

FILED  
August 11, 2016  
Data Center  
Missouri Public  
Service Commission

Exhibit No.  
Issue: Depreciation Rates  
Witness: Thomas J. Sullivan  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Empire District Electric  
Case No. ER-2016-0023  
Date Testimony Prepared: October 2015

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

**Direct Testimony**

**of**

**Thomas J. Sullivan**

**October 2015**

Empire Exhibit No. 17  
Date 6-2-16 Reporter KKF  
File No. ER-2016-0023



TABLE OF CONTENTS  
DIRECT TESTIMONY OF  
THOMAS J. SULLIVAN  
ON BEHALF OF  
THE EMPIRE DISTRICT ELECTRIC COMPANY  
BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. ER-2016-0023

<b>SUBJECT</b>	<b>PAGE</b>
<b>INTRODUCTION.....</b>	<b>1</b>
<b>RIVERTON UNITS 7, 8, AND 9.....</b>	<b>5</b>
<b>EMPIRE'S PRODUCTION FACILITIES .....</b>	<b>9</b>
<b>MASS PROPERTY ACCOUNTS .....</b>	<b>12</b>

DIRECT TESTIMONY  
OF  
THOMAS J. SULLIVAN  
BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. ER-2016-0023

1 **INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. Thomas J. Sullivan, 15898 Millville Road, Richmond, Missouri, 64085.

4 **Q. BY WHOM ARE YOU EMPLOYED?**

5 A. I am President and owner of Navillus Utility Consulting LLC.

6 **Q. HOW LONG HAVE YOU BEEN WITH NAVILLUS UTILITY CONSULTING?**

7 A. I started the company in June 2011.

8 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

9 A. I received a Bachelor of Science Degree in Civil Engineering Summa Cum Laude  
10 from the University of Missouri - Rolla in 1980 and a Master of Business  
11 Administration Degree in Business Administration from the University of Missouri  
12 - Kansas City in 1985.

13 **Q. ARE YOU A REGISTERED PROFESSIONAL ENGINEER?**

14 A. Yes, I am a Registered Professional Engineer in the State of Missouri.

15 **Q. TO WHAT PROFESSIONAL ORGANIZATIONS DO YOU BELONG?**

16 A. I am a member of the American Society of Civil Engineers and the American  
17 Public Gas Association.

18

1 **Q. WHAT IS YOUR PROFESSIONAL EXPERIENCE?**

2 **A.** Prior to forming Navillus Utility Consulting LLC, I worked for Black & Veatch  
3 Corporation. I worked for Black & Veatch for over 31 years as an engineer,  
4 project engineer, project manager, vice president, and director. I have been  
5 responsible for the preparation and presentation of numerous studies for gas,  
6 electric, water, and wastewater utilities. My clients served include investor-owned  
7 utilities, publicly-owned utilities, and their customers. The professional studies  
8 that I have prepared involve valuation and depreciation, cost of service, cost  
9 allocation, rate design, cost of capital, supply analysis, load forecasting,  
10 economic and financial feasibility, cost recovery mechanisms, and other  
11 engineering and economic matters.

12 **Q. HAVE YOU PREVIOUSLY APPEARED AS AN EXPERT WITNESS?**

13 **A.** Yes, I have. In Schedule TJS-1, I list cases where I have filed expert witness  
14 testimony and appeared as an expert witness. As noted on that schedule, I have  
15 appeared before the Missouri Public Service Commission ("Commission") as an  
16 expert witness on depreciation rates for Missouri Gas Energy in Case Nos. GR-  
17 2001-292, GR-2004-0209, GR-2006-0422, and GR-2009-0355; The Empire  
18 District Gas Company in Case No. GR-2009-0434; and, The Empire District  
19 Electric Company in Case Nos. ER-2011-0004 and ER-2012-0345. I also served  
20 as an expert witness for Aquila, Inc. on class cost of service, rate design, and  
21 weather normalization in Case No. GR-2004-0072.

22 **Q. FOR WHOM ARE YOU TESTIFYING IN THIS MATTER?**

1 A. I am testifying on behalf of The Empire District Electric Company ("Empire" or  
2 "Company").

3 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

4 A. I am sponsoring Empire's proposed depreciation rates. The Company asked me  
5 to review the existing depreciation rates and, where appropriate, recommend  
6 changes to those rates such that the rates will, as accurately as possible, match  
7 the useful life of the property and the Company's experience with net salvage. A  
8 complete depreciation study was performed for Empire's plant in service at  
9 December 31, 2014.

10 In addition, I sponsor the Company's proposed amortization of the  
11 depreciation reserve deficiency associated with the retirement of Riverton coal-  
12 fired generating facilities (Units 7 and 8) and Riverton combustion turbine Unit 9.

13 **Q. DO YOU SPONSOR ANY SCHEDULES WITH YOUR TESTIMONY?**

14 A. Yes. I sponsor the following schedules:  
15 Schedule TJS-1 - Expert Witness Testimony of Thomas J. Sullivan; and,  
16 Schedule TJS-2 - Report on Depreciation Accrual Rates -- Electric utility property  
17 through December 31, 2014 (the "Depreciation Study").

18 **Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING THE COMPANY'S**  
19 **DEPRECIATION ACCRUAL RATES?**

20 A. In my report, Schedule TJS-2, I recommended that Empire implement the  
21 depreciation expense rates shown in Column E of Table 5-1 for Empire's  
22 production plant and Column O of Table 6-1 for Empire's mass property  
23 accounts. The recommended depreciation rates for Empire's production facilities

1 are based on the remaining life formula, and the depreciation rates for all other  
2 facilities (mass property accounts) are based on the whole life formula. I am also  
3 recommending that Empire amortize the undepreciated portion of its investment  
4 in the recently retired Riverton steam Units 7 and 8 and Riverton combustion  
5 turbine Unit 9 and the cost of decommissioning Riverton Units 7, 8, and 9 over a  
6 five-year period.

7 **Q. WHAT IS THE IMPACT OF THE DEPRECIATION RATES YOU ARE**  
8 **RECOMMENDING FOR EMPIRE?**

9 A. As seen in Table 7-1 contained in the Depreciation Study (Schedule TJS-2), the  
10 depreciation rates I am recommending for this case result in a decrease in  
11 annual depreciation expense of \$913,943, based on plant in service at June 30,  
12 2015. The change in depreciation expense is primarily driven by three factors: 1)  
13 an increase due to a change from the whole life to remaining life formula for  
14 Empire's production plants; 2) changes (increases and decreases) in the  
15 lifespans of Empire's generating facilities; and, 3) a decrease in mass property  
16 depreciation expense due to longer average service lives and decreased  
17 negative net salvage requirements (primarily for distribution related accounts).

18 My recommended five-year amortization of the undepreciated portion of  
19 Empire's investment in Riverton Units 7 and 8 and the decommissioning costs  
20 associated with the Riverton Units 7 and 8 are equal to \$2,135,793 annually,  
21 and the undepreciated portion of Empire's investment in Riverton Unit 9 and its  
22 associated decommissioning costs are equal to \$162,898 annually.

1 Combining the decrease in depreciation expense associated with changes  
2 in depreciation rates of \$913,943, with my recommended amortization of  
3 Riverton Units 7, 8 and 9 costs of \$2,298,681, results in an overall increase in  
4 total depreciation and amortization of \$1,384,748.

5 **Q. PLEASE OUTLINE THE REMAINDER OF YOUR DIRECT TESTIMONY.**

6 A. I will first discuss my recommendations regarding the treatment of costs for  
7 Riverton Units 7, 8, and 9. I will then discuss my recommended depreciation  
8 rates for Empire's remaining production facilities. I will briefly describe the  
9 changes made to the estimated lifespans of Empire's generating facilities as  
10 denoted in the Depreciation Study (Schedule TJS-2). Lastly, I will discuss my  
11 recommended depreciation rates for Empire's mass property accounts.

12 **RIVERTON UNITS 7, 8, AND 9**

13 **Q. PLEASE PROVIDE SOME BACKGROUND ON THE RIVERTON UNITS 7 AND**  
14 **8 COAL-FIRED STEAM GENERATING UNITS.**

15 A. In my direct testimony in Empire's 2012 rate case (Case No. ER-2012-0345), I  
16 recommended that the Company amortize the expected depreciation reserve  
17 deficiency for the Riverton steam units over the facilities' expected 4-year  
18 remaining life. I also recommended that the whole life depreciation rate for these  
19 facilities be increased from 1.62 percent to 3.20 percent. The increase in the  
20 depreciation rate was adopted in that case, but the amortization of the reserve  
21 deficiency was not.

