

APPENDIX B

1. Empire flowing the SWPA payment associated with the capacity restrictions to be implemented for the Ozark Beach hydro facility, net of tax, back to the customers over a 10 year period beginning on the effective date of rates, using a tracker mechanism. This would result in an annual reduction of expense of approximately \$1.365 million on a Missouri jurisdictional basis.
2. The remaining life depreciation rates for Iatan 2 which are premised on the balance of accumulated addition amortizations as of June 15, 2010.
3. An annual level of ongoing pension and OPEBs expense of \$7,497,184 and \$2,136,152, respectively, Missouri jurisdictional. This includes the actuarially determined expense for 2011 of \$6,727,788 and \$2,443,234 for pension and OPEBs, respectively, and the five year amortization amounts of \$769,396 and (\$307,082) for pensions and OPEBs, respectively, Missouri jurisdictional. The prepaid pension asset balance as of March 31, 2011 is \$3,564,117, total company. The FAS 87 / 106 tracker language shall continue in effect. The impact of the expiration of the "substantive plan agreement" amortization on OPEB expenses will continue to be reflected in Empire's ongoing tracker balance calculations.
4. An annual level of amortization expense for the vegetation management tracker resulting from ER-2010-0130 of \$292,514, Missouri jurisdictional. The annual amortization for the balance as a result of ER-2011-0004 is \$368,588, Missouri jurisdictional. The regulatory asset included in rate base is in total \$3,305,511, Missouri jurisdictional. This is comprised of two components: the net balance of the asset as a result of ER-2010-0130 at \$1,299,249, and the balance of the asset as a result of ER-20011-0004 at \$2,006,262.
5. A balance of the SO2 in FERC account 254103 of \$87,956.05, total company, amortized over the next four years.
6. Recovery of certain project costs, totaling \$313,031, total company, that Empire incurred to facilitate its financial software as part of the costs of the new software and recovered over the life of the asset.
7. The amortization of the Iatan 2 Advanced Coal Credits. The amortization is based on \$5,116,695, total company, of credits available to offset Empire's current federal tax liability. The amortization is commensurate with the depreciable life of the Iatan 2 plant as required by IRS normalization rules. Amortization of the remaining \$12,595,805 of Coal Tax Credits awarded will be carried forward and reflected in future rate cases to the extent allowed as an offset against future federal tax liability.