

**Updated Recommended Allowed Rate of Return
for The Empire Electric Company**

Capital Component	Percentage of Capital	Rate of Return	After-Tax ROR	Pre-Tax ROR
Common Equity	48.25%	9.00%	4.34%	5.70%
Long-Term Debt	51.75%	4.05%	2.09%	2.09%
Total	100.00%		6.44%	7.80%

Sources: Information for embedded cost of debt provided in response to OPC DR No. 3004
Tax Multiplier Provided with Company's Revenue Requirement Workpapers.