22 As a result, the remaining plant to be depreciated at March 31, 2012, of  
23 approximately \$17.6 million, decreased to \$6.8 million at the time the units were

1 retired from service. This balance is no longer being depreciated by Empire,  
2 because the units were retired in June 2015. In addition, Empire has received  
3 estimates that it will cost \$3.9 million to decommission the units. Therefore, there  
4 is a total cost of \$10.7 million left to be recovered from the Riverton Units 7 and  
5 8, as shown in Schedule TJS-2, Table 5-5.

6 **Q. WHAT DO YOU RECOMMEND REGARDING THE UNRECOVERED COST**  
7 **ASSOCIATED WITH RIVERTON UNITS 7 AND 8?**

8 A. I am recommending that these costs be amortized over a five-year period  
9 beginning with the effective date of new rates resulting from this case. The \$10.7  
10 million remaining cost, when amortized over 5 years, results in an annual  
11 amortization of \$2,135,793.

12 **Q. WHAT DO YOU RECOMMEND REGARDING THE UNRECOVERED COST**  
13 **ASSOCIATED WITH RIVERTON UNIT 9?**

14 A. Like Riverton Units 7 and 8, Riverton Unit 9 was retired in June 2015. At the time  
15 of its retirement, Unit 9 had \$758,397 in undepreciated investment. In addition,  
16 the same decommissioning study cited above for Riverton 7 and 8 includes  
17 approximately \$56,000 in net decommissioning costs for Riverton 9. I am  
18 recommending that these costs also be amortized over a five-year period  
19 beginning with the effective date of new rates resulting from this case. The  
20 \$814,490 remaining cost, amortized over 5 years, results in an annual  
21 amortization of \$162,898.

22 **Q. WHY ARE YOU RECOMMENDING A 5-YEAR RECOVERY REGARDING THE**  
23 **RIVERTON UNITS 7, 8, AND 9 UNDEPRECIATED INVESTMENT?**



1 A. It is always preferable to recover costs from the ratepayers who are receiving the  
2 benefits of the facilities. Deferring costs beyond the retirement of the assets can  
3 result in an inter-generational subsidy. In other words, current and future  
4 ratepayers will pay costs that should have been borne by past rate payers.  
5 However, Empire is entitled to full recovery of these assets, and the 5-year  
6 amortization is a reasonable time frame to recover the investment and yet  
7 mitigate the potential inter-generational subsidy.

8 **Q. CAN THE POTENTIAL FOR INTER-GENERATIONAL SUBSIDY BE**  
9 **MITIGATED IN THE FUTURE?**

10 A. Yes. The use of the remaining life formula for unit assets (such as power plants)  
11 should be used instead of the current practice of using the whole life formula.  
12 The remaining life formula and the ability to adjust depreciation rates periodically  
13 will provide a more reasonable and straightforward basis to recover the cost of  
14 these assets over their useful life.

15 **Q. PLEASE COMPARE CALCULATIONS USING THE REMAINING LIFE AND**  
16 **WHOLE LIFE FORMULAE.**

17 A. Both calculations use the same retirement dates. However, the principal  
18 difference is that the whole life formula depreciates the book cost over the whole  
19 life of the asset, whereas the remaining life formula depreciates the book cost,  
20 less the accumulated depreciation, over the remaining life of the assets. The  
21 following is an example:

22	Book Cost of the Asset	- \$1,000,000
23	Original In-Service Date	- 1975

1 Current Accumulated Depreciation (2015) - \$ 750,000

2 Expected Retirement Data 2025

3 Depreciation Rate – Whole Life Formula

4  $1,000,000/(2025-1975)/1,000,000 = 2.0$  percent per year

5 Depreciation Rate – Remaining Life Formula

6  $(1,000,000-750,000)/(2025-2015)/1,000,000 = 2.5$  percent per year

7

8 In the above example, there is a problem with the whole life calculation that is  
9 similar to the issue regarding the Riverton steam units. If the 2 percent whole life  
10 rate is used for the 10 year remaining life of the asset, \$200,000 in additional  
11 depreciation will accumulate, for a total accumulated depreciation at the time the  
12 asset is retired of \$950,000, which is \$50,000 short of the total investment. The  
13 whole life rate can be adjusted to recognize this reserve deficiency; this is what I  
14 recommended in Case No. ER-2012-0345. In the above example, the estimated  
15 reserve deficiency (using the whole life formula) would be amortized over the  
16 remaining life of the asset, and the depreciation rate would be adjusted to reflect  
17 this amortization. The calculation would be as follows:

18 Reserve Deficiency - \$ 50,000

19 Remaining Life (years) - 10

20 Amortization of Deficiency (per year) - \$ 5,000

21 Whole Life Rate Adjustment

22  $5,000/1,000,000 = 0.5$  percent per year

23 Adjusted Whole Life Rate

1                   2.0 + 0.5 = 2.5 percent per year

2

3           In other words, it is possible to adjust the whole life rate to correct for the reserve  
4           deficiency. The resulting adjusted rate would be the same as the remaining life  
5           rate. However, in my view, it is more straightforward to simply use the remaining  
6           life formula on unit assets rather than using the whole life formula and adjusting  
7           its deficiencies.

8    **EMPIRE'S PRODUCTION FACILITIES**

9    **Q. PLEASE HIGHLIGHT THE DEPRECIATION RATES YOU ARE**  
10   **RECOMMENDING FOR EMPIRE'S PRODUCTION FACILITIES.**

11   A. The depreciation rates I am recommending for Empire's production facilities are  
12   summarized in Table 5-1 of Schedule TJS-2. These rates are developed using  
13   the life span and unit property approaches underlying Empire's existing rates.  
14   The production units are identified in Column B of Table 5-1, and the lives of  
15   those units are shown in Tables 5-2 through 5-4. The Riverton steam Units 7  
16   and 8; combustion turbine Unit 9, combustion turbines Units 10 and 11; and  
17   combined cycle Unit 12, are treated as separate unit properties. Also, Iatan Units  
18   1 and 2 are treated as separate unit properties. Plant investment and  
19   accumulated depreciation associated with Riverton Units 7, 8, and 9 are not  
20   shown in Table 5-1, since these units have been retired; the investments shown  
21   in Table 5-1 (Lines 7 through 12) are related to common facilities that are  
22   continuing to be used and forecast to retire in 2018.

1           As shown in Table 5-1, as well as in Table 7-1 in less detail, the  
2           depreciation rates I am recommending for Empire's production facilities result in  
3           an increase in depreciation expense of \$2.9 million per year.

4   **Q.   PLEASE EXPLAIN WHY THE REMAINING LIFE FORMULA IS PREFERABLE**  
5   **FOR UNIT ASSETS SUCH AS POWER PLANTS.**

6   A.   The remaining life formula for unit property accounts provides a much better  
7       opportunity to recover the investment in the facility over the asset's useful life and  
8       avoids the situation of deferring cost recovery beyond the life of the unit asset,  
9       thus resulting in inter-generational subsidy. The basic premise of the whole life  
10      method is that one straight-line depreciation rate is used over the entire life of the  
11      asset. If the life characteristics of an asset change over the life of that asset, or if  
12      additions are made to an asset that have a lifespan less than the whole life of the  
13      plant, depreciation rates based on the whole life method tend to have a bias  
14      towards under collecting depreciation expense, especially for unit type properties  
15      such as power plants. If this bias is not corrected, the end result is a failure to  
16      properly recover the cost of the unit asset over its useful life.

17           While the whole life formula can be adjusted for reserve deficiencies (or  
18           excesses) to essentially mirror the remaining life formula, it is much more  
19           straightforward to use the remaining life formula. For new facilities, the  
20           remaining life and whole life formulae produce essentially the same answer, as  
21           shown in Table 5-1 for the Iatan and Plum Point units. The issues with using  
22           whole life rates over the entire life of an asset begin to manifest themselves as  
23           units age and the life of the plant is changed (usually due to life extending

1 investments) and as investments are made to the plant throughout its life that  
2 have service lives less than the entire life of the facility.

