,052	1,093,023	325,357	1,595,158	0	0	900,089	7,648	0	608	161,253	
16 -Cust	9	11,968,957	9,984,813	1,504,433	225,543	111,055	0	0	60,271	1,536	0	90	81,416	
17 Total Acct 364		73,376,245	46,517,130	8,382,927	1,981,356	7,420,289	0	3,326	4,180,189	37,863	3,938,636	2,917	911,611	
18 Acct 365 Spec Assn.	22	8,281	0	0	0	0	0	8,281	0	0	0	0	0	
19 Pri -Demand	5	41,482,824	20,768,519	4,346,199	1,292,970	6,342,879	0	0	3,577,594	30,375	4,481,370	2,392	640,525	
20 -Cust	8	23,875,336	19,911,610	3,000,185	449,784	221,468	0	0	120,195	3,063	6,487	180	162,362	
21 Sec -Demand	6	5,797,600	3,254,694	680,715	202,626	993,436	0	0	560,560	4,763	0	379	100,426	
22 -Cust	9	11,576,088	9,656,878	1,455,051	218,140	107,409	0	0	58,293	1,486	0	87	78,744	
23 Total Acct 365		82,740,129	53,591,701	9,482,150	2,163,520	7,665,192	0	8,281	4,316,642	39,687	4,487,857	3,038	982,057	
24 Acct 366 Pri -Demand	5	2,354,526	1,178,801	246,686	73,388	360,016	0	0	203,061	1,724	254,358	136	36,356	
25 -Cust	8	5,968,294	4,977,452	749,978	112,436	55,362	0	0	30,046	766	1,622	45	40,587	
26 Sec -Demand	6	771,717	433,232	90,610	26,972	132,236	0	0	74,616	634	0	51	13,368	
27 -Cust	9	3,709,801	3,094,750	466,302	69,907	34,422	0	0	18,681	476	0	28	25,235	
28 Total Acct 366		12,804,338	9,684,235	1,553,576	282,703	582,036	0	0	326,404	3,600	255,980	260	115,546	
29 Acct 367 Pri -Demand	5	4,906,907	2,456,660	514,102	152,942	750,284	0	0	423,185	3,593	530,091	283	75,766	
30 -Cust	8	12,438,116	10,373,170	1,562,979	234,320	115,376	0	0	62,617	1,596	3,380	94	84,584	
31 Sec -Demand	6	1,608,284	902,869	188,834	56,210	275,584	0	0	155,502	1,321	0	105	27,859	
32 -Cust	9	7,731,344	6,449,557	971,788	145,689	71,736	0	0	38,932	992	0	58	52,591	
33 Total Acct 367		26,684,650	20,182,256	3,237,703	589,161	1,212,980	0	0	680,236	7,502	533,471	540	240,800	
34 Acct 368 - Spec. Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
35 -Demand	33	18,496,371	11,296,625	2,140,235	760,846	2,533,101	0	0	1,540,581	15,616	0	952	208,414	
36 -Cust	36	34,868,808	29,077,998	4,381,331	656,844	323,422	0	0	175,527	4,474	0	12,105	237,106	
37 Total Acct 368		53,365,179	40,374,623	6,521,566	1,417,690	2,856,523	0	0	1,716,108	20,090	0	13,057	445,520	
38 Acct 369	13	35,762,616	25,798,557	5,665,279	849,333	2,996,244	0	0	434,790	11,082	0	7,332	0	
39 Acct 370 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
40 Acct 370 Other	14	11,851,867	7,201,400	2,285,587	436,641	1,178,982	7,304	665	575,426	16,672	149,190	0	0	
41 TOTAL Acct 370		11,851,867	7,201,400	2,285,587	436,641	1,178,982	7,304	665	575,426	16,672	149,190	0	0	
42 Acct 371	28	9,905,095	0	2,462,159	369,124	181,752	444	148	98,640	2,514	5,324	0	6,784,990	
43 Acct 373	29	8,225,398	0	0	0	0	0	0	0	0	0	0	8,225,398	
44 Total Distribution Plant		369,589,350	230,644,326	45,304,770	9,788,784	32,432,801	29,801	340,798	17,030,687	178,868	15,260,718	30,322	18,547,468	

Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule I

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 3 of 14
1 Dist. Plant minus land		368,221,876	229,966,976	45,162,973	9,746,615	32,225,862	26,549	329,652	16,913,994	177,879	15,114,543	30,243	18,526,584	
2 PIS Acct 364,365,368		209,481,552	140,483,454	24,386,643	5,562,566	17,942,004	0	11,607	10,212,939	97,640	8,426,493	18,012	2,339,188	
3 Sec PIS Acct 364,365,368		92,017,014	68,496,860	11,254,788	2,389,356	5,663,581	0	0	3,295,321	35,523	0	14,222	867,359	
4 PIS Acct 366,367		39,488,989	29,866,491	4,791,279	871,864	1,795,016	0	0	1,006,640	11,102	789,451	800	356,346	
5 PIS Acct 364,365		156,116,373	100,108,831	17,865,077	4,144,876	15,085,481	0	11,607	8,496,831	77,550	8,426,493	5,955	1,893,668	
6 Total T & D Plant		493,355,251	289,776,335	57,754,917	13,551,055	52,184,724	264,943	1,498,744	27,537,819	253,123	30,223,171	42,698	20,267,717	
7 Total PTD Plant		847,158,838	458,823,689	93,347,558	24,306,684	108,651,776	937,170	4,789,117	57,575,743	465,405	72,998,025	78,078	25,185,587	
8 Prod/Trans land	1	8,111,801	3,875,818	816,047	246,599	1,294,643	15,412	75,440	688,692	4,867	980,717	811	112,754	
9 Total PTD minus land		837,679,563	454,270,521	92,369,714	24,017,916	107,150,194	918,506	4,702,531	56,770,358	459,549	71,871,133	77,188	25,051,949	
GENERAL & INTANGIBLE PLANT														
10 Production Related	38	20,159,189	9,632,060	2,028,014	612,839	3,217,407	38,302	187,480	1,711,515	12,096	2,437,246	2,016	280,213	
11 Transmission Related	39	7,051,992	3,369,252	709,390	214,368	1,125,434	13,398	65,978	598,680	4,231	852,538	705	98,017	
12 Distribution Related	40	21,058,638	13,141,762	2,581,397	557,750	1,847,972	1,698	19,418	970,383	10,192	869,532	1,728	1,056,806	
13 Total General & Intangible Plant		48,269,819	26,143,074	5,318,801	1,384,957	6,190,813	53,398	272,876	3,280,578	26,519	4,159,316	4,449	1,435,036	
14 TOTAL PLANT IN SERVICE		895,428,657	484,966,763	98,666,359	25,691,641	114,842,589	990,568	5,081,993	60,856,321	491,924	77,157,341	82,527	26,620,623	
Classification of Plant														
15 Demand		690,843,030	337,413,705	70,683,024	21,397,068	108,984,145	982,379	5,061,134	59,004,144	442,597	76,977,378	61,242	9,836,215	
16 Energy														
17 Customer		204,585,619	147,553,058	27,983,335	4,294,573	5,858,444	8,189	859	1,852,177	49,327	179,963	21,285	16,784,408	
DEPRECIATION RESERVE														
PRODUCTION RESERVE														
18 Production Depreciation	1	106,449,468	50,861,556	10,708,816	3,236,064	16,989,335	202,254	989,980	9,037,560	63,870	12,869,741	10,645	1,479,648	
19 Total Prod Depr Reserve		106,449,468	50,861,556	10,708,816	3,236,064	16,989,335	202,254	989,980	9,037,560	63,870	12,869,741	10,645	1,479,648	
TRANSMISSION RESERVE														
20 Spec Assgn Trans Plant	22	6,975	0	0	0	0	0	6,975	0	0	0	0	0	
21 Transmission Depreciation	2	36,368,098	17,376,677	3,658,631	1,105,590	5,804,348	69,099	338,223	3,087,652	21,821	4,396,903	3,637	505,517	
22 Total Trans Depr Reserve		36,375,073	17,376,677	3,658,631	1,105,590	5,804,348	69,099	345,198	3,087,652	21,821	4,396,903	3,637	505,517	
DISTRIBUTION RESERVE														
23 Acct 360	4	0	0	0	0	0	0	0	0	0	0	0	0	
24 Acct 361	4	2,796,937	1,385,405	290,021	86,251	423,259	6,652	22,798	238,676	2,023	298,977	161	42,715	
25 Acct 362 Spec Assn.	22	91,380	0	0	0	0	0	91,380	0	0	0	0	0	
26 Acct 362 Other	4a	16,043,393	8,031,325	1,681,280	500,003	2,453,675	0	0	1,383,627	11,728	1,733,196	935	247,623	
27 Total Acct 362		16,134,773	8,031,325	1,681,280	500,003	2,453,675	0	91,380	1,383,627	11,728	1,733,196	935	247,623	
28 Acct 364 Spec Assn.	22	3,326	0	0	0	0	0	3,326	0	0	0	0	0	
29 Pri -Demand	5	12,884,926	6,450,883	1,349,967	401,608	1,970,154	0	0	1,111,232	9,435	1,381,953	743	198,953	
30 -Cust	8	5,545,808	4,825,106	696,889	104,477	51,443	0	0	27,919	712	1,507	42	37,714	
31 Sec -Demand	6	3,293,520	1,848,938	386,703	115,109	564,355	0	0	318,445	2,706	0	216	57,050	
32 -Cust	9	4,234,526	3,532,480	532,257	79,795	39,290	0	0	21,324	543	0	32	28,804	
33 Total Acct 364		25,962,107	16,457,407	2,965,816	700,989	2,625,242	0	3,326	1,478,920	13,396	1,393,460	1,033	322,521	
34 Acct 365 Spec Assn.	22	8,281	0	0	0	0	0	8,281	0	0	0	0	0	
35 Pri -Demand	5	14,674,840	7,347,009	1,537,498	457,397	2,243,838	0	0	1,265,599	10,745	1,585,316	846	226,590	
36 -Cust	8	8,446,067	7,043,872	1,061,336	159,114	78,346	0	0	42,520	1,084	2,295	64	57,437	
37 Sec -Demand	6	2,050,942	1,151,371	240,808	71,681	351,435	0	0	198,302	1,685	0	134	35,526	
38 -Cust	9	4,095,122	3,416,188	514,735	77,168	37,997	0	0	20,622	526	0	31	27,856	
39 Total Acct 365		29,275,252	18,958,440	3,354,377	765,360	2,711,616	0	8,281	1,527,043	14,040	1,587,611	1,075	347,409	
40 Acct 366 Pri -Demand	5	833,082	417,086	87,283	25,966	127,381	0	0	71,847	610	89,997	48	12,863	
41 -Cust	8	2,111,712	1,761,131	265,359	39,782	19,588	0	0	10,631	271	574	16	14,361	
42 Sec -Demand	6	273,050	153,287	32,060	9,543	46,788	0	0	26,401	224	0	18	4,730	
43 -Cust	9	1,312,608	1,094,990	164,988	24,735	12,179	0	0	6,610	168	0	10	8,929	
44 Total Acct 366		4,530,453	3,426,494	549,690	100,026	205,936	0	0	115,489	1,273	90,571	92	40,883	
45 Acct 367 Pri -Demand	5	1,736,170	869,220	181,900	54,114	265,467	0	0	149,732	1,271	187,558	100	26,808	
46 -Cust	8	4,400,875	3,670,253	553,016	82,908	40,823	0	0	22,155	565	1,196	33	29,928	
47 Sec -Demand	6	569,046	319,455	68,814	19,888	97,508	0	0	55,020	468	0	37	9,857	
48 -Cust	9	2,735,517	2,281,993	343,840	51,548	25,382	0	0	13,775	351	0	21	18,608	
49 Total Acct 367		9,441,608	7,140,921	1,145,570	208,458	429,180	0	0	240,682	2,655	188,754	191	85,201	

Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule 1

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Proxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 4 of 14
1 Acct 368 - Spec. Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
2 -Demand	33	6,544,417	3,996,991	757,261	269,204	896,266	0	0	545,091	5,525	0	337	73,741	
3 -Cust	36	12,337,341	10,288,426	1,550,210	232,406	114,434	0	0	62,105	1,583	0	4,283	83,893	
4 Total Acct 368		18,881,758	14,285,417	2,307,471	501,610	1,010,700	0	0	607,196	7,108	0	4,620	157,634	
5 Acct 368	13	12,653,589	9,128,089	2,004,499	300,512	1,060,136	0	0	153,838	3,921	0	2,594	0	
6 Acct 370 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
7 Acct 370 Other	14	4,193,447	2,548,012	808,690	154,493	417,150	2,584	235	203,598	5,899	52,787	0	0	
8 Total Acct 370		4,193,447	2,548,012	808,690	154,493	417,150	2,584	235	203,598	5,899	52,787	0	0	
9 Acct 371	28	3,504,638	0	871,165	130,604	64,308	157	52	34,901	890	1,884	0	2,400,677	
10 Acct 373	29	2,910,324	0	0	0	0	0	0	0	0	0	0	2,910,324	
11 Total Dist Depr Reserve		130,284,887	81,361,510	15,978,579	3,448,306	11,401,202	9,393	126,072	5,983,970	62,933	5,347,240	10,701	6,554,987	
GENERAL PLANT														
12 Production Related	38	7,880,137	3,765,130	792,742	239,556	1,257,670	14,972	73,285	669,024	4,728	952,709	788	109,534	
13 Transmission Related	39	2,692,738	1,286,518	270,874	81,855	429,737	5,116	25,193	228,601	1,616	325,534	269	37,427	
14 Distribution Related	41	9,644,602	6,023,379	1,182,925	255,287	844,072	695	8,634	443,018	4,659	395,886	792	485,255	
Total Gen / Int Depr Reserve		20,217,478	11,075,027	2,246,541	576,698	2,531,479	20,783	107,112	1,340,643	11,003	1,674,129	1,849	632,216	
16 TOTAL DEPRECIATION RESERVE		293,326,906	160,674,770	32,592,567	8,366,658	36,726,364	301,529	1,568,362	19,449,825	159,627	24,288,013	26,832	9,172,368	
NET PLANT														
NET PRODUCTION PLANT														
17 Production Plant		247,354,118	118,185,798	24,883,825	7,519,565	39,477,717	469,973	2,300,393	21,000,364	148,412	29,905,113	24,735	3,438,222	
18 Total Net Prod Plant		247,354,118	118,185,798	24,883,825	7,519,565	39,477,717	469,973	2,300,393	21,000,364	148,412	29,905,113	24,735	3,438,222	
NET TRANSMISSION PLANT														
19 Assigned Trans. Plant	13	0	0	0	0	0	0	13	0	0	0	0	0	
20 Other Trans. Plant		87,390,816	41,755,332	8,791,516	2,656,681	13,947,575	166,043	812,735	7,419,480	52,434	10,565,550	8,739	1,214,732	
21 Total Net Trans Plant		87,390,829	41,755,332	8,791,516	2,656,681	13,947,575	166,043	812,748	7,419,480	52,434	10,565,550	8,739	1,214,732	
22 Total P & T Plant		334,744,947	159,941,130	33,675,341	10,176,246	53,425,292	636,016	3,113,141	28,419,844	200,846	40,470,663	33,474	4,652,954	
NET DISTRIBUTION PLANT														
23 Acct 360		1,367,474	677,350	141,797	42,169	206,939	3,252	11,146	116,693	989	146,175	79	20,884	
24 Acct 361		5,107,997	2,530,140	529,660	157,517	772,991	12,149	41,635	435,890	3,695	546,015	295	78,010	
25 Acct 362 Spec Assn.		161,419	0	0	0	0	0	161,419	0	0	0	0	0	
26 Acct 362 Other		29,305,232	14,670,204	3,071,065	913,316	4,481,939	0	0	2,527,366	21,423	3,165,897	1,708	452,314	
27 Total Acct 362		29,466,651	14,670,204	3,071,065	913,316	4,481,939	0	161,419	2,527,366	21,423	3,165,897	1,708	452,314	
28 Acct 364 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
29 Pri -Demand		23,534,529	11,782,643	2,465,737	733,543	3,598,517	0	0	2,029,683	17,233	2,542,424	1,357	363,390	
30 -Cust		10,129,509	8,447,833	1,272,878	190,828	93,962	0	0	50,995	1,299	2,752	76	68,885	
31 Sec -Demand		6,015,669	3,377,114	706,320	210,248	1,030,803	0	0	581,644	4,942	0	393	104,203	
32 -Cust		7,734,431	6,452,133	972,176	145,748	71,765	0	0	38,947	993	0	58	52,612	
33 Total Acct 364		47,414,138	30,059,723	5,417,111	1,280,367	4,795,047	0	0	2,701,269	24,467	2,545,176	1,884	589,090	
34 Acct 365 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
35 Pri -Demand		26,807,984	13,421,510	2,808,701	835,573	4,099,041	0	0	2,311,995	19,630	2,896,054	1,546	413,935	
36 -Cust		15,429,268	12,867,738	1,938,849	290,670	143,122	0	0	77,675	1,979	4,192	116	104,925	
37 Sec -Demand		3,746,658	2,103,323	439,907	130,945	642,001	0	0	362,258	3,078	0	245	64,900	
38 -Cust		7,480,966	6,240,690	940,316	140,972	69,412	0	0	37,671	960	0	56	50,888	
39 Total Acct 365		53,464,876	34,633,261	6,127,773	1,398,160	4,953,576	0	0	2,789,599	25,647	2,900,246	1,963	634,648	
40 Acct 366 Pri -Demand		1,521,443	761,715	159,403	47,422	232,635	0	0	131,214	1,114	164,361	88	23,493	
41 -Cust		3,856,582	3,216,321	484,619	72,654	35,774	0	0	19,415	495	1,048	29	26,226	
42 Sec -Demand		498,667	279,945	58,550	17,429	85,448	0	0	48,215	410	0	33	8,638	
43 -Cust		2,397,193	1,999,760	301,314	45,172	22,243	0	0	12,071	308	0	18	16,306	
44 Total Acct 366		8,273,886	6,257,741	1,003,886	182,677	376,100	0	0	210,915	2,327	165,409	168	74,663	
45 Acct 367 Pri -Demand		3,170,737	1,587,440	332,202	98,828	484,817	0	0	273,453	2,322	342,533	183	48,958	
46 -Cust		8,037,241	6,702,917	1,009,963	151,412	74,553	0	0	40,462	1,031	2,184	61	54,656	
47 Sec -Demand		1,039,238	583,414	122,020	36,322	178,076	0	0	100,482	853	0	68	18,002	
48 -Cust		4,995,827	4,167,564	627,948	94,141	46,354	0	0	25,157	641	0	37	33,983	
49 Total Acct 367		17,243,042	13,041,335	2,092,133	380,703	783,800	0	0	439,554	4,847	344,717	349	155,599	

Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule 1

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 5 of 14
1 Acct 368 - Spec. Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
2 -Demand		11,951,954	7,299,634	1,382,974	491,642	1,636,835	0	0	995,490	10,091	0	615	134,673	
3 -Cust		22,531,467	18,789,572	2,831,121	424,438	208,988	0	0	113,422	2,891	0	7,822	153,213	
4 Total Acct 368		34,483,421	26,089,206	4,214,095	916,080	1,845,823	0	0	1,108,912	12,982	0	8,437	287,886	
5 Acct 369		23,109,027	16,670,468	3,660,780	548,821	1,936,108	0	0	280,952	7,161	0	4,738	0	
6 Acct 370 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
7 Acct 370 Other		7,658,419	4,653,388	1,476,897	282,148	761,832	4,720	430	371,828	10,773	96,403	0	0	
8 Total Acct 370		7,658,419	4,653,388	1,476,897	282,148	761,832	4,720	430	371,828	10,773	96,403	0	0	
9 Acct 371		6,400,458	0	1,590,994	238,520	117,444	287	96	63,739	1,624	3,440	0	4,384,313	
10 Acct 373		5,315,074	0	0	0	0	0	0	0	0	0	0	5,315,074	
11 Total Net Dist Plant		239,304,463	149,282,816	29,326,191	6,340,478	21,031,599	20,408	214,726	11,046,717	115,935	9,913,478	19,621	11,992,481	
NET GENERAL & INTANGIBLE PLANT														
12 Production Related		12,279,052	5,866,931	1,235,273	373,283	1,959,737	23,330	114,195	1,042,491	7,367	1,484,537	1,228	170,679	
13 Transmission Related		4,359,254	2,082,734	438,516	132,514	695,698	8,282	40,785	370,080	2,615	527,004	436	60,590	
14 Distribution Related		11,414,035	7,122,993	1,399,148	302,307	1,001,623	920	10,525	525,959	5,524	471,297	936	572,802	
15 Total Net Gen / Int Plant		28,052,341	15,072,658	3,072,937	808,104	3,657,058	32,532	165,505	1,938,530	15,506	2,482,838	2,600	804,071	
16 TOTAL NET PLANT IN SERVICE		602,101,751	324,296,604	66,074,469	17,324,828	78,113,949	688,956	3,493,372	41,405,091	332,287	52,866,979	55,695	17,449,506	
17 Production Plant		353,803,586	169,047,354	35,592,641	10,755,629	56,467,052	672,227	3,290,373	30,037,924	212,282	42,774,854	35,380	4,917,870	
18 Prod Depr Reserve		106,449,468	50,861,556	10,708,816	3,236,064	16,989,335	202,254	989,980	9,037,560	63,870	12,869,741	10,645	1,479,648	
19 Net Production Plant		247,354,118	118,185,798	24,883,825	7,519,565	39,477,717	469,973	2,300,393	21,000,364	148,412	29,905,113	24,735	3,438,222	
20 Transmission Plant		123,765,902	59,132,009	12,450,147	3,762,271	19,751,923	235,142	1,157,946	10,507,132	74,255	14,962,453	12,376	1,720,249	
21 Trans Depr Reserve		36,375,073	17,376,677	3,658,631	1,105,590	5,804,348	69,099	345,198	3,087,652	21,821	4,396,903	3,637	505,517	
22 Net Transmission Plant		87,390,829	41,755,332	8,791,516	2,656,681	13,947,575	166,043	812,748	7,419,480	52,434	10,565,550	8,739	1,214,732	
23 Distribution Plant		369,589,350	230,644,326	45,304,770	9,788,784	32,432,801	29,801	340,798	17,030,687	178,868	15,260,718	30,322	18,547,468	
24 Dist Depr Reserve		130,284,887	81,361,510	15,978,579	3,448,306	11,401,202	9,393	126,072	5,963,970	62,933	5,347,240	10,701	6,554,987	
25 Net Distribution Plant		239,304,463	149,282,816	29,326,191	6,340,478	21,031,599	20,408	214,726	11,046,717	115,935	9,913,478	19,621	11,992,481	
26 General & Intangible Plant		48,269,819	26,143,074	5,318,801	1,384,957	6,190,813	53,398	272,876	3,280,578	26,519	4,159,316	4,449	1,435,036	
27 Gen / Int Depr Reserve		20,217,478	11,075,027	2,246,541	576,698	2,531,479	20,783	107,112	1,340,643	11,003	1,674,129	1,849	632,216	
28 Net Gen / Int Plant		28,052,341	15,068,047	3,072,260	808,259	3,659,334	32,615	165,764	1,939,935	15,516	2,485,187	2,600	802,820	
29 NET PLANT IN SERVICE		602,101,751	324,291,993	66,073,792	17,324,983	78,116,225	689,039	3,493,631	41,406,496	332,297	52,869,328	55,695	17,448,255	
RATE BASE ADJUSTMENTS														
SUBTRACTIVE ADJUSTMENTS														
30 Customer Advances	10	308,306	262,777	39,594	5,936	0	0	0	0	0	0	0	0	
31 Interest Offset	58	3,916,059	2,109,189	429,743	112,681	508,067	4,481	22,723	269,307	2,161	343,861	362	113,483	
32 Income Tax Offset	58	1,191,231	641,597	130,724	34,277	154,549	1,363	6,912	81,921	657	104,600	110	34,521	
33 Deferred Tax -Lib. Dep.	49	60,350,349	32,685,925	6,649,943	1,731,572	7,740,193	66,763	341,170	4,101,611	33,155	5,200,272	5,562	1,794,184	
34 ITC	49	0	0	0	0	0	0	0	0	0	0	0	0	
35 Injuries and Damages	49	1,179,253	638,687	129,941	33,835	151,244	1,305	6,666	80,146	648	101,614	109	35,059	
36 Customer Deposits	19	3,631,591	2,009,333	837,125	201,864	344,157	0	0	235,762	200	0	0	3,151	
37 Total Subtractive Adjustments		70,576,789	38,347,508	8,217,070	2,120,165	8,898,210	73,912	377,471	4,768,747	36,821	5,750,347	6,143	1,980,398	
38 ORIGINAL COST RATE BASE		531,524,962	285,944,485	57,856,722	15,204,818	69,218,015	615,127	3,116,160	36,637,749	295,476	47,118,981	49,552	15,467,857	29 - 37

Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule 1

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Process	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 6 of 14
WORKING CAPITAL														
1 Fuel	18	7,418,558	3,117,010	666,398	216,411	1,378,334	3,965	113,399	617,695	2,528	1,233,641	885	68,293	
2 Total Fuel		7,418,558	3,117,010	666,398	216,411	1,378,334	3,965	113,399	617,695	2,528	1,233,641	885	68,293	
CASH REQUIREMENTS														
3 Production	66	(922,451)	(418,609)	(88,661)	(27,571)	(157,285)	(1,228)	(10,878)	(77,687)	(454)	(128,959)	(100)	(11,019)	
4 Transmission	67	(25,397)	(12,134)	(2,555)	(772)	(4,053)	(48)	(238)	(2,156)	(15)	(3,070)	(3)	(353)	
5 Distribution	68	(93,912)	(53,852)	(12,334)	(2,616)	(8,101)	(11)	(4)	(4,443)	(59)	(3,704)	(4)	(8,784)	
6 Cust. Accts	70	(54,854)	(45,893)	(6,341)	(969)	(1,398)	(2)	(1)	(197)	(3)	(23)	0	(27)	
7 Cust. Asst.	17	(6,701)	(2,974)	(448)	(67)	(2,006)	(5)	(2)	(1,089)	(28)	(59)	0	(24)	
8 Sales Exp.	72	(3,645)	(2,876)	(415)	(65)	(200)	0	0	(79)	(2)	(5)	0	(3)	
9 A & G	73	(130,758)	(75,679)	(14,260)	(3,465)	(15,550)	(98)	(723)	(7,773)	(66)	(10,123)	(10)	(3,011)	
10 Total Cash Requirements		(1,237,719)	(612,017)	(125,014)	(35,525)	(188,593)	(1,392)	(11,846)	(93,424)	(627)	(145,943)	(117)	(23,221)	
MATERIALS & SUPPLIES														
11 Production	38	899,172	429,625	90,457	27,335	143,508	1,708	8,362	76,340	540	108,710	90	12,498	
12 Transmission	39	1,163,275	555,781	117,019	35,362	185,648	2,210	10,884	98,756	698	140,632	116	16,169	
13 Distribution	40	6,624,580	4,134,106	812,050	175,456	581,331	534	6,109	305,261	3,206	273,536	543	332,448	
14 Total Material & Supplies		8,687,027	5,119,512	1,019,526	238,153	910,487	4,452	25,355	480,357	4,444	522,878	749	361,115	
PREPAYMENTS														
15 Production	54	740,996	354,048	74,544	22,526	118,263	1,408	6,891	62,911	445	89,586	74	10,300	
16 Transmission	55	63,217	30,205	6,360	1,922	10,089	120	588	5,367	38	7,643	6	879	
17 Distribution	56	362,355	226,044	44,406	9,601	31,846	31	325	16,727	176	15,011	30	18,159	
18 General	57	513,849	276,009	56,276	14,805	67,030	597	3,036	35,535	284	45,522	48	14,706	
19 Total Prepayments		1,680,417	886,306	181,586	48,854	227,228	2,156	10,840	120,540	943	157,762	158	44,044	
20 TOTAL WORKING CAPITAL		16,548,284	8,510,811	1,742,496	467,893	2,327,456	9,181	137,748	1,125,168	7,288	1,768,338	1,675	450,231	
CWIP														
21 Total CWIP		0	0	0	0	0	0	0	0	0	0	0	0	
RATEBASE ADJUSTMENTS														
23 Subtractive Adjustments		70,576,789	38,347,508	8,217,070	2,120,165	8,898,210	73,912	377,471	4,768,747	36,821	5,750,347	6,143	1,980,398	
24 Working Capital		16,548,284	8,510,811	1,742,496	467,893	2,327,456	9,181	137,748	1,125,168	7,288	1,768,338	1,675	450,231	
25 Total Rate Base Adjustments		(54,028,506)	(29,836,697)	(6,474,574)	(1,652,272)	(6,570,754)	(64,731)	(239,723)	(3,643,579)	(29,533)	(3,982,009)	(4,468)	(1,530,167)	
RATE BASE CALCULATION														
26 Net Plant In Service		602,101,751	324,291,993	66,073,792	17,324,983	78,116,225	689,039	3,493,631	41,406,496	332,297	52,869,328	55,695	17,448,255	
27 Total Rate Base Adjustments		(54,028,506)	(29,836,697)	(6,474,574)	(1,652,272)	(6,570,754)	(64,731)	(239,723)	(3,643,579)	(29,533)	(3,982,009)	(4,468)	(1,530,167)	
28 Total CWIP		0	0	0	0	0	0	0	0	0	0	0	0	
29 TOTAL RATE BASE		548,073,245	294,455,296	59,599,218	15,672,711	71,545,471	624,308	3,253,908	37,762,917	302,764	48,887,319	51,227	15,918,088	
30 Rate Of Return Allowed		0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	0.099500	
31 RETURN ON RATE BASE		54,533,288	29,298,302	5,930,122	1,559,435	7,118,774	62,119	323,764	3,757,410	30,125	4,864,288	5,097	1,583,850	29 * 30
Classification of Rate Base														
32 Demand		417,012,460	201,927,393	42,070,658	12,852,934	66,626,958	615,426	3,147,245	36,040,704	269,954	47,621,388	37,230	5,802,571	
33 Energy		6,918,869	2,903,968	620,921	201,749	1,286,769	3,666	106,123	575,939	2,348	1,153,066	826	63,494	
34 Customer		124,141,898	89,623,936	16,907,639	2,618,028	3,631,744	5,216	540	1,146,275	30,463	112,865	13,170	10,052,023	



Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule I

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 7 of 14
OPERATING AND MAINTENANCE EXPENSES														
PRODUCTION O & M														
Energy Related														
1 Fuel & PP Normalized	18	83,881,479	35,243,971	7,534,944	2,446,960	15,584,788	44,835	1,282,195	6,984,260	28,585	13,948,753	10,006	772,184 *	
2 Other Variable	18	5,044,988	2,119,714	453,182	147,170	937,332	2,697	77,116	420,061	1,719	838,934	602	46,442	
3 Total Energy Related		88,926,448	37,363,685	7,988,126	2,594,130	16,522,120	47,532	1,359,311	7,404,321	30,304	14,787,687	10,608	818,626	
Demand Related														
4 Purchase Power	1	13,160,422	6,288,049	1,323,938	400,077	2,100,403	25,005	122,392	1,117,320	7,896	1,591,095	1,316	182,930 *	
5 Other	1	4,696,391	2,243,936	472,457	142,770	749,544	8,923	43,676	398,724	2,818	567,794	470	65,280	
6 Off System Expenses	2	2,374,338	1,134,459	238,858	72,180	378,944	4,511	22,081	201,581	1,425	287,057	237	33,003	
7 Total Demand Related		20,231,151	9,666,444	2,035,253	615,027	3,228,891	38,439	188,149	1,717,625	12,139	2,445,946	2,023	281,213	
8 Total Production Expense		109,157,599	47,030,129	10,023,379	3,209,157	19,751,011	85,971	1,547,460	9,121,946	42,443	17,233,633	12,631	1,099,839	
9 Total Prod. less F&PP		12,115,698	5,498,109	1,164,497	362,120	2,065,820	16,131	142,873	1,020,366	5,962	1,693,785	1,309	144,725	
Classification of Production Exp.														
10 Demand		20,231,151	9,666,444	2,035,253	615,027	3,228,891	38,439	188,149	1,717,625	12,139	2,445,946	2,023	281,213	
11 Energy		88,926,448	37,363,685	7,988,126	2,594,130	16,522,120	47,532	1,359,311	7,404,321	30,304	14,787,687	10,608	818,626	
12 Customer														
TRANSMISSION O & M														
13 Total Transmission Expense	39	2,939,930	1,404,619	295,740	89,369	469,186	5,586	27,506	249,586	1,764	355,417	294	40,863	
Classification of Transmission Exp.														
14 Demand		2,939,930	1,404,619	295,740	89,369	469,186	5,586	27,506	249,586	1,764	355,417	294	40,863	
15 Energy														
16 Customer														
DISTRIBUTION O & M														
Operation Expenses														
17 Acct 581	40	0	0	0	0	0	0	0	0	0	0	0	0	
18 Acct 582	4a	413,967	207,232	43,382	12,902	63,312	0	0	35,702	303	44,722	24	6,389	
19 Acct 583	42	1,449,161	987,135	169,739	38,485	118,428	0	0	67,711	-660	51,161	159	15,683	
20 Acct 584	43	365,226	276,229	44,314	8,064	16,602	0	0	9,310	103	7,301	7	3,296	
21 Acct 585	29	156,885	0	0	0	0	0	0	0	0	0	0	156,885	
22 Acct 586	44	1,504,803	914,345	290,196	55,439	149,693	927	84	73,060	2,117	18,942	0	0	
23 Acct 587	28	502,007	0	124,786	18,708	8,212	22	7	4,999	127	270	0	343,875	
24 Subtotal Operations		4,392,049	2,384,941	672,417	133,598	357,247	949	91	190,782	3,310	122,396	190	526,128	
25 Acct 580 + 588	StOp	933,988	507,167.90698	142,992.352	28,410	75,970	202	19	40,571	704	28,028	40	111,883	
26 Acct 589	47	2,070	1,313	237	56	209	0	0	118	1	111	0	26	
27 Total Operation Expense		5,328,108	2,893,422	815,646	162,064	433,426	1,151	110	231,471	4,015	148,535	230	638,037	
Maintenance Expense														
28 Acct 591 + 592	4a	518,479	259,551	54,334	16,159	79,296	0	0	44,715	379	56,012	30	8,002	
29 Acct 593	45	3,590,924	2,302,662	410,925	95,339	346,990	0	267	195,441	1,784	193,823	137	43,557	
30 Acct 594	43	515,174	389,639	62,507	11,374	23,418	0	0	13,133	145	10,299	10	4,649	
31 Acct 595	46	88,708	67,114	10,841	2,357	4,748	0	0	2,853	33	0	22	741	
32 Acct 596	29	297,800	0	0	0	0	0	0	0	0	0	0	297,800	
33 Acct 597	44	179,461	109,043	34,608	6,612	17,852	111	10	8,713	252	2,259	0	0	
34 Subtotal Maintenance		5,190,546	3,128,009	573,215	131,841	472,304	111	277	264,855	2,593	262,393	199	354,749	
35 Acct 590 + 598	StMn	352,672	212,532.8984	38,947.1531	8,958	32,091	8	19	17,996	176	17,828	14	24,103	
36 Total Maintenance Exp.		5,543,218	3,340,542	612,162	140,799	504,395	119	296	282,851	2,769	280,221	213	378,852	
37 Total Distribution Expense		10,871,326	6,233,964	1,427,809	302,863	937,821	1,269	406	514,321	6,784	428,756	443	1,016,890	
Classification of Distribution Exp.														
38 Demand		7,737,826	5,008,727	867,619	205,887	726,059	0	285	410,358	3,794	403,046	443	91,607	
39 Energy														
40 Customer		3,133,500	1,225,236	540,189	96,976	211,762	1,269	121	103,964	2,990	25,710	0	925,283	

Run Time: 09:03 AM  
Run Date: 26-Mar-02  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule 1

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 8 of 14
CUSTOMER ACCOUNTING EXPENSE														
1 Acct 902	15	927,448	726,417	145,367	21,793	20,073	197	66	10,894	278	2,363	0	0	
2 Acct 903	10	2,939,979	2,505,812	377,564	56,604	0	0	0	0	0	0	0	0	
3 Acct 904	16	1,757,188	1,473,582	127,225	20,985	123,255	0	0	9,357	54	0	0	2,721	
4 Subtotal Cust Acct Exp		5,624,615	4,705,821	650,156	99,382	143,328	197	66	20,251	332	2,363	0	2,721	
5 Acct 901	SbCA	518,779	434,036	59,966	9,166	13,220	18	6	1,868	31	218	0	251	
6 Acct 905	SbCA	206,522	172,786	23,872	3,649	5,263	7	2	744	12	87	0	100	
7 Adj. (Interest on Cust Dep)	19	181,580	100,467	41,856	10,093	17,208	0	0	11,788	10	0	0	158	
8 Total Customer Accounting		6,531,496	5,413,110	775,850	122,290	179,018	222	75	34,650	385	2,668	0	3,230	
CUSTOMER SERVICE & INFORMATION														
9 Acct 908	17	382,163	169,627	25,559	3,832	114,380	279	93	62,076	1,582	3,350	2	1,383	
10 Acct 909	10	123,102	104,923	15,809	2,370	0	0	0	0	0	0	0	0	
11 Subtotal (SbtCSE)		505,265	274,550	41,368	6,202	114,380	279	93	62,076	1,582	3,350	2	1,383	
12 Acct 907	SbCS	265,421	144,224	21,731	3,258	60,085	147	49	32,609	831	1,760	1	727	
13 Acct 910	SbCS	5,057	2,748	414	62	1,145	3	1	621	16	34	0	14	
14 Total Customer S & I		775,743	421,522	63,513	9,522	175,610	428	143	95,306	2,429	5,143	3	2,123	
SALES EXPENSE														
15 Acct 911	11	111,161	0	0	0	69,952	171	57	37,964	968	2,049	0	0	
17 Acct 912 & 916	10	310,772	264,878	39,911	5,983	0	0	0	0	0	0	0	0	
18 Total Sales Expense		421,934	264,878	39,911	5,983	69,952	171	57	37,964	968	2,049	0	0	
19 TOTAL CUSTOMER EXPENSE		7,729,172	6,099,509	879,274	137,795	424,580	822	274	167,921	3,782	9,860	3	5,353	
Classification of Customer Exp.														
20 Demand														
21 Energy														
22 Customer		7,729,174	6,099,509	879,274	137,795	424,580	822	274	167,921	3,782	9,860	3	5,353	
ADMINISTRATIVE & GENERAL EXPENSES														
23 Labor Related (excl. 924 & 928)														
24 Production	66	5,091,799	2,310,660	489,397	152,186	868,191	6,779	60,044	428,824	2,506	711,838	550	60,823	
25 Transmission	67	741,773	354,399	74,618	22,549	118,380	1,409	6,940	62,973	445	89,675	74	10,310	
26 Distribution	40	4,224,223	2,636,150	517,811	111,881	370,691	341	3,895	194,652	2,044	174,422	347	211,988	
27 Customer	72	2,889,619	2,280,355	328,724	51,516	158,733	307	103	62,779	1,414	3,686	1	2,001	
28 Total Labor Related A&G		12,947,413	7,581,564	1,410,550	338,132	1,515,995	8,836	70,982	749,228	6,409	979,621	972	285,122	
Plant Related A&G (Acct 924 + 928)														
29 Production	54	899,368	429,718	90,476	27,341	143,539	1,709	8,364	76,356	540	108,734	90	12,501	
30 Transmission	55	317,749	151,821	31,966	9,660	50,713	604	2,955	26,977	191	38,416	32	4,417	
31 Distribution	56	870,100	542,786	106,629	23,054	76,470	74	781	40,165	422	36,045	71	43,604	
32 General	57	101,997	54,787	11,171	2,939	13,305	119	603	7,054	56	9,036	9	2,919	
33 Total Plant Related A & G		2,189,215	1,179,112	240,242	62,994	284,027	2,506	12,703	150,552	1,209	192,231	202	63,441	
34 TOTAL A & G EXPENSES		15,136,629	8,760,676	1,650,792	401,126	1,800,022	11,342	83,685	899,780	7,618	1,171,852	1,174	348,563	
Classification of A & G Exp.														
35 Demand		6,923,459	3,417,140	714,391	215,863	1,081,772	9,353	45,237	592,626	4,606	741,276	584	100,610	
36 Energy		2,632,681	1,122,441	239,603	77,248	482,420	1,573	38,333	219,999	949	424,521	309	25,284	
37 Customer		5,580,491	4,221,095	696,798	108,015	235,830	416	114	87,155	2,063	6,055	281	222,669	

Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	
Total A & G Functionalized													
1	Production A&G	5,991,167	2,740,378	579,873	179,527	1,011,730	8,488	68,408	505,180	3,046	820,572	640	73,324
2	Transmission A&G	1,059,522	506,220	106,584	32,209	169,093	2,013	9,895	89,950	636	128,091	106	14,727
3	Distribution A&G	5,094,324	3,178,936	624,440	134,935	447,161	415	4,676	234,817	2,466	210,467	418	255,592
4	General A&G	101,997	54,787	11,171	2,939	13,305	119	603	7,054	56	9,036	9	2,919
5	Customer A&G	2,889,619	2,280,355	328,724	51,516	158,733	307	103	62,779	1,414	3,686	1	2,001
6	Total A & G functionalized	15,136,629	8,760,676	1,650,792	401,126	1,800,022	11,342	83,685	899,780	7,618	1,171,852	1,174	348,563
7	Total O & M by function (excl. A&G)												
8	Production O&M	109,157,599	47,030,129	10,023,379	3,209,157	19,751,011	85,971	1,547,460	9,121,946	42,443	17,233,633	12,631	1,099,839
9	Transmission O&M	2,939,930	1,404,619	295,740	89,369	469,186	5,586	27,506	249,586	1,764	355,417	294	40,863
10	Distribution O&M	10,871,326	6,233,964	1,427,809	302,863	937,821	1,269	406	514,321	6,784	428,756	443	1,016,890
11	Customer O&M	7,729,172	6,099,509	879,274	137,795	424,580	822	274	167,921	3,782	9,860	3	5,353
12	Total O & M functionalized	130,698,027	60,768,221	12,626,202	3,739,185	21,582,598	93,648	1,575,646	10,053,774	54,773	18,027,666	13,371	2,162,945
13	Production Related	115,148,766	49,770,507	10,603,252	3,388,684	20,762,741	94,459	1,615,868	9,627,126	45,489	18,054,205	13,271	1,173,163
14	Transmission Related	3,999,452	1,910,839	402,324	121,578	638,279	7,599	37,401	339,536	2,400	483,508	400	55,590
15	Distribution Related	15,965,649	9,412,900	2,052,249	437,798	1,384,982	1,684	5,082	749,138	9,250	639,223	861	1,272,482
16	Customer Related	10,618,791	8,379,864	1,207,998	189,311	583,313	1,129	377	230,700	5,196	13,546	4	7,354
17	General Related	101,997	54,787	11,171	2,939	13,305	119	603	7,054	56	9,036	9	2,919
18	TOTAL O&M EXPENSES	145,834,656	69,528,897	14,276,894	4,140,311	23,382,620	104,990	1,659,331	10,953,554	62,391	19,199,518	14,545	2,511,508
	Classification of O & M Exp.												
19	Demand	37,832,364	19,496,931	3,933,004	1,126,146	5,505,908	53,378	261,178	2,970,195	22,302	3,945,685	3,344	514,293
20	Energy	91,559,131	38,486,126	8,227,729	2,671,378	17,004,540	49,105	1,397,644	7,624,320	31,253	15,212,208	10,917	843,910
21	Customer	16,443,165	11,545,840	2,116,261	342,787	872,171	2,507	510	359,039	8,835	41,625	284	1,153,305
	DEPRECIATION EXPENSE												
22	Prod. Depreciation Exp.	38 7,483,527	3,575,629	752,843	227,499	1,194,371	14,218	68,597	635,351	4,490	904,758	748	104,021
23	Trans. Depreciation Exp.	39 2,347,977	1,121,800	236,193	71,374	374,716	4,461	21,968	199,332	1,409	283,854	235	32,635
24	Dist. Depreciation Exp.	41 10,212,248	6,377,893	1,252,548	270,312	893,751	736	9,143	469,082	4,933	419,186	839	513,815
25	Gen. Depreciation Exp.	37 1,974,094	1,135,175	210,309	50,699	243,594	1,059	12,179	117,636	1,033	159,830	153	42,428
26	TOTAL DEPR EXP	22,017,847	12,210,497	2,451,893	619,884	2,706,432	20,475	112,887	1,421,411	11,865	1,767,628	1,975	692,899
	Classification of Depreciation Exp.												
27	Demand	16,208,998	8,004,856	1,660,292	499,210	2,541,267	20,275	112,863	1,369,565	10,474	1,762,578	1,378	226,240
28	Energy												
29	Customer	5,808,848	4,205,641	791,601	120,674	165,165	200	24	51,846	1,391	5,060	597	466,659
	REAL ESTATE & PROPERTY TAX												
30	Production	38 2,960,901	1,414,718	297,867	90,011	472,560	5,626	27,536	251,380	1,777	357,973	296	41,157
31	Transmission	39 1,035,768	494,862	104,192	31,486	165,299	1,968	9,691	87,932	621	125,217	104	14,386
32	Distribution	40 3,093,008	1,930,209	379,145	81,920	271,423	249	2,852	142,526	1,497	127,713	254	155,220
33	General	48 351,334	190,284	38,713	10,080	45,060	389	1,986	23,878	193	30,274	32	10,445
34	Total RE & Prop Tax	7,441,012	4,030,073	819,917	213,497	954,342	8,232	42,065	505,716	4,088	641,177	686	221,218
	PAYROLL TAX												
35	Total Payroll Tax	37 1,669,617	960,089	177,871	42,880	206,023	895	10,300	99,493	873	135,179	129	35,884
	MISCELLANEOUS TAX												
36	Miscellaneous	58 167,885	90,423	18,423	4,831	21,781	182	974	11,545	93	14,742	16	4,865
37	City Tax Fee	31 5,091	3,214	804	177	560	2	0	249	2	39	0	45
38	Total Misc Tax	172,976	93,637	19,227	5,008	22,341	194	974	11,794	95	14,781	16	4,910
39	TOTAL TAX (excl IT & Rev Tax)	9,283,605	5,083,799	1,017,015	261,385	1,182,706	9,321	53,339	617,003	5,066	791,137	831	262,012
40	TOTAL EXPENSES (excluding IT and Revenue Taxes)	177,136,108	86,823,193	17,745,902	5,021,580	27,271,758	134,786	1,825,557	12,991,968	79,312	21,758,283	17,351	3,466,419
	Classification of Other Taxes												
41	Demand	6,681,176	3,267,745	682,203	206,136	1,055,015	9,057	49,326	567,845	4,253	745,408	588	93,600
42	Energy	260,982	109,655	23,444	7,613	48,489	139	3,989	21,730	89	43,399	31	2,403
43	Customer	2,341,446	1,706,399	311,368	47,636	79,202	125	24	27,427	714	2,330	212	166,009

		Allos	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnaces	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 10 of 14
1	FEDERAL INCOME TAXES	62	9,986,278	5,365,181	1,085,939	285,568	1,303,608	11,375	59,288	688,067	5,517	890,761	933	290,039	
2	STATE INCOME TAXES	62	1,092,329	586,860	118,783	31,236	142,593	1,244	6,485	75,263	603	97,434	102	31,725	
3	Tax on Increase	62	7,635,661	4,102,300	830,326	218,349	996,759	8,698	45,333	526,106	4,218	681,090	714	221,768	
4	Composite Tax Rate		0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	
5	Tax On Diff. (Proposed Rates)		(48,719)	4,469,811	(1,448,578)	160,708	(2,492,327)	41,952	(97,314)	(263,224)	(6,885)	(548,644)	(3,420)	139,199	(1,20)*13
6	Tax On Diff. (Equal Increase Rates)		0	4,492,063	(1,442,840)	162,003	(2,483,825)	41,971	(96,818)	(259,578)	(6,858)	(542,810)	(3,414)	140,103	
	Classification of Income Taxes														
7	Demand		14,239,122	6,894,924	1,436,526	438,870	2,275,015	21,014	107,464	1,230,630	9,218	1,626,059	1,271	198,132	
8	Energy		236,249	99,158	21,202	6,889	43,937	125	3,624	19,666	80	39,372	28	2,168	
9	Customer		4,238,894	3,060,259	577,321	89,394	124,008	178	18	39,140	1,040	3,854	450	343,232	
	REVENUE CREDITS														
10	Forfeited Discounts	20	1,238,044	559,210	285,224	63,696	141,594	0	0	94,934	2,331	64,103	0	26,952	
11	Reconnection Charges	10	41,697	35,539	5,355	803	0	0	0	0	0	0	0	0	
12	Rental Income/Misc serv	47	267,120	169,342	30,517	7,213	27,013	0	12	15,218	138	14,338	11	3,319	
13	Misc. Revenue - Kepco	2	1,171,698	559,837	117,873	35,620	187,003	2,226	10,897	99,477	703	141,658	117	16,287	
14	Misc. Revenue - Other	21	146,804	16,873	30,162	8,188	41,819	0	0	20,016	160	27,460	0	2,126	
15	Off Sys. Revenue	2	5,008,920	2,393,262	503,897	152,271	799,424	9,517	46,583	425,257	3,005	605,578	501	69,624	
16	SubTotal Rev Credits		7,874,282	3,734,063	973,028	267,791	1,196,853	11,743	57,492	654,902	6,337	853,137	629	118,308	
17	Other Rev. Muni tax	31	0	0	0	0	0	0	0	0	0	0	0	0	
18		32	0	0	0	0	0	0	0	0	0	0	0	0	
19	Total Revenue Credits		7,874,282	3,734,063	973,028	267,791	1,196,853	11,743	57,492	654,902	6,337	853,137	629	118,308	
20			0	0	0	0	0	0	0	0	0	0	0	0	
21			0	0	0	0	0	0	0	0	0	0	0	0	
22			0	0	0	0	0	0	0	0	0	0	0	0	
23			0	0	0	0	0	0	0	0	0	0	0	0	
24			0	0	0	0	0	0	0	0	0	0	0	0	
25	Lighting Excess Facilities Rev	29	631,596	0	0	0	0	0	0	0	0	0	0	631,596	
26	Other Excess Facilities Rev	50	946,907	704,871	115,818	24,588	58,281	0	0	33,911	366	0	146	8,926	
27	Total Revenue to Allocate		1,578,503	704,871	115,818	24,588	58,281	0	0	33,911	366	0	146	640,522	
	COST OF SERVICE CALCULATION														
28	Oper Expense Excl IT & Rev Tax		177,136,108	86,823,193	17,745,902	5,021,580	27,271,758	134,786	1,825,557	12,991,968	79,312	21,758,283	17,351	3,466,419	10 6
29	Return Allowable		54,533,288	29,298,302	5,930,122	1,559,435	7,118,774	62,119	323,764	3,757,410	30,125	4,864,288	5,097	1,583,850	6 10
30	Fit Allowable		9,986,278	5,365,181	1,085,939	285,568	1,303,608	11,375	59,288	688,067	5,517	890,761	933	290,039	10 10
31	Sit Allowable		1,092,329	586,860	118,783	31,236	142,593	1,244	6,485	75,263	603	97,434	102	31,725	10 11
32	Revenue Credits		7,874,282	3,734,063	973,028	267,791	1,196,853	11,743	57,492	654,902	6,337	853,137	629	118,308	10 27
33	COST OF SERVICE		234,873,720	118,339,473	23,907,718	6,630,028	34,639,880	197,781	2,157,602	16,857,806	109,220	26,757,629	22,854	5,253,725	(1..4)-5
	RATE OF RETURN														
	Capitalization Amounts														
34	Long Term Debt		297,077,774	297,077,774											
35	Preferred Stock		48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	48,167,168	
36	Common Stock		317,295,980	317,295,980											
37	Total		662,540,922	662,540,922											
	Embedded Cost Of Capital														
38	Long Term Debt		0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	0.0791	
39	Preferred Stock		0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	0.0895	
40	Common Stock		0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	
	Weighted Cost Of Capital														
41	Long Term Debt		0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	0.0355	
42	Preferred Stock		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
43	Common Stock		0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	0.0575	
44	Total		0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	0.0995	
45	Federal Income Tax Rate		0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	
46	State Income Tax Rate		0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	
47	FIT deductible from SIT		0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	

Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 11 of 14
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## ALLOCATION FACTORS

