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DEC 2 8 2004

Missouri Public
Service Commission

The Empire District Electric Company

Office of the Public Counsel Witness Travis Allen

Calculation of Funds from Operations/Total Debt

Line No.	Assumptions			Source
1	Total Equity Ratio		49.61%	Corrected Direct Schedule TA-1
2	Embedded Cost of Equity		8.96%	Allen Direct page 22 Lines 4-6
3	Weighted Cost of Equity		4.45%	Line 1 * Line 2
4	Long Term Debt Ratio	44.10%		Corrected Direct Schedule TA-1
5	Trust Preferred Securities Ratio	6.29%		Corrected Direct Schedule TA-1
6	Total Debt Ratio		50.39%	
7	Rate Base		$602,830,619	Schedule BAM RD DIR-2.1 Line 16
	Calculation of Funds From Operations			
8	Net Income from Continuing Operations		$26,796,159	Rate Base * Weighted Cost of Equity
9	Depreciation and Amortization		$24,317,880	Schedule BAM RD DIR-2.1 Line 2
10	Deferred Income Taxes		$5,513,557	Staff Accounting Schedule 9 Line 42
11	**Total Funds From Operations**		$56,627,596	Sum of Lines 8-10
12	**Allocated Debt**		$303,766,348.91	Rate Base * Debt Ratio
13	**Ratio of Funds from Operations/Total Debt**		18.64%	

Exhibit No. 119
Case No(s). ER-2004-0570
Date 12-13-04 Rptr KF