3 Finally, in Missouri, depreciation rates are reviewed at least every five  
4 years and in many cases less (depending upon the frequency of rate case  
5 filings), so any depreciation rates that are used for unit properties using the  
6 remaining life formula can be adjusted and fine-tuned numerous times over the  
7 asset's life span in order to achieve the goal of matching the recovery of the cost  
8 to the useful life of the asset.

9 **Q. PLEASE DESCRIBE THE CHANGES TO THE POWER PLANT LIFESPANS  
10 UTILIZED IN THE DEPRECIATION STUDY (SCHEDULE TJS-2).**

11 **A.** The retirement dates and resulting lifespan for Asbury 1 has been increase by 5  
12 years, from a 60 year lifespan (in the 2010 Depreciation Study) to a 65 year  
13 lifespan. The proposed change to the lifespan for Asbury 1 was recommended in  
14 my testimony in Case No. ER-2012-0345; however, the lifespan underlying the  
15 current depreciation rates for Asbury is 60 years. The retirement date and  
16 resulting lifespan for latan 2 has been increased by 10 years, from a 50 year  
17 lifespan (in the 2010 Depreciation Study) to a 60 year lifespan. The 60 year  
18 lifespan is consistent with the lifespan being used by Kansas City Power & Light  
19 Company, the majority owner of the plant.

20 For the combustion turbine units Energy Center 1 and 2, Riverton 10 and  
21 11, and State Line 1, the retirement dates and lifespans have been reduced by 5  
22 years, from 50 years to 45 years. For the FT-8 combustion turbine units Energy

1 Center 3 and 4, the retirement dates and lifespans have been reduced by 10  
2 years, from 50 years to 40 years.

3 **MASS PROPERTY ACCOUNTS**

4 **Q. PLEASE HIGHLIGHT THE DEPRECIATION RATES YOU ARE**  
5 **RECOMMENDING FOR EMPIRE'S MASS PROPERTY ACCOUNTS.**

6 A. The depreciation rates I am recommending for Empire's mass property accounts  
7 are summarized in Table 6-1 of Schedule TJS-2. These rates are developed  
8 using the whole life formula underlying Empire's existing rates. The mass  
9 property accounts include all transmission, distribution, and general plant  
10 facilities and equipment.

11 As shown in Table 6-1, as well as in Table 7-1 in less detail, the  
12 depreciation rates I am recommending for Empire's mass property accounts  
13 result in a decrease in depreciation expense of \$3.8 million per year.

14 **Q. PLEASE EXPLAIN WHY YOU ARE RECOMMENDING THE WHOLE LIFE**  
15 **FORMULA FOR EMPIRE'S MASS PROPERTY ACCOUNTS.**

16 A. The primary reason is that this is the methodology historically used in Missouri  
17 and it is the basis for Empire's existing depreciation rates. In addition, there are  
18 several key distinctions between the mass property accounts and the unit  
19 property accounts. Generally speaking, mass assets do not have a unique or  
20 distinct identity. In other words, one transformer, meter, or piece of conductor (of  
21 given capacities) is not much different from another and, when a unit is retired, it  
22 is usually replaced with a very similar unit with similar life characteristics.  
23 Further, the service provided by the mass asset group has an indefinite life span,

1 even though individual units have a finite life. If a meter at a home breaks or  
2 wears out, it is replaced with another meter that provides essentially the same  
3 function and the service continues. This is the key distinction between a mass  
4 property unit like a meter or transformer and a unit property like a power plant.

5 **Q. HOW ARE MASS ASSETS DIFFERENT FROM A POWER PLANT?**

6 A. A power plant has a finite life and, as the end of that life approaches, the specific  
7 date of retirement becomes more certain. Once that power plant is retired, it is  
8 not immediately replaced with a similar unit. Power plants are large facilities that  
9 take years to plan and construct. When Empire retired the 38 megawatt Riverton  
10 7 coal-fired steam unit, it did not replace it with another 38 megawatt coal-fired  
11 steam unit.

12 **Q. PLEASE RECAP YOUR RECOMMENDATIONS REGARDING DEPRECIATION**  
13 **RATES.**

14 A. I am recommending the following:

- 15 1. Adopt the remaining life rates shown in Column E of Table 5-1 in  
16 Schedule TJS-2 for Empire's production facilities;
- 17 2. Adopt the whole life rates shown in Column O of Table 6-1 in  
18 Schedule TJS-2 for Empire's mass property accounts; and,
- 19 3. Adopt the amortization of the undepreciated plant investment and  
20 decommissioning costs associated with the Riverton steam units  
21 (Units 7 and 8) and Riverton combustion turbine Unit 9 shown in  
22 Table 5-5 of Schedule TJS-2 over a five-year period beginning with  
23 the conclusion of this rate case.

1 Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

2 A. Yes, it does.



### Expert Witness Testimony of Thomas J. Sullivan

- Peoples Natural Gas Company of South Carolina, South Carolina Public Service Commission Docket No. 88-52-G (1988). Natural gas utility revenue requirements and rate design.
- Peoples Natural Gas (UtiliCorp United, Inc.), Iowa Utilities Board Docket No. RPU-92-6 (1992). Natural gas utility class cost of service study and peak day demand requirements.
- Peoples Natural Gas (UtiliCorp United, Inc.), Kansas Corporation Commission Docket No. 193,787-U (1996). Natural gas utility class cost of service study, rate design, and peak day demand requirements.
- Southern Union Gas Company, Railroad Commission of Texas Gas Utilities Docket No. 8878 (1998). Natural gas utility depreciation rates.
- Southern Union Gas Company, City of El Paso (1999). Natural Gas utility depreciation rates.
- UtiliCorp United, Inc., Kansas Corporation Commission Docket No. 00-UTCG-336-RTS (1999). Natural gas utility weather normalization, class cost of service, and rate design.
- Philadelphia Gas Works, Pennsylvania Public Utility Commission Docket No. R-00006042 (2001). Natural gas utility revenue requirements.
- Missouri Gas Energy, Missouri Public Service Commission Docket No. GR-2001-292 (2001). Natural gas utility depreciation rates.
- Aquila Networks, Iowa Utilities Board Docket No. RPU-02-5 (2002). Natural gas utility class cost of service study, rate design, and weather normalization adjustment.
- Aquila Networks, Michigan Gas Utilities, Michigan Public Service Commission Case No. U-13470 (2002). Natural gas utility class cost of service study, rate design, and weather normalization adjustment.
- Aquila Networks, Nebraska Public Service Commission Docket No. NG-0001, NG0002, NG0003 (2003). Natural gas utility weather normalization adjustment.
- Aquila Networks, Missouri Public Service Commission Docket No. GR-2003 (2003). Natural gas utility class cost of service study, rate design, annualization adjustment, and weather normalization adjustment.
- North Carolina Natural Gas, North Carolina Utilities Commission Docket No. G-21-Sub 442 (2003). Filed intervener testimony on behalf of the municipal customers regarding natural gas cost of service and rates related to intrastate transmission service.
- Texas Gas Service Company, Division of ONEOK, Railroad Commission of Texas Gas Utilities Docket No. 9465 (2004). Natural gas utility depreciation rates.

- Missouri Gas Energy, Missouri Public Service Commission Docket No. GR-2004-0209 (2004). Natural gas utility depreciation rates.
- Aquila Networks, Kansas Corporation Commission Docket No. 05-AQLG-367-RTS (2004). Natural gas utility class cost of service study, rate design, and weather normalization adjustment.
- Aquila Networks, Iowa Utilities Board Docket No. RPU-05-02 (2005). Natural gas utility class cost of service study, rate design, grain drying adjustment and weather normalization adjustment.
- PJM Interconnection, LLC, Federal Energy Regulatory Commission Docket No. ER05-1181 (2005). Operating cash reserve requirements.
- Kinder Morgan, Inc., LLC, Wyoming Public Service Commission Docket No. 30022-GR-6-73 (2006). Natural gas utility weather normalization adjustment, development of load factors, billing cycle adjustment, determination of test year billing units and revenue, and depreciation rates.
- Missouri Gas Energy, Missouri Public Service Commission Docket No. GR-2006-0422 (2006). Natural gas utility depreciation rates.
- Kinder Morgan, Inc., Nebraska Public Service Commission Docket No. NG-0036 (2006). Natural gas utility weather normalization adjustment, test year billing determinants and revenues under existing rates, customer and usage trends and rate design.
- Aquila Networks, Kansas Corporation Commission Docket No. 07-AQLG-431-RTS (2006). Natural gas utility class cost of service study, rate design, irrigation adjustment, and weather normalization adjustment.
- Aquila Networks, Nebraska Public Service Commission Docket No. NG-0041 (2006). Natural gas utility jurisdictional and class cost of service study, rate design, and revenue synchronization adjustment.
- Zia Natural Gas Company, New Mexico Public Regulation Commission Case No. 08-00036-UT (2008). Natural gas utility billing determinants and revenues, weather normalization adjustment, customer growth adjustment, peak day analysis, revenue requirement, class cost of service study, and rate design.
- SourceGas Distribution, LLC, The Public Utilities Commission of the State of Colorado Docket No. 08S-0108G (2008). Natural gas utility weather normalization adjustment, irrigation adjustment, group load factor analysis, therm billing, test year billing determinants and revenues, and trends in customer usage.
- Black Hills/Iowa Gas Utility Company, LLC (fka Aquila Networks), Iowa Utilities Board Docket No. RPU-08-3 (2008) Natural gas utility weather normalization adjustment, grain

drying adjustment, revenue synchronization adjustment, class cost of service study, and rate design.