1	Demand Values -Prod		1.0000	0.4778	0.1006	0.0304	0.1596	0.0019	0.0093	0.0849	0.0006	0.1209	0.0001	0.0139
2	Allocator	1	1.0000000	0.4778000	0.1006000	0.0304000	0.1596000	0.0019000	0.0093000	0.0849000	0.0006000	0.1209000	0.0001000	0.0139000
3	Demand Values -Trans		1.0000	0.4778	0.1006	0.0304	0.1596	0.0019	0.0093	0.0849	0.0006	0.1209	0.0001	0.0139
4	Allocator	2	1.0000000	0.4778000	0.1006000	0.0304000	0.1596000	0.0019000	0.0093000	0.0849000	0.0006000	0.1209000	0.0001000	0.0139000
5	Zero at issue		1	0	0	0	0	0	0	0	0	0	0	0
6	Allocator	3	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000
7	NCD@ Primary Station		988472	489619	102497	30482	149585	2351	8057	84351	715	105662	57	15096
8	Allocator	4	1.0000000	0.4953292	0.1036924	0.0308375	0.1513295	0.0023784	0.0081510	0.0853347	0.0007233	0.1068943	0.0000577	0.0152721
9	NCD@ Primary Station X Prax		978064	489619	102497	30482	149585	0	84351	715	105662	57	15096	
10	Allocator	4a	1.0000000	0.5006002	0.1047958	0.0311656	0.1529399	0.0000000	0.0000000	0.0862428	0.0007310	0.1080318	0.0000583	0.0154346
11	NCD@ Primary Lines		971003	486136	101733	30265	148470	0	83742	711	104897	56	14993	
12	Allocator	5	1.0000000	0.5006534	0.1047710	0.0311688	0.1529038	0.0000000	0.0000000	0.0862428	0.0007322	0.1080295	0.0000577	0.0154407
13	NCD@ Secondary		855678	480366	100468	29906	146623	0	82734	703	0	56	14822	
14	Allocator	6	1.0000000	0.5613864	0.1174133	0.0349501	0.1713530	0.0000000	0.0000000	0.0966882	0.0008216	0.0000000	0.0000654	0.0173219
15	All Customers		132496	110496	16649	2496	1229	3	1	667	17	36	1	901
16	Allocator	7	1.0000000	0.8339573	0.1256566	0.0188383	0.0092758	0.0000226	0.0000075	0.0050341	0.0001283	0.0002717	0.0000075	0.0068002
17	Primary Customers		132492	110496	16649	2496	1229	0	0	667	17	36	1	901
18	Allocator	8	1.0000000	0.8339824	0.1256604	0.0188389	0.0092760	0.0000000	0.0000000	0.0050343	0.0001283	0.0002717	0.0000075	0.0068004
19	Secondary Customers		132456	110496	16649	2496	1229	0	0	667	17	0	1	901
20	Spec. Assn.	9	1.0000000	0.8342091	0.1256946	0.0188440	0.0092786	0.0000000	0.0000000	0.0050356	0.0001283	0.0000000	0.0000075	0.0068023
21	Res. & Comm. Customers		129641	110496	16649	2496	0	0	0	0	0	0	0	0
22	Spec. Assn.	10	1.0000000	0.8523230	0.1284239	0.0192532	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000
23	Industrial Customers		1953	0	0	0	1229	3	1	667	17	36	0	0
24	Allocator	11	1.0000000	0.0000000	0.0000000	0.0000000	0.6292883	0.0015361	0.0005120	0.3415259	0.0087046	0.0184332	0.0000000	0.0000000
25	Comm. & Ind. Customers		21098	0	16649	2496	1229	3	1	667	17	36	0	0
26	Spec. Assn.	12	1.0000000	0.0000000	0.7891269	0.1183051	0.0582520	0.0001422	0.0000474	0.0316144	0.0008058	0.0017063	0.0000000	0.0000000
27	Customer Service Drop		153172	110496	24265	3638	12833	0	0	1862	47	0	31	0
28	Spec. Assn.	13	1.0000000	0.7213834	0.1584134	0.0237492	0.0837814	0.0000000	0.0000000	0.0121577	0.0003099	0.0000000	0.0002050	0.0000000
29	Weighted Meter Investment		13063975	7937898	2519337	481297	1299559	8051	733	634276	18377	164448	0	0
30	Allocator	14	1.0000000	0.6076174	0.1928461	0.0368415	0.0994765	0.0006162	0.0000561	0.0485515	0.0014067	0.0125879	0.0000000	0.0000000
31	Meter Read Expense		141075	110496	22112	3315	3053	30	10	1657	42	359	0	0
32	Allocator	15	1.0000000	0.7832433	0.1567391	0.0234981	0.0216431	0.0002123	0.0000708	0.0117461	0.0002994	0.0025478	0.0000000	0.0000000
33	Uncollectibles		777665	652156	56305	9287	54548	0	0	4141	24	0	0	1204
34	Allocator	16	1.0000000	0.8386079	0.0724026	0.0119422	0.0701433	0.0000000	0.0000000	0.0053249	0.0000309	0.0000000	0.0000000	0.0015482
35	Customer Asst. Expense		293347	130205	19619	2941	87797	214	71	47649	1214	2572	1	1062
36	Allocator	17	1.0000000	0.4438614	0.0668789	0.0100264	0.2992958	0.0007306	0.0002435	0.1624331	0.0041400	0.0087670	0.0000040	0.0036193
37	Energy (KWH @ Gen.)		4059673826	1705728439	364674223	118427313	754268480	2169908	62055357	338022369	1383449	675088099	484253	37371936
38	Allocator	18	1.0000000	0.4201639	0.0898285	0.0291716	0.1857953	0.0005345	0.0152858	0.0832634	0.0003408	0.1662912	0.0001193	0.0092056
39	Customer Deposits		3631571	2009322	837121	201863	344155	0	0	235760	200	0	0	3151
40	Allocator	19	1.0000000	0.5532928	0.2305119	0.0555855	0.0947676	0.0000000	0.0000000	0.0649196	0.0000551	0.0000000	0.0000000	0.0008675
41	Forfeited Discounts		1278524	577494	294550	65778	146224	0	0	98038	2407	66199	0	27834
42	Allocator	20	1.0000000	0.4516881	0.2303827	0.0514486	0.1143693	0.0000000	0.0000000	0.0766804	0.0018828	0.0517780	0.0000000	0.0217701
43	Miscellaneous Revenue		5980657	687376	1228792	333574	1703654	0	0	815434	6515	1118686	0	86626
44	Allocator	21	1.0000000	0.1149331	0.2054611	0.0557755	0.2848607	0.0000000	0.0000000	0.1363452	0.0010894	0.1870507	0.0000000	0.0144844
45	Spec Assg -Prax		1	0	0	0	0	0	1	0	0	0	0	0
46	Allocator	22	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000

Run Time: 09:08 AM  
Run Date: 28-Mar-2002  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule 1

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 12 of 14
1 Spec Assg -362-														
2 Allocator	23													
3														
4 Allocator	24													
5 Spec Assg -Trans Depr-														
6 Allocator	25													
7														
8 Allocator	26													
9														
10 Allocator	27													
11 Spec Assg -371-		1.000	0.000	0.249	0.037	0.018	0.000	0.000	0.010	0.000	0.001	0.000	0.685	
12 Allocator	28	1.0000000	0.0000000	0.2485750	0.0372661	0.0183494	0.0000448	0.0000149	0.0099585	0.0002538	0.0005375	0.0000000	0.6850000	
13 Spec Assg -373-		1	0	0	0	0	0	0	0	0	0	0	1	
14 Allocator	29	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	1.0000000	
15 Spec Assg -Rate Revenue-		221040483	101167647	26086416	5886684	38536237	89783	1913940	16575548	120395	26526096	29697	4108040	
16 Allocator	30	1.0000000	0.4576883	0.1180165	0.0266317	0.1743402	0.0004062	0.0086588	0.0749887	0.0005447	0.1200056	0.0001344	0.0185850	
17 Spec Assg-Interruptible Revenue		342912	0	0	0	0	0	342912	0	0	0	0	0	
18 Allocator	30a	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	
19 Spec Assg -City Tax-		4385563	2768173	692566	152440	482330	1670	0	214296	1760	33271	0	39057	
20 Allocator	31	1.0000000	0.6312013	0.1579195	0.0347595	0.1099813	0.0003808	0.0000000	0.0488640	0.0004013	0.0075865	0.0000000	0.0089058	
21 Spec Assg -Excess Facility-		1578503	26	2387	107	282887	3146	864	106223	0	631596	0	551267	
22 Allocator	32	1.0000000	0.0000165	0.0015122	0.0000678	0.1792122	0.0019930	0.0005474	0.0672935	0.0000000	0.4001234	0.0000000	0.3492341	
23 Transformer Demand Alloc.		1068351	652493	123620	43947	146312	0	0	88984	902	0	55	12038	
24 Allocator	33	1.0000000	0.8107482	0.1157111	0.0411349	0.1369513	0.0000000	0.0000000	0.0832910	0.0008443	0.0000000	0.0000515	0.0112878	
25 Spec Assg -Present Revenues-		221383395	101167647	26086416	5886684	38536237	89783	2256852	16575548	120395	26526096	29697	4108040	
26 Allocator	34	1.0000000	0.4569794	0.1178337	0.0265904	0.1740701	0.0004056	0.0101943	0.0748726	0.0005438	0.1198197	0.0001341	0.0185562	
27 Spec Assg -Proposed Rev-		241273821	110257162	28430178	6415579	41998566	97850	2459621	18064796	131212	28909361	32385	4477131	
28 Allocator	35	1.0000000	0.4569794	0.1178337	0.0265904	0.1740701	0.0004056	0.0101943	0.0748726	0.0005438	0.1198197	0.0001341	0.0185562	
29 Sec Cust /Transformers		132501	110496	16649	2496	1229	0	0	667	17	0	48	901	
30 Allocator	36	1.0000000	0.8339258	0.1256519	0.0188376	0.0092754	0.0000000	0.0000000	0.0050339	0.0001283	0.0000000	0.0003472	0.0067999	

