

The Empire District Electric Company

Office of the Public Counsel Witness Travis Allen

Calculation of Funds from Operations/Total Debt

FILED

DEC 28 2004

Missouri Public
Service Commission

Line No.	Assumptions	Source
1	Total Equity Ratio	
2	Embedded Cost of Equity	49.61% Corrected Direct Schedule TA-1
3	Weighted Cost of Equity	9.41% Allen Direct page 22 Lines 4-6
		4.67% Line 1 * Line 2
4	Long Term Debt Ratio	
5	Trust Preferred Securities Ratio	44.10% Corrected Direct Schedule TA-1
6	Total Debt Ratio	6.29% Corrected Direct Schedule TA-1
		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	
9	Depreciation and Amortization	\$28,141,948 Rate Base * Weighted Cost of Equity
10	Deferred Income Taxes	\$24,317,880 Schedule BAM RD DIR-2.1 Line 2
		\$5,513,557 Staff Accounting Schedule 9 Line 42
11	Total Funds From Operations	\$57,973,385 Sum of Lines 8-10
12	Allocated Debt	
		\$303,766,348.91 Rate Base * Debt Ratio
13	Ratio of Funds from Operations/Total Debt	19.08%

Exhibit No. 120
Case No(s) ER-2004-0570
Date 12-13-04 Rptr 45