- *Black Hills/Colorado Gas Utility Company, LLC (fka Aquila Networks), The Public Utilities Commission of the State of Colorado Docket No. 08S-430G (2008)* Natural gas utility weather normalization, revenue synchronization adjustment, customer reclassification, thermal billing, test year billing determinants, revenues under existing and proposed rates, class cost of service study, and rate design.
- *Wyoming Gas Company, Wyoming Public Service Commission Docket No 30009-48-GR-8 (2008)* Natural gas utility weather normalization adjustment, test year billing determinants, revenues under existing and proposed rates, rate of return, revenue requirement, class cost of service study, and rate design.
- *Missouri Gas Energy, Missouri Public Service Commission Docket No. GR-2009-0355 (2009)*. Natural gas utility depreciation rates.
- *Empire District Gas Company, Missouri Public Service Commission Docket No. GR-2009-0434 (2009)*. Natural gas utility depreciation rates.
- *SourceGas Distribution, LLC, Nebraska Public Service Commission Docket No. NG-0060 (2009)*. Natural gas utility customer and usage trends and adjustments; weather normalization adjustment, customer change adjustment, use per customer adjustment, and inflation adjustment riders; and competitive factors.
- *Black Hills/Nebraska Gas Utility Company, LLC (fka Aquila Networks), Nebraska Public Service Commission Docket No. NG-0061 (2009)*. Natural gas utility jurisdictional and class cost of service study, rate design, and revenue synchronization adjustment.
- *SourceGas Distribution, LLC, Wyoming Public Service Commission Docket No. 30022-148-GR -10 (2010)*. Natural gas utility customer and usage trends; use per customer adjustment, inflation adjustment, and uncollectible accounts riders.
- *Black Hills/Nebraska Gas Utility Company, LLC (f.n.a. Aquila Networks) Iowa Utilities Board Docket No. RPU-2010-0002 (2010)*. Natural gas utility jurisdictional class cost of service study, rate design, weather normalization adjustment, grain dryer adjustment, annualization adjustment, ethanol plant adjustment, and synchronization adjustment.
- *The Empire District Electric Company, Missouri Public Service Commission Docket No ER 2011-0004 (2010)*. Electric utility depreciation rates.
- *The Empire District Electric Company, Corporation Commission of Oklahoma Cause No. PUD 201100082 (2011)*. Electric utility depreciation rates.
- *SourceGas Distribution, LLC, Nebraska Public Service Commission Docket No. NG-0067-RTS (2011)*. Natural gas utility jurisdictional and class cost of service study, rate design, customer and usage trends, number of customer change adjustment, use per customer adjustment, and competitive factors.

- Interstate Power and Light Company, Iowa Utilities Board Docket No. RPU-2012- 0002 (2012). Natural gas utility class cost of service study and weather normalization adjustment.
- The Empire District Electric Company, Missouri Public Service Commission Docket No. ER-2012-0345 (2012). Electric utility depreciation rates.
- Rocky Mountain Natural Gas Company LLC, Public Utilities Commission of the State of Colorado Docket No. 13AL-0067G (2013). Intrastate natural gas pipeline cost of service study and rate design.
- Rocky Mountain Natural Gas Company LLC, Public Utilities Commission of the State of Colorado Docket No. 13AL-067G (2013). Safety and System Integrity Rider (SSIR).
- SourceGas Distribution LLC, Public Utilities Commission of the State of Colorado Docket No. 13AL-143G (2013). Tariff provisions to incorporate Docket No. 13AL-0067G unbundling and tariff changes.
- Black Hills/Kansas Gas Utility Company, LLC, Kansas Corporation Commission Docket No. 14-BHCG-RTS (2014). Natural gas utility class cost of service study, rate design, weather normalization adjustment, irrigation adjustment, annualization adjustment, synchronization adjustment, and bypass revenue rider
- Wyoming Gas Company, Wyoming Public Service Commission Docket No 30009-57-GI-14 (2015) Testified at hearing to consider Wyoming Gas Company's motion for relief from filing a general rate case.



FINAL

# REPORT ON DEPRECIATION ACCRUAL RATES

Electric utility property through  
December 31, 2014

B&V PROJECT NO. 188366

PREPARED FOR

The Empire District Electric Company

SEPTEMBER 2015



## Table of Contents

Disclaimer .....	2
<b>1.0 Executive Summary .....</b>	<b>3</b>
<b>2.0 Introduction .....</b>	<b>6</b>
2.1 Existing Plant in Service and Depreciation Rates .....	6
<b>3.0 DEPRECIATION ACCOUNTING .....</b>	<b>8</b>
3.1 Annual Depreciation Expense .....	8
3.2 Depreciation Reserve .....	8
<b>4.0 HISTORICAL INFORMATION .....</b>	<b>10</b>
4.1 Empire District Electric Data .....	11
<b>5.0 UNIT PROPERTY ANALYSIS .....</b>	<b>13</b>
5.1 Steam Production Plant .....	16
5.2 Hydraulic Production Plant .....	18
5.3 Other Production Plant .....	18
5.4 Riverton Units 7, 8 and 9 Reserve Deficiency Amortization .....	20
<b>6.0 MASS PROPERTY ANALYSIS .....</b>	<b>21</b>
6.1 Whole Life Analysis for Mass Property .....	21
<b>7.0 RECOMMENDED DEPRECIATION RATES .....</b>	<b>30</b>
7.1 Unit Property Depreciation Rates .....	30
7.2 Mass Property Depreciation Rates .....	30
7.3 Summary .....	30
<b>Appendix .....</b>	<b>A-1</b>
<b>List of Tables</b>	
Table 1-1. Plant in Service and Accumulated Reserve as of June 30, 2015 .....	3
Table 1-2. Recommended Changes in Depreciation Rates and Expense .....	4
Table 1-3. Recommended Depreciation Rates .....	5
Table 2-1. Depreciable Plant in Service, Depreciation Reserve, and Existing Rates .....	7
Table 5-1. Unit Property Analysis .....	14
Table 5-2. Steam Production Plant Data .....	16
Table 5-3. Hydraulic Production Plant Data .....	18
Table 5-4. Other Production Plant Data .....	18
Table 5-5. Riverton Reserve Deficiency Amortization .....	20
Table 6-1. Summary of Mass Property Analysis .....	25
Table 6-2. Depreciation Reserve Analysis .....	29
Table 7-1. Recommended Depreciation Rates .....	31



## Disclaimer

Subject to the limitations set forth herein, this report was prepared for The Empire District Electric Company by Black & Veatch Corporation ("Black & Veatch") and is based on information not within the control of Black & Veatch. Black & Veatch has not been requested to make an independent analysis, to verify the information provided to us, or to render an independent judgment of the validity of the information provided by others. As such, Black & Veatch cannot, and does not, guarantee the accuracy thereof to the extent that such information, data, or opinions are based on information provided by others.

## 1.0 Executive Summary

This report describes the analyses conducted and the results obtained for the depreciation expense rates and accumulated provision for depreciation of the electric utility property of The Empire District Electric Company ("Empire" or "Company"). This report is based on our analyses of plant activity through December 31, 2014, with recognition given to known or planned changes since that date. The summary tables in this report are presented using June 30, 2015 plant in service and accumulated reserve balances. We consider the rates developed and recommended herein to be reasonable and appropriate for prospective use. We recommend, however, that depreciation rates be reviewed at a minimum of once every five years. Current Empire depreciation rates are based on a Stipulation and Agreement ordered in Missouri Public Service Commission ("MoPSC") Case No. ER-2014-0351.