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 13 of 14
WAGES AND SALARIES														
1 Production Energy		3,605,198	1,514,774	323,849	105,170	669,829	1,927	55,108	300,181	1,229	599,513	430	33,188	18
2 Production Demand		3,638,520	1,651,162	349,715	108,750	620,396	4,844	42,907	306,431	1,790	508,668	393	43,463	66
3 Transmission		1,055,264	504,177	106,153	32,078	168,411	2,005	9,873	89,587	633	127,574	106	14,667	67
4 Distribution		6,009,484	3,750,253	736,651	159,165	527,354	485	5,541	276,917	2,908	248,138	493	301,580	40
5 Total PTD Labor		14,308,466	7,420,366	1,516,368	405,163	1,985,990	9,261	113,429	973,116	6,560	1,483,893	1,422	392,898	
6 Allocator PTD Labor		1.0000000	0.5185997	0.1059770	0.0283163	0.1387982	0.0006472	0.0079274	0.0680098	0.0004585	0.1037073	0.0000994	0.0274591	
7 Customer Accounting		3,049,732	2,551,551	352,522	53,886	77,714	107	36	10,980	180	1,281	0	1,475	70
8 Cust Serv & Inform		548,550	298,070	44,912	6,733	124,179	303	101	67,394	1,718	3,637	2	1,501	69
9 Sales		512,561	321,771	48,484	7,268	84,977	208	69	46,118	1,176	2,489	0	0	71
10 Total PTDCS Labor		18,419,309	10,591,758	1,962,286	473,050	2,272,860	9,879	113,635	1,097,608	9,634	1,491,300	1,424	395,874	
11 Allocator PTDCS Labor		1.0000000	0.5750356	0.1065342	0.0256823	0.1233955	0.0005363	0.0061693	0.0595901	0.0005230	0.0809639	0.0000773	0.0214923	
12 Administrative & General		4,644,699	2,670,867	494,619	119,286	573,135	2,491	28,655	276,778	2,429	376,053	359	99,825	
13 Total Wages & Salaries		23,064,008	13,262,625	2,457,105	592,336	2,845,995	12,370	142,290	1,374,386	12,063	1,867,353	1,783	495,699	
14 Allocator Labor	37	1.0000000	0.5750356	0.1065342	0.0256823	0.1233955	0.0005363	0.0061693	0.0595901	0.0005230	0.0809639	0.0000773	0.0214923	
INTERNAL ALLOCATORS														
15 Gross Prod PIS Plant	38	1.00000	0.47780	0.10060	0.03040	0.15960	0.00190	0.00930	0.08490	0.00060	0.12090	0.00010	0.01390	2 2
16 Gross Trans PIS Plant	39	1.00000	0.47777	0.10059	0.03040	0.15959	0.00190	0.00936	0.08490	0.00060	0.12089	0.00010	0.01390	2 5
17 Gross Dist PIS Plant	40	1.00000	0.62406	0.12258	0.02649	0.08775	0.00008	0.00092	0.04608	0.00048	0.04129	0.00008	0.05018	2 44
18 Gross Dist Plant - land	41	1.00000	0.62453	0.12265	0.02647	0.08752	0.00007	0.00090	0.04593	0.00048	0.04105	0.00008	0.05031	3 1
19 PIS Accts 364,365,368	42	1.00000	0.68118	0.11713	0.02656	0.08172	0.00000	0.00000	0.04672	0.00046	0.03530	0.00011	0.01082	3 2
20 PIS Accts 366,367	43	1.00000	0.75632	0.12133	0.02208	0.04546	0.00000	0.00000	0.02549	0.00028	0.01999	0.00002	0.00902	3 3
21 PIS Acct 370	44	1.00000	0.60762	0.19285	0.03684	0.09948	0.00062	0.00006	0.04855	0.00141	0.01259	0.00000	0.00000	2 40
22 PIS Accts 364,365	45	1.00000	0.64124	0.11443	0.02655	0.09663	0.00000	0.00007	0.05443	0.00050	0.05398	0.00004	0.01213	3 4
23 PIS Acct 368	46	1.00000	0.75657	0.12221	0.02657	0.05353	0.00000	0.00000	0.03216	0.00038	0.00000	0.00024	0.00835	2 37
24 PIS Acct 364	47	1.00000	0.63395	0.11425	0.02700	0.10113	0.00000	0.00005	0.05697	0.00052	0.05368	0.00004	0.01242	2 17
25 Gross G&I Plant	48	1.00000	0.54160	0.11018	0.02869	0.12825	0.00111	0.00565	0.06796	0.00055	0.08617	0.00009	0.02973	3 12
26 Total Gross Plant	49	1.00000	0.54160	0.11019	0.02869	0.12825	0.00111	0.00565	0.06796	0.00055	0.08617	0.00009	0.02973	3 13
27 Sec PIS 364,365,368	50	1.00000	0.74439	0.12231	0.02597	0.06155	0.00000	0.00000	0.03581	0.00039	0.00000	0.00015	0.00943	2 6
28 Total Gross T&D Plant	51	1.00000	0.58736	0.11707	0.02747	0.10578	0.00054	0.00304	0.05582	0.00051	0.06126	0.00009	0.04108	3 5
29 Total Gross PTD Plant	52	1.00000	0.54160	0.11019	0.02869	0.12825	0.00111	0.00565	0.06796	0.00055	0.08617	0.00009	0.02973	3 6
30 PTD - land	53	1.00000	0.54230	0.11029	0.02867	0.12791	0.00110	0.00561	0.06777	0.00055	0.08580	0.00009	0.02991	3 8
31 Net Prod Plant	54	1.00000	0.47780	0.10060	0.03040	0.15960	0.00190	0.00930	0.08490	0.00060	0.12090	0.00010	0.01390	4 35
32 Net Trans Plant	55	1.00000	0.47780	0.10060	0.03040	0.15960	0.00190	0.00930	0.08490	0.00060	0.12090	0.00010	0.01390	4 38
33 Net Dist Plant	56	1.00000	0.62382	0.12255	0.02650	0.08789	0.00009	0.00090	0.04616	0.00048	0.04143	0.00008	0.05011	4 41
34 Net G & I Plant	57	1.00000	0.53714	0.10952	0.02881	0.13045	0.00116	0.00591	0.06915	0.00055	0.08859	0.00009	0.02862	4 45
35 Tot Net Plant	58	1.00000	0.53860	0.10974	0.02877	0.12974	0.00114	0.00580	0.06877	0.00055	0.08781	0.00009	0.02898	4 46
36 Net Orig Cost Rate Base	59	1.00000	0.53797	0.10885	0.02861	0.13023	0.00116	0.00586	0.06893	0.00056	0.08865	0.00009	0.02910	5 8
37 Prepayments	60	1.00000	0.52743	0.10806	0.02907	0.13522	0.00128	0.00645	0.07173	0.00056	0.09388	0.00009	0.02621	5 28
38 Working capital	61	1.00000	0.51430	0.10530	0.02827	0.14065	0.00055	0.00832	0.06799	0.00044	0.10686	0.00010	0.02721	5 29
39 Rate Base	62	1.00000	0.53726	0.10874	0.02860	0.13054	0.00114	0.00594	0.06890	0.00055	0.08920	0.00009	0.02904	6 8
40 Energy Exp Production	63	1.00000	0.42016	0.08983	0.02917	0.18580	0.00053	0.01529	0.08326	0.00034	0.16629	0.00012	0.00921	6 20
41 Demand Exp Production	64	1.00000	0.47780	0.10060	0.03040	0.15960	0.00190	0.00930	0.08490	0.00060	0.12090	0.00010	0.01390	6 24
42 Prod O & M Expenses	65	1.00000	0.43085	0.09182	0.02940	0.18094	0.00079	0.01418	0.08357	0.00039	0.15788	0.00012	0.01008	6 25
43 Prod Exp minus Fuel & PP	66	1.00000	0.45380	0.09611	0.02989	0.17051	0.00133	0.01179	0.08422	0.00049	0.13980	0.00011	0.01195	6 26
44 Trans O & M Expenses	67	1.00000	0.47777	0.10059	0.03040	0.15959	0.00190	0.00936	0.08490	0.00060	0.12089	0.00010	0.01390	6 30

Run Time: 09:08 AM  
Run Date: 26-Mar-2002  
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY  
MISSOURI COST OF SERVICE  
Twelve Months Ended December 31, 2001

Section N  
Schedule I

	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 14 of 14
1	Dist O & M Expenses	68	1.00000	0.57343	0.13134	0.02786	0.08627	0.00012	0.00004	0.04731	0.00062	0.03944	0.00004	0.09354 7 22
2	Cust Ser & Inform Exp	69	1.00000	0.54338	0.08187	0.01227	0.22638	0.00055	0.00018	0.12286	0.00313	0.00663	0.00000	0.00274 8 15
3	Cust Accounting Exp	70	1.00000	0.83665	0.11559	0.01787	0.02548	0.00004	0.00001	0.00360	0.00006	0.00042	0.00000	0.00048 8 5
4	Sales Expenses	71	1.00000	0.62777	0.09459	0.01418	0.16579	0.00041	0.00014	0.08998	0.00229	0.00486	0.00000	0.00000 8 18
5	Total Customer Expense	72	1.00000	0.78915	0.11376	0.01783	0.05493	0.00011	0.00004	0.02173	0.00049	0.00128	0.00000	0.00089 8 19
6	A & G Expenses	73	1.00000	0.57877	0.10906	0.02650	0.11892	0.00075	0.00553	0.05944	0.00050	0.07742	0.00008	0.02303 9 6
7	Tot O & M Expenses	74	1.00000	0.47677	0.09790	0.02839	0.16034	0.00072	0.01138	0.07511	0.00043	0.13185	0.00010	0.01722 9 18
8	Prod Depreciation Exp	75	1.00000	0.47780	0.10060	0.03040	0.15960	0.00190	0.00930	0.08490	0.00060	0.12090	0.00010	0.01390 9 22
9	Trans Depreciation Exp	76	1.00000	0.47777	0.10059	0.03040	0.15959	0.00190	0.00936	0.08490	0.00060	0.12089	0.00010	0.01390 9 23
10	Dist Depreciation Exp	77	1.00000	0.62453	0.12265	0.02647	0.08752	0.00007	0.00090	0.04593	0.00048	0.04105	0.00008	0.05031 9 24
11	General Depreciation Exp	78	1.00000	0.57504	0.10653	0.02568	0.12340	0.00054	0.00617	0.05959	0.00052	0.08096	0.00008	0.02149 9 25
12	Total Depreciation Exp	79	1.00000	0.55457	0.11136	0.02815	0.12292	0.00093	0.00513	0.06456	0.00054	0.08028	0.00009	0.03147 9 26
13	Re & Property Tax	80	1.00000	0.54160	0.11019	0.02869	0.12825	0.00111	0.00565	0.06796	0.00055	0.08617	0.00009	0.02973 9 34
14	Total Expense Allocator	81	1.00000	0.49015	0.10018	0.02835	0.15398	0.00078	0.01031	0.07334	0.00045	0.12283	0.00010	0.01957 10 6
15	Payroll Tax Allocator	82	1.00000	0.57504	0.10653	0.02568	0.12340	0.00054	0.00617	0.05959	0.00052	0.08096	0.00008	0.02149 10 1
16	Cost of Service Ratios	83	1.00000	0.50384	0.10179	0.02823	0.14748	0.00084	0.00919	0.07177	0.00047	0.11392	0.00010	0.02237 11 6
CLASSIFICATION ALLOCATORS														
17	Production Plant	D	353,803,586	169,047,354	35,592,641	10,755,629	56,467,052	672,227	3,290,373	30,037,924	212,282	42,774,854	35,380	4,917,870
18	Transmission Plant	D	123,765,903	59,132,009	12,450,147	3,762,271	19,751,923	235,142	1,157,948	10,507,132	74,255	14,962,453	12,376	1,720,249
19	Distribution Plant	D	176,032,309	91,045,402	18,829,931	5,725,718	26,890,168	22,053	339,985	15,278,356	132,200	15,090,456	10,185	2,667,856
20		C	193,557,034	139,598,924	26,474,839	4,063,066	5,542,833	7,748	813	1,752,332	46,668	170,262	20,137	15,879,612
21	General Plant	D	37,241,232	18,188,940	3,810,306	1,153,450	5,875,002	52,957	272,830	3,180,733	23,860	4,149,615	3,301	530,240
22		C	11,028,585	7,954,134	1,508,496	231,507	315,811	441	46	99,845	2,659	9,701	1,148	904,796
23	Production Expenses	D	4,696,392	2,243,936	472,457	142,770	749,544	8,923	43,676	398,724	2,818	567,794	470	65,280
24	less fuel & pp	E	5,044,969	2,119,714	453,182	147,170	937,332	2,697	77,116	420,061	1,719	838,934	602	46,442
25	Dist Operation Exp Sub	D	2,228,355	1,470,596	257,435	59,451	198,342	0	0	112,723	1,066	103,184	190	25,368
26		C	2,163,694	914,345	414,982	74,147	158,905	949	91	78,059	2,244	19,212	0	500,760
27	Dist Maintenance Exp Sub	D	4,713,286	3,018,986	538,607	125,229	454,452	0	267	256,142	2,341	260,134	199	56,949
28		C	477,280	109,043	34,808	6,612	17,852	111	10	8,713	252	2,259	0	297,800
29	Labor	D	11,126,009	5,493,973	1,116,521	333,275	1,789,936	9,678	86,958	912,796	6,758	1,256,788	931	138,394
30		E	3,605,196	1,514,774	323,849	105,170	889,829	1,927	55,108	300,181	1,229	599,513	430	33,188
31		C	8,332,800	6,253,878	1,016,735	153,892	406,230	765	224	161,409	4,076	11,053	422	324,117
32	Cost of Service Classified	D	116,797,311	57,920,074	11,932,552	3,559,654	18,061,316	165,610	847,171	9,753,397	73,313	12,859,517	10,320	1,614,387
33		E	84,870,506	35,249,820	7,361,128	2,438,163	16,028,148	37,992	1,358,324	7,068,120	25,319	14,556,572	10,429	736,490
34		C	41,184,472	29,435,722	5,478,861	860,984	1,601,905	3,529	629	591,507	15,011	64,089	2,852	3,129,382
35		total	242,852,289	122,605,616	24,772,541	6,858,802	35,691,368	207,131	2,206,124	17,413,025	113,644	27,480,177	23,602	5,480,259
36	Net Cost of Service Classified	D	115,891,457	57,438,697	11,850,797	3,539,490	18,007,041	165,610	847,171	9,721,033	72,987	12,859,517	10,214	1,380,900
37		E	84,857,906	35,242,869	7,359,921	2,437,848	16,027,099	37,992	1,358,324	7,067,603	25,316	14,556,572	10,427	733,935
38		C	40,524,424	29,221,179	5,446,005	856,877	1,598,946	3,529	629	590,478	14,974	64,089	2,815	2,724,903
39		total	241,273,786	121,900,745	24,656,723	6,834,214	35,633,087	207,131	2,206,124	17,379,114	113,278	27,480,177	23,456	4,839,737
	KWH @ Sales adj		3,700,488,196	1,509,605,155	345,782,377	92,837,226	710,691,347	1,820,920	64,930,464	302,779,103	1,208,457	635,871,609	519,392	34,442,146