Plant in service and accumulated depreciation as of June 30, 2015 for the classes of plant are summarized below:

Table 1-1. Plant in Service and Accumulated Reserve as of June 30, 2015

Line	[A] Description	[B] Depreciable Plant in Service	[C] Accumulated Reserve
		\$	\$
1	Production Plant*	1,140,929,873	270,331,653
2	Transmission Plant	296,501,852	95,025,924
3	Distribution Plant	851,070,393	377,770,056
4	General Plant	<u>81,668,317</u>	<u>43,719,245</u>
5	Total Plant in Service at 6/30/2015	2,370,170,435	786,846,878

\*Production reserve includes Iatan 2 Regulatory Plan Amortization balance

For unit property, specifically production plant, we develop remaining life depreciation expense rates based on the prospective life span (retirement date) of each generating unit. The prospective retirement dates we use in this report are based on information provided by Empire, our experience with similar type generating units, and are consistent with the Company's integrated resource planning. Consistent with the life span concept and the prospective retirement date used, we include allowance for interim additions and retirements of individual pieces of property, as well as an adjustment for net salvage (gross salvage less cost of removal). The remaining life rates and the resulting change in depreciation expense for unit property accounts are summarized in Table 1-2 and shown in detail in Table 1-3 and Table 5-1.

For mass property, specifically transmission, distribution, and general plant, the basis for our recommended accrual rates begins with the development of appropriate average service lives ("ASL") and Iowa curves for each plant account using the actuarial analysis method. After developing our recommended ASL and Iowa curve, we adjust for net salvage to develop a whole life depreciation rate. Recommended depreciation rates for unit property and mass property are summarized by function in Table 1-2 below and presented in detail in Table 1-3 at the end of this Executive Summary.

## REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

Table 1-2. Recommended Changes in Depreciation Rates and Expense

Line	[A] Description	[B] Current Composite Accrual Rate	[C] Composite Recommended Accrual Rate	[D] Change in Depreciation Expense
1	Production Plant	2.91%	3.16%	\$ 2,870,120
2	Transmission Plant	2.50%	2.43%	\$ (198,727)
3	Distribution Plant	3.59%	3.15%	\$ (3,654,194)
4	General Plant	5.91%	6.00%	\$ 68,858
5	Total with Plant in Service at 06/30/2015	3.21%	3.17%	\$ (913,943)

As shown in Table 1-2 and Table 1-3, application of the recommended depreciation rates results in a \$913,943 decrease in annual depreciation expense when applied to total depreciable assets as of June 30, 2015. The increase in depreciation expense attributed to the production plant is offset by the decrease in depreciation expense for transmission and distribution plant accounts primarily attributable to a general trend of longer service lives. In total, with plant in service balances as of June 30, 2015, our recommended composite depreciation rate is 3.17 percent, decreased from the existing composite depreciation rate of 3.21 percent.

We further recommend establishing depreciation reserve amortization for the negative reserve balance of the Riverton steam plant (Units 7 and 8) and Riverton Unit 9 which were retired in June of 2015 and have not been fully depreciated. This amortization, equal to \$2.3 million annually, should recover the balance of Empire's investment in Riverton Units 7, 8 and 9 over the next five years.

The scope of this report includes:

1. A discussion of the practice of depreciation accounting (Section 3).
2. The types of information examined in our analysis and the methods applied (Section 4).
3. The results of the analyses conducted pertaining to the production plant (Section 5).
4. The results of the mass property analyses conducted of Empire's transmission, distribution, and general plant (Section 6).
5. The recommended depreciation rates (Section 7).

## The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 1-3. Recommended Depreciation Rates

Line	[A] FERC Acct	[B] Description	[C] Current Depreciation Rate	[D] Recommended Depreciation Rate	[E] Change in Depreciation Expense
1		Production Plant			
2		Steam Production Plant			
3	310	Land and Land Rights			
4	311-316	Asbury	4.73%	5.43%	\$ 1,981,156
5	311-316	Riverton	3.43%	11.52%	258,456
6	311-316	Iatan 1	3.12%	3.19%	67,071
7	311-316	Iatan 2	2.10%	1.94%	(350,169)
8	311-316	Iatan Common	2.10%	2.17%	44,296
9	311-316	Plum Point	2.33%	2.39%	66,493
10		Total Steam Production	3.24%	3.51%	\$ 2,067,303
11		Hydro Production Plant			
12	310	Land and Land Rights			
13	331-335	Ozark Beach	2.04%	2.65%	\$ 56,950
14		Total Hydro Production	2.04%	2.65%	\$ 56,950
15		Other Production Plant			
16	340	Land and Land Rights			
17	341-346	State Line Combined Cycle	2.13%	2.20%	\$ 114,232
18	341-346	State Line CT	3.21%	2.09%	(460,458)
19	341-346	Energy Center Unit 1&2	2.27%	2.43%	65,884
20	341-346	Energy Center Unit 3&4 (FT8)	1.99%	3.25%	702,680
21	341-346	Riverton CT	1.88%	3.17%	237,221
22	341-346	Riverton Unit 12	1.98%	2.20%	86,308
23		Total Other Production	2.22%	2.43%	\$ 745,867
24		Total Production Plant	2.91%	3.16%	\$ 2,870,120
25		Transmission Plant			
26	350	Land and Land Rights			
27	352	Structures and Improvements	2.09%	1.82%	\$ (7,834)
28	353	Station Equipment	2.20%	2.23%	35,747
29	354	Towers and Fixtures	1.92%	1.54%	(8,120)
30	355	Poles and Fixtures	3.33%	3.51%	141,081
31	356	Overhead Conductors and Devices	2.15%	1.71%	(359,601)
32	359	Roads and Trails	0.00%	0.00%	-
33		Total Transmission Plant	2.50%	2.43%	\$ (198,727)
34		Distribution Plant			
35	360	Land and Land Rights			
36	361	Structures and Improvements	2.08%	1.56%	\$ (142,488)
37	362	Station Equipment	1.89%	2.19%	300,512
38	364	Poles, Towers and Fixtures	4.35%	4.00%	(641,779)
39	365	Overhead Conductors and Devices	3.77%	3.39%	(735,110)
40	366	Underground Conduit	3.92%	2.62%	(494,398)
41	367	Underground Conductors and Devices	3.59%	2.58%	(604,747)
42	368	Line Transformers	2.78%	2.08%	(759,267)
43	369	Services	5.00%	4.44%	(435,544)
44	370	Meters	2.27%	2.37%	22,526
45	371	Installations on Customer Premises	5.80%	4.43%	(232,187)
46	373	Street Lighting and Signal Systems	3.13%	3.49%	68,288
47		Total Distribution Plant	3.59%	3.15%	\$ (3,654,194)
48		General Plant			
49	389	Land and Land Rights			
50	390	Structures and Improvements	2.75%	3.57%	\$ 89,241
51	391.1	Office Furniture and Equipment	5.00%	4.76%	(14,786)
52	391.2	Computer Equipment	10.00%	10.00%	-
53	392	Transportation Equipment	7.08%	7.15%	8,506
54	393	Stores Equipment	3.17%	2.50%	(5,372)
55	394	Tools, Shop and Garage Equipment	4.50%	5.00%	29,592
56	395	Laboratory Equipment	2.63%	2.17%	(5,944)
57	396	Power Operated Equipment	6.33%	5.65%	(119,805)
58	397	Communication Equipment	4.00%	4.76%	91,307
59	398	Miscellaneous Equipment	4.55%	3.13%	(3,881)
60		Total General Plant	5.91%	6.00%	\$ 68,858
		Total Plant in Service at 6/30/2015	3.21%	3.17%	\$ (913,943)

## 2.0 Introduction

In this report, we present the results of our analysis of the depreciation expense requirements for the electric utility property of Empire. We primarily base our analysis on plant activity through December 31, 2014. Implications of certain known and measurable changes that have occurred or are anticipated to occur subsequent to December 31, 2014 are incorporated in our analyses as appropriate. The summary tables in this report are presented using June 30, 2015 plant in service and accumulated reserve balances

Currently, Empire accrues depreciation expense and accumulates reserve by Federal Energy Regulatory Commission (FERC) account. Empire records accruals for recovery of original cost (life portion) separately from recovery of cost of removal less gross salvage (net salvage portion). Within the production function, Empire separately accumulates reserve and calculates depreciation expense for each generating facility. In this report, annual depreciation accrual rates are calculated by individual FERC account and for each generating facility using the remaining life formula, and for the transmission, distribution, and general plant accounts using the whole life formula.

In Section 3.0, we briefly discuss the practice of depreciation accounting. In Section 4.0, we discuss the type of information examined in our analysis and the methods applied in analyzing the information. The results of the analyses performed are discussed in Sections 5.0 and 6.0. These discussions include a determination of depreciation accrual rates for unit property accounts (Section 5.0), depreciation accrual rates for mass property accounts (Section 6.1), and our analysis of the adequacy of current depreciation reserve amounts (Section 6.2).

### 2.1 EXISTING PLANT IN SERVICE AND DEPRECIATION RATES

In Table 2-1 we show the plant in service and existing depreciation rates for production, transmission, distribution, and general plant. As shown in Table 2-1, Column C, Empire has a \$2.37 billion invested in plant (excluding intangible plant) used to provide service to customers as of June 30, 2015. In Column D of Table 2-1, we show that Empire has an accumulated depreciation reserve of \$787 million as of June 30, 2015 (including \$37 million related to the Iatan 2 Regulatory Plan Amortization). The depreciation reserve accumulated for production plant is \$270 million. Empire reports depreciation reserve of \$95 million for transmission plant, \$378 million for distribution plant, and \$44 million for general plant as of June 30, 2015 (Table 2-1, Column D).

To the extent that the depreciation accrual rates recommended in this report are different from the rates currently used, the change results generally from one or more of the following factors:

- Additional information regarding the history of the plant account (retirement history).
- Changes in life characteristics due to changes in equipment and/or manufacturing methods included in the plant.
- Changes in the anticipated retirement date of production plants.
- Changes in estimated salvage and cost of removal.
- Changing unit property depreciation rates from whole life to remaining life rates.

## The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 2-1. Depreciable Plant in Service, Depreciation Reserve, and Existing Rates

Line	(A) Description	(B) FERC Acct	(C) Plant in Service At 6/30/2015 \$	(D) Depreciation Reserve At 6/30/2015 \$	(E) Existing Depreciation Rate %
1	Production Plant				
2	Steam Production Plant				
3	Land and Land Rights	310	2,435,380		
4	Asbury	311-316	285,502,250	41,725,501	4.73%
5	Riverton	311-316	3,196,964	(4,675,891)	3.43%
6	Iatan 1	311-316	100,329,034	42,695,210	3.12%
7	Iatan 2*	311-316	218,208,718	55,026,091	2.10%
8	Iatan Common	311-316	60,036,052	4,835,108	2.10%
9	Plum Point	311-316	104,727,276	10,107,354	2.33%
10	Total Steam Production		774,435,673	149,713,373	
11	Hydro Production Plant				
12	Land and Land Rights	330	226,488		
13	Ozark Beach	331-335	9,292,873	2,919,149	2.04%
14	Total Hydro Production		9,519,361	2,919,149	
15	Other Production Plant				
16	Land and Land Rights	340	1,278,438		
17	State Line Combined Cycle	341-346	161,022,417	41,542,797	2.13%
18	State Line CT	341-346	40,816,274	22,375,734	3.21%
19	Energy Center Unit 1&2	341-346	40,068,437	31,345,227	2.27%
20	Energy Center Unit 3&4 (FT8)	341-346	55,798,599	8,780,222	1.99%
21	Riverton CT	341-346	18,403,922	7,044,633	1.88%
22	Riverton Unit 12	341-346	39,586,753	6,610,519	1.98%
23	Total Other Production		356,974,839	117,699,131	
24	Total Production Plant		1,140,929,873	270,331,653	
25	Transmission Plant				
26	Land and Land Rights	350	11,609,210		
27	Structures and Improvements	352	2,901,325	1,364,827	2.09%
28	Station Equipment	353	119,157,090	43,589,209	2.20%
29	Towers and Fixtures	354	2,136,752	885,507	1.92%
30	Poles and Fixtures	355	79,706,458	23,896,253	3.33%
31	Overhead Conductors and Devices	356	80,991,018	25,290,128	2.15%
32	Roads and Trails	359	-	-	
33	Total Transmission Plant		296,501,852	95,025,924	
34	Distribution Plant				
35	Land and Land Rights	360	4,090,138		
36	Structures and Improvements	361	27,401,649	5,201,197	2.08%
37	Station Equipment	362	100,170,779	36,015,226	1.89%
38	Poles, Towers and Fixtures	364	183,365,567	91,033,629	4.35%
39	Overhead Conductors and Devices	365	193,449,947	82,902,165	3.77%
40	Underground Conduit	366	38,030,668	16,193,430	3.92%
41	Underground Conductors and Devices	367	59,875,907	30,804,739	3.59%
42	Line Transformers	368	108,466,691	39,374,989	2.78%
43	Services	369	77,775,708	51,314,646	5.00%
44	Meters	370	22,526,507	7,861,021	2.27%
45	Installations on Customer Premises	371	16,947,926	12,096,845	5.80%
46	Street Lighting and Signal Systems	373	18,968,907	4,972,168	3.13%
47	Total Distribution Plant		851,070,393	377,770,056	
48	General Plant				
49	Land and Land Rights	389	659,081		
50	Structures and Improvements	390	10,883,118	6,364,184	2.75%
51	Office Furniture and Equipment	391.1	6,160,960	1,967,814	5.00%
52	Computer Equipment	391.2	13,895,203	9,908,445	10.00%
53	Transportation Equipment	392	12,152,005	6,595,343	7.08%
54	Stores Equipment	393	801,823	375,189	3.17%
55	Tools, Shop and Garage Equipment	394	5,918,332	3,395,407	4.50%
56	Laboratory Equipment	395	1,292,173	844,863	2.63%
57	Power Operated Equipment	396	17,618,256	7,965,587	6.33%
58	Communication Equipment	397	12,014,046	6,127,485	4.00%
59	Miscellaneous Equipment	398	273,321	174,928	4.55%
60	Total General Plant		81,668,317	43,719,245	
61	Total Plant in Service at 6/30/2015		2,370,170,435	786,846,878	

\*Iatan 2 depreciation reserve balance includes Regulatory Plan Amortization balance

### 3.0 DEPRECIATION ACCOUNTING

The FERC Uniform System of Accounts defines depreciation as:

*“The loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes that are known to be in current operation and against which the system is not protected by insurance. Among the causes considered are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.”*

Depreciation accounting provides a method whereby charges for the loss in service value are made against current income derived from operating the system. By properly charging depreciation, the total cost of utility property is appropriately distributed over the useful life in such a way as to equitably allocate cost to the period during which service is provided through the use and consumption of such property. For the purpose of this report, we use the term “total cost” to mean the original investment cost (gross plant), less salvage value (if any), plus cost of removal (if any).

#### 3.1 ANNUAL DEPRECIATION EXPENSE

Annual depreciation expense represents the annual charge against income associated with the loss of service value of utility property. Historically, utilities have relied on a number of methods to identify the appropriate level of depreciation expense. Some of these methods include:

- A direct apportionment by management;
- A percentage of revenues;
- An amount equal to the original cost investment retired during the year;
- A charge per unit of delivery (kWh, kW, etc.); and
- A percentage of the investment in depreciable property.

#### 3.2 DEPRECIATION RESERVE

Depreciation reserve is a balance sheet item that reflects the accumulation of annual depreciation activities and associated retirement accounting. Under the FERC System of Accounts, depreciation reserve is shown on the balance sheet as “Accumulated Provision for Depreciation.”

The depreciation expense charged against income is credited to (accumulated in) depreciation reserve. For utility properties, FERC provides that upon retirement of an asset, the utility reduces (debits) depreciation reserve by the original cost of the asset retired, increases (credits) reserve by any benefits derived from the sale of assets removed (salvage), and reduces (debits) reserve by the costs attributable to removal. As such, the use of appropriate depreciation rates corresponding to the service life of utility properties will result in accruals to the depreciation reserve which equal the total investment ultimately retired, as adjusted for salvage and cost of removal.