The Empire District Electric Company  
MO CP Class Demands  
rate case tye 9/30/01  
load research tye 8/30/01

Rate	-2000-						-2001-						TOTALS
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
RG	387,608	408,016	420,130	235,920	257,182	398,078	450,834	363,235	250,414	174,969	293,268	341,367	3,961,009
CB	83,359	80,377	89,732	59,123	61,773	64,954	52,683	50,680	55,404	69,495	64,238	68,470	800,288
SH	25,317	22,446	18,747	17,523	18,718	27,299	27,577	22,749	18,034	17,645	18,179	19,016	251,250
GP	115,916	127,245	109,012	123,186	128,161	120,731	85,385	112,692	103,404	112,379	116,624	119,488	1,374,223
PF	5	6	5	5	330	5	147	952	1,285	5	5	5	2,754
Prax	8,520	7,267	117	7,590	6,225	6,567	5,842	7,070	7,455	8,073	1,585	8,292	74,603
TEB	60,093	58,594	49,446	53,722	66,109	86,134	66,237	61,790	48,871	47,487	50,740	53,007	702,230
PFM	489	262	323	215	337	157	90	168	241	274	37	178	2,771
LP	98,554	96,481	87,265	98,335	82,301	84,247	74,779	84,427	86,795	87,326	93,399	91,913	1,065,802
MS	58	29	59	57	58	58	58	58	57	57	58	58	665
SPL,PL,SPL	0	0	0	0	0	0	279	0	0	0	0	0	279
<b>Totals</b>	<b>759,919</b>	<b>800,702</b>	<b>774,836</b>	<b>595,676</b>	<b>621,194</b>	<b>788,228</b>	<b>763,911</b>	<b>703,821</b>	<b>571,960</b>	<b>517,710</b>	<b>636,133</b>	<b>701,764</b>	<b>8,235,874</b>

**Section N**  
**Schedule 3**

**The Empire District Electric Company**

**Missouri Loss Percentages**  
**Test Year Ending June 30, 2001**

<b>Rate Group</b>	<b>Missouri Losses as a % of Missouri Kwh @ Gen</b>
Res Gen	3.76
Comm	0.66
Comm SH	0.27
Gen Pow	1.12
Elec Furn	0.00
Prax	0.05
TEB	0.53
Feed Mill	0.00
Large Pow	0.51
Misc Lts	0.00
Oth Lts	0.06

**The Empire District Electric Company**  
**MO NCP Class Demands**  
**rate case tye 9/30/01**  
**load research tye 6/30/01**

Actual	-2000-						-2001-					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Rate												
RG	407,078	424,768	486,321	270,369	282,551	438,306	507,946	364,094	321,557	273,569	315,031	357,836
CB	92,237	106,517	100,747	62,060	72,316	77,631	73,858	75,752	63,087	74,561	89,810	91,658
SH	27,475	29,920	21,787	26,389	23,612	30,394	31,623	24,996	20,929	18,196	18,971	20,809
GP	133,944	155,451	138,694	142,344	142,362	121,306	100,759	121,701	107,218	122,998	150,231	151,647
PF	2,363	2,222	2,441	2,244	2,232	2,395	2,423	2,354	2,226	2,391	2,414	2,435
Prax	8,290	8,275	7,698	7,598	7,129	6,760	7,275	8,201	8,216	8,221	8,331	8,340
TEB	66,378	68,440	60,411	59,836	66,042	87,554	75,773	63,967	48,968	50,980	63,499	63,675
PFM	636	657	444	430	739	549	392	427	375	340	183	410
LP	109,687	105,100	101,434	100,568	88,009	85,108	96,331	92,411	89,792	95,935	104,341	101,944
MS	58	59	59	57	58	58	58	58	57	57	58	58
SPL,PL,SPL	15,693	13,476	11,553	9,743	9,483	8,927	8,945	9,628	11,692	10,608	11,367	15,638

The Empire District Electric Company

rate case tye 9/30/01  
load research tye 6/30/01  
NCD at Voltage Level

Rate	NCD @Generation	Sub + Sub Losses	Primary + Pri Losses	Secondary + Sec Losses	Secondary	month
RG	507,946	489,619	486,136	480,366	457,958	1/01
CB	106,517	102,497	101,733	100,468	95,553	8/00
SH	31,623	30,482	30,265	29,906	28,510	1/01
GP	155,451	149,585	148,470	146,623	139,450	8/00
PF	2,441	2,351	2,335			9/00
Prax	8,340	8,057				6/01
TEB	87,554	84,351	83,742	82,734	78,817	12/00
PFM	739	715	711	703	675	11/00
LP	109,687	105,662	104,897			7/00
MS	59	57	56	56	53	8/00
SPL,PL,SPL	15,693	15,096	14,993	14,822	14,160	7/00

**Section N**  
**Schedule 6**

**THE EMPIRE DISTRICT ELECTRIC COMPANY**  
**DISTRIBUTION ALLOCATION**

Combined Work Order Study and Zero Intercept Approach

Acct		PRIMARY %			SECONDARY %	
		Feeder	Customer	Demand	Customer	Demand
364	Poles, Towers & Fdtures	29.08	30.09	40.83	56.25	43.75
365	Overhead Conductors	31.41	36.53	32.06	66.63	33.37
366	Underground Conduit	16.28	71.71	12.01	82.78	17.22
367	Underground Conductors	16.28	71.71	12.01	82.78	17.22
368	Transformers	0	0	0	65.34	34.66

**COST OF SERVICE ALLOCATORS**

<b><u>to be allocated</u></b>	<b><u>method of allocation</u></b>
Production Plant	Capacity Utilization
Transmission Plant	Capacity Utilization
Distribution Plant	
Acct 360	Noncoincident Demand At Primary Station
Acct 361	Noncoincident Demand At Primary Station
Acct 362	Specifically Assigned If possible.
	Noncoincident Demand At Primary Station Excluding Praxair
Acct 364 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 365 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 366 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 367 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 368 Dem	Transformer Demand
Cust	Secondary Customers Weighted for Transformers
Acct 369	Weighted Customer Service Drop Investment
Acct 370	Specifically Assigned If possible.
	Weighted Meter Investment
Acct 371	Specifically Assigned
Acct 373	Specifically Assigned
General & Intangible	
Production	Gross Prod Plant
Transmission	Gross Trans Plant
Distribution	Gross Dist Plant less land
Depreciation Reserve	Same as Plant
Customer Advances	Residential and Commercial Customers
Interest Offset	Total Net Plant
Income Tax Offset	Total Net Plant
Deferred Tax	Total Gross Plant
Investment Tax Credit	Total Gross Plant
Customer Deposits	Specifically Assigned
Fuel	TOU Energy
Cash Requiriements	Functionalized Expenses
Materials and Supplies	Functionalized Gross Plant
Prepayments	Functionalized Net Plant

<u>to be allocated</u>	<u>method of allocation</u>
Production Expenses	
Variable	TOU Energy
Fixed -On Sys	Capacity Utilization
-Off Sys	10 CP Demand (Highest 10 hours)
Transmission Expenses	Gross Trans Plant
Distribution Expenses	
Acct 580	Subtotals Oper Dist Expenses
Acct 581	Gross Dist Plant
Acct 582	Noncoincident Demand At Primary Station
Acct 583	PIS Accounts 364, 365, 368
Acct 584	PIS Accounts 366, 367
Acct 585	Zero at Issue
Acct 586	PIS Acct 370
Acct 587	Specifically Assigned
Acct 588	Subtotals Oper Dist Expenses
Acct 589	PIS Acct 364
Acct 590	Subtotals Maint Dist Expenses
Acct 591	Noncoincident Demand At Primary Station
Acct 592	Noncoincident Demand At Primary Station
Acct 593	PIS Accounts 364, 365
Acct 594	PIS Accounts 366, 367
Acct 595	PIS Acct 368
Acct 596	Zero at Issue
Acct 597	PIS Acct 370
Acct 598	Subtotals Maint Dist Expenses
Acct 901	Subtotals Customer Acct
Acct 902	Weighted Meter Reading Expenses
Acct 903	Customers
Acct 904	Specifically Assigned
Acct 905	Subtotals Customer Acct
Acct 907	Subtotals Customer Acct
Acct 908	Customers
Acct 909	Residential & Commercial Customers
Acct 910	Subtotals Customer Acct
Acct 911	Industrial Customers
Acct 912	Industrial Customers
A& G Expenses	
924 & 928	Net Plant in Service
A&G other than 924, 928	Labor
Depreciation Expense	
Production	Gross Prod Plant
Transmission	Gross Trans Plant
Distribution	Gross Dist Plant less land
General	Labor

**TO ALLOCATE:**

**METHOD OF ALLOCATION:**

**Real Estate & Property Tax**

Production

Transmission

Distribution

General

Payroll Tax

Miscellaneous Tax

Federal Income Tax

State Income Tax

Tax on Proposed Changes

Forfeited Discounts

Reconnection Charges

Rental Income

Misc Rev KEPCO

Misc Rev Other

Off System Revenue

Gross Prod Plant

Gross Trans Plant

Gross Dist Plant

Gross General & Intangible Plant

Labor

Net Distribution Plant

Rate Base

Rate Base

Rate Base

Specifically Assigned

Residential & Commercial Customers

Acct 364

10 CP Demand (Highest 10 hours)

Sales Tax

10 CP Demand (Highest 10 hours)

**Revenues**

Present

Muni Tax

Excess Facilities

Proposed

Specifically Assigned

Specifically Assigned

Specifically Assigned


Specifically Assigned



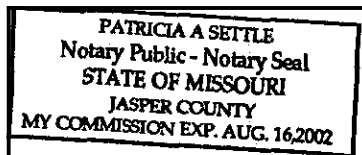
AFFIDAVIT

STATE OF MISSOURI )  
 ) ss  
COUNTY OF JASPER )

On the 26th day of March, 2002, before me appeared Kelly S. Walters, to me personally known, who, being by me first duly sworn, states that he is the Director of Planning and Regulatory of The Empire District Electric Company and acknowledged that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.

  
Kelly S. Walters

Subscribed and sworn to before me this 26th day of March, 2002



  
Patricia A. Settle, Notary Public

My commission expires: August 16, 2002