For the purpose of this report, we have included consideration of net salvage (gross salvage less cost of removal) where appropriate. More specifically, for the depreciation rates recommended for

**The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES**

---

unit and mass property accounts, we have provided allowance for net salvage based on industry trends and our experience with similar property. For the mass property accounts, we have also used as a reference, the historical salvage, cost of removal and retirement experience of Empire.



## 4.0 HISTORICAL INFORMATION

Depreciation expense rates are intended to recover the net investment (total cost) in utility property over its useful life. In this regard, depreciation rates typically consist of three components. These components, which are further defined below, include: (i) service life of the property; (ii) total cost to be recovered; and (iii) reserve deficiency.

Normally, the determination of average service life is largely dependent on analyses of detailed utility records. Such records generally provide information regarding additions and retirements by transaction year (year added or retired) and vintage (year originally installed) for each account. We adjust average service life based on historical experience to reflect expectations over the remaining service life based on our experience, judgment, and those conditions anticipated to occur.

We develop average service lives by account. We first separate accounts into two groups: mass property and unit property. Mass property represents relatively homogeneous property units that tend to be retired individually, and then replaced with like property units such that the service provided does not end or change appreciably when a specific unit is retired. Meters, conduit, conductor, services, and line transformers are examples of mass property. Conversely, unit property represents a more heterogeneous property group, which by the nature of their interconnected or integrated operations, tends (in large part) to be retired simultaneously, as a group. We normally consider power generation facilities for electric utilities as unit property. Generally, utilities maintain detailed unit property data by physical location. Utilities typically maintain mass property data on an aggregate level. For unit property accounts, we typically define service life based on planned retirement dates.

For unit property, we normally develop a history of investment activity by account for each location or site. This life history reflects gross additions, retirements, surviving property, and account balances. Based on the estimated life (planned retirement date) for each unit property (generating station), we typically forecast plant investment activity (interim additions, retirements, and account balances) at the account level for each year that units within such an account are forecast to remain in service. We then calculate a remaining life, straight line depreciation accrual rate by dividing the remaining investment to be recovered (original investment, plus interim additions, plus cost of removal, less gross salvage, less accumulated depreciation reserve) by the sum of the forecast annual depreciable balances over the remaining lifespan of the unit property accounts.

For mass property, we initially define service lives and Iowa curves by account based on actuarial analysis (retirement or survivor curve analysis) or semi-actuarial analysis (simulated plant balance). These analyses rely on historical plant activity (retirements). Specifically, using a least squares technique, actual survivor stub curves representing the percent of original placements surviving at various ages are developed. We compare these stub curves to general survivor curves to identify the average service life which best fits historical experience. By comparing the results produced with results using other curve shapes, we determine the curve shape and average service life which best predicts historical experience. We use the average service life we developed as a principal determinant of the reasonable average service life applicable to each account. In addition

to our analysis of historical experience, we consider our experience in the industry, practices of other utilities, and basic information regarding expected life characteristics of the property. Results derived from the application of these methodologies are then evaluated in connection with other available information such as: (i) past, present and anticipated economic conditions; (ii) recent industry trends; and (iii) engineering experience and judgment.

We further discuss these techniques, including a summary of the information required and the information provided by Empire in the following.

#### **4.1 EMPIRE DISTRICT ELECTRIC DATA**

Empire's property records are kept in accordance with the Uniform System of Accounts as prescribed by the FERC. We rely on these records as the basis for the information used for our analysis. In 1999 Empire converted their property accounting system to PeopleSoft. During the transition to the PeopleSoft system, only vintage balances were brought forward. As a result, aged data history (additions and retirements by vintage) was not retained in the PeopleSoft system. Empire was able to build back the aged data for their continuing property record (CPR) by appending the transactions from the CPR used in prior depreciation studies to the transactions and balances contained in the PeopleSoft system. In 2012 Empire converted their property accounting system from PeopleSoft to PowerPlant. The aged data from PeopleSoft and the current PowerPlant system were added to the CPR used in our 2009 study. This CPR data was relied upon for the purpose of this study.

##### **4.1.1 Mass Property Data**

The investment in mass property accounts (transmission, distribution and general plant) is maintained within PowerPlant as well as all transactions since 1999. Empire's CPR data prior to 1999 is maintained outside of PowerPlant as the property accounting data contained in PowerPlant does not have aged data detail prior to 1999. Using the Company's CPR, we are able to perform actuarial studies as a basis to determine the experienced mortality characteristics for each FERC account.

Empire maintains salvage history since 1988, reported by account by transaction year. Empire has transaction and vintage retirement salvage data from 1999 forward. Salvage and cost of removal ("COR") data by account for the transaction years 2005 through 2014 were used to develop reasonable gross salvage, COR and net salvage allowances for the mass property accounts.

##### **4.1.2 Planned Retirements (Unit Property Accounts)**

For unit property accounts, Empire provided the data needed to develop an investment history. A life history of net additions prior to 1999 and gross additions, retirements, surviving property, and account balances by year since 1999 were provided for the analysis. Based on the estimated retirement date, we forecast plant investment activity (interim additions, retirements, and plant balances) for each year that we expect the property to remain in service. In the event that other reasonably anticipated planned additions and retirements are required in order for the property to reach the retirement date, we consider implications of such additions and retirements as well.

Based on the data described above, we calculate remaining life, straight line depreciation accrual rates by dividing the remaining investment to be recovered (original investment, plus interim additions, plus cost of removal, less gross salvage, less accumulated depreciation reserve) by the sum of the forecast annual depreciable balances over the remaining lifespan of the unit property accounts. Forecast annual depreciable balances are based on the existing plant balances reported at December 31, 2014 plus forecast additions and retirements as adjusted for net salvage. Our recommended depreciation rates for unit property accounts are discussed in Section 5.0.

To accurately determine the composite depreciation accrual rate for the generating units, it is important to understand the retirement date and investment in each generating unit. Empire maintains historical data that includes additions, retirements, transfers, and net salvage by FERC account. This data provides sufficient information to evaluate interim additions, retirements, and salvage on an aggregate level for the steam, hydraulic and other production accounts for the period ending December 31, 2014. We supplement this information with Empire's Continuing Property Record data as a means to identify additions and retirements specific to generating units to determine approximate investment by generating unit.

## 5.0 UNIT PROPERTY ANALYSIS

Table 5-1 summarizes the recommended remaining life depreciation rates for Empire's generating stations. We also show plant investment as of June 30, 2015, existing depreciation accrual rates, and the resulting change in annual depreciation expense by generating unit. The remaining life accrual rate is defined as the rate which, when applied to the annual depreciable balances, will result in recovery of the original cost of gross additions over the forecasted remainder of the lifespan of the property (from today until the plant retires). Adjustments to the remaining life rates are made to reflect estimated salvage value and cost of removal. We also show the whole life depreciation rates in Table 5-1.

The annual accrual rates we develop will fully recover Empire's investment, including consideration of the impact of terminal net salvage. The principal forecasts, for which assumptions are made, that we rely on in the analyses include:

- The retirement date (lifespan) of the individual facilities.
- The level of interim additions and retirements.
- The level of major plant additions, upgrades, and improvements required for the individual units to reach the planned retirement date.
- The net salvage values associated with interim and final retirements.

We analyzed the investment history by account for steam production, hydraulic production and other production plant through December 31, 2014. The life history reflects gross additions, retirements, surviving property and account balances. Based on the planned retirement date, we forecast plant investment activity (interim additions, retirements, and balances) for each year that we forecast the generating plant will remain in service. The estimated lifespans of unit properties are based on information provided by Empire, our experience with similar type generating units, the lifespans used by the primary plant owners, and are consistent with Empire's integrated resource planning.

We calculate a remaining life, straight line depreciation accrual rate by dividing the net investment (plant investment less accumulated depreciation as of December 31, 2014, plus forecast interim additions, less forecast interim retirements and net salvage) by the sum of the annual depreciable plant balances over the remaining lifespan of the unit. Annual depreciable balances are based on plant balances as of December 31, 2014 plus forecast additions and retirements. Our recommended remaining life depreciation rate calculations are shown in the Appendix and are summarized in Table 5-1. For the total production property, the composite proposed remaining life rate is 3.16 percent and the change in annual depreciation expense based on depreciable plant in service as of June 30, 2015 is an increase of \$2.9 million as shown in Column J of Table 5-1.

## REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

Table 5-1. Unit Property Analysis

Line	[A] FERC Account	[B] Description	[C] Plant in Service at 6/30/2015	[D] Existing Accrual Rate	[E] [F] [G] Recommended			[H] COR Rate	[I] Whole Life Rate	[J] Change in Depreciation Expense
					Remaining Life Accrual Rate	Life Rate	Salvage Rate			
[F]-[G]-[H]										[(E)-[D] ]*[C]
<b>Asbury</b>										
1	311	Structure & Improvements	20,684,563	2.81%	4.48%	4.22%	0.26%	-0.52%	2.93%	346,328
2	312	Boiler Plant Equipment	219,488,184	5.28%	5.61%	5.35%	0.26%	-0.53%	4.52%	728,981
3	314	Turbo Generator Equipment	36,200,752	2.84%	5.22%	4.97%	0.25%	-0.51%	3.74%	862,027
4	315	Accessory Electric Equipment	6,837,913	3.30%	3.80%	3.55%	0.25%	-0.50%	2.33%	33,948
5	316	Misc Power Equipment	2,290,838	3.95%	4.38%	4.10%	0.28%	-0.56%	3.61%	9,871
6	311-316	Total Asbury	285,502,250	4.73%	5.43%	5.17%	0.26%	-0.52%	4.25%	1,981,156
<b>Riverton</b>										
7	311	Structure & Improvements	2,654,253	3.69%	11.52%	11.52%	0.00%	0.00%	3.69%	207,713
8	312	Boiler Plant Equipment	129,030	3.09%	11.52%	11.52%	0.00%	0.00%	3.09%	10,872
9	314	Turbo Generator Equipment	0	2.39%	11.52%	11.52%	0.00%	0.00%	2.39%	-
10	315	Accessory Electric Equipment	409,165	1.84%	11.52%	11.52%	0.00%	0.00%	1.84%	39,589
11	316	Misc Power Equipment	4,515	5.27%	11.52%	11.52%	0.00%	0.00%	5.27%	282
12	311-316	Total Riverton	3,196,964	3.43%	11.52%	11.52%	0.00%	0.00%	3.43%	258,456
<b>Iatan 1</b>										
13	311	Structure & Improvements	4,134,403	2.09%	1.96%	1.76%	0.20%	-0.40%	2.12%	(5,401)
14	312	Boiler Plant Equipment	74,776,018	3.17%	3.25%	3.03%	0.22%	-0.44%	3.18%	62,889
15	312	Train	329,005	6.67%	6.67%				6.67%	-
16	314	Turbo Generator Equipment	12,115,969	2.44%	2.88%	2.66%	0.21%	-0.43%	2.64%	52,927
17	315	Accessory Electric Equipment	7,524,873	4.08%	3.67%	3.43%	0.24%	-0.48%	3.10%	(30,948)
18	316	Misc Power Equipment	1,448,765	3.27%	2.41%	2.19%	0.22%	-0.45%	3.27%	(12,395)
19	311-316	Total Iatan 1	100,329,034	3.12%	3.19%	2.94%	0.22%	-0.44%	3.08%	67,071
<b>Iatan 2</b>										
20	311	Structure & Improvements	20,379,010	2.10%	2.92%	2.77%	0.15%	-0.29%	2.92%	166,444
21	312	Boiler Plant Equipment	137,576,191	2.10%	1.96%	1.85%	0.11%	-0.22%	2.20%	(190,692)
22	314	Turbo Generator Equipment	47,746,420	2.10%	1.54%	1.44%	0.09%	-0.19%	1.80%	(268,850)
23	315	Accessory Electric Equipment	12,275,927	2.10%	1.60%	1.50%	0.09%	-0.18%	1.76%	(61,873)
24	316	Misc Power Equipment	231,170	2.10%	4.18%	3.98%	0.20%	-0.40%	4.13%	4,801
25	311-316	Total Iatan 2	218,208,718	2.10%	1.94%	1.83%	0.11%	-0.22%	2.16%	(350,169)
<b>Iatan Common</b>										
26	311	Structure & Improvements	14,255,204	2.10%	2.92%	2.77%	0.15%	-0.29%	2.92%	116,429
27	312	Boiler Plant Equipment	39,149,809	2.10%	1.96%	1.85%	0.11%	-0.22%	2.20%	(54,265)
28	314	Turbo Generator Equipment	1,239,082	2.10%	1.54%	1.44%	0.09%	-0.19%	1.80%	(6,977)
29	315	Accessory Electric Equipment	4,760,916	2.10%	1.60%	1.50%	0.09%	-0.18%	1.76%	(23,996)
30	316	Misc Power Equipment	631,040	2.10%	4.18%	3.98%	0.20%	-0.40%	4.13%	13,105
31	311-316	Total Iatan Common	60,036,052	2.10%	2.17%	2.05%	0.12%	-0.24%	2.35%	44,296
<b>Plum Point</b>										
32	311	Structure & Improvements	20,665,934	2.10%	2.18%	2.07%	0.11%	-0.22%	2.10%	16,717
33	312	Boiler Plant Equipment	53,609,588	2.10%	2.17%	2.06%	0.11%	-0.22%	2.11%	35,569
34	312	Train	5,267,226	6.67%	6.67%	6.67%			6.67%	-
35	314	Turbo Generator Equipment	16,961,881	2.10%	2.18%	2.07%	0.11%	-0.22%	2.10%	13,797
36	315	Accessory Electric Equipment	5,254,093	2.10%	2.12%	2.01%	0.11%	-0.22%	2.10%	1,239
37	316	Misc Power Equipment	2,968,554	2.10%	2.07%	1.96%	0.11%	-0.22%	2.10%	(829)
38	311-316	Total Plum Point	104,727,276	2.33%	2.39%	2.29%	0.11%	-0.21%	2.33%	66,493
<b>Total Steam Production</b>										
39	311	Structure & Improvements	82,773,368	2.33%	3.35%	3.19%	0.16%	-0.33%	2.70%	848,231
40	312	Boiler Plant Equipment	524,728,820	3.58%	3.70%	3.51%	0.19%	-0.38%	3.30%	593,354
41	312	Train	5,596,231	6.67%	6.67%	6.27%	0.00%	0.00%	6.67%	-
42	314	Turbo Generator Equipment	114,264,105	2.37%	2.94%	2.78%	0.16%	-0.32%	2.55%	652,924
43	315	Accessory Electric Equipment	37,062,887	2.72%	2.61%	2.45%	0.15%	-0.31%	2.19%	(42,040)
44	316	Misc Power Equipment	7,574,882	2.89%	3.08%	2.89%	0.19%	-0.39%	3.01%	14,834
45	311-316	Total Total Steam Production	772,000,293	3.24%	3.51%	3.33%	0.18%	-0.36%	3.09%	2,067,303

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 5-1. Unit Property Analysis (continued)

Line	FERC Account	[B] Description	[C] Plant in Service at 6/30/2015	[D] Existing Accrual Rate	[E] [F] [G] Recommended			[H] COR Rate	[I] Whole Life Rate	[J] Change in Depreciation Expense
					Remaining Life Accrual Rate	Life Rate	Salvage Rate			
					[F]-[G]-[H]			([E]-[D])*[C]		
<b><u>Ozark Beach Hydro</u></b>										
46	331	Structures & Improvements	799,582	2.01%	2.39%	2.24%	0.15%	-0.31%	2.02%	3,044
47	332	Reservoirs, Dams, and Waterways	3,414,912	0.98%	1.93%	1.80%	0.13%	-0.27%	1.57%	32,504
48	333	Water Wheels, Turbines & Generators	3,181,201	2.98%	3.11%	2.92%	0.19%	-0.39%	3.86%	4,249
49	334	Accessory Electric Equipment	1,404,531	1.96%	3.14%	2.98%	0.16%	-0.31%	2.25%	16,509
50	335	Misc. Power Plant Equipment	492,647	3.53%	3.66%	3.47%	0.19%	-0.38%	3.34%	644
51	331-335	Total Ozark Beach Hydro	9,292,873	2.04%	2.65%	2.49%	0.16%	-0.33%	2.59%	56,950
<b><u>State Line CC</u></b>										
52	341	Structures & Improvements	10,635,737	2.11%	2.19%	2.13%	0.23%	-0.29%	2.10%	8,005
53	342	Fuel Holders	409,439	4.61%	0.00%	0.00%	0.00%	0.00%	3.19%	(18,875)
54	343	Prime Movers	106,742,478	2.03%	2.07%	2.21%	0.28%	-0.14%	2.15%	45,683
55	344	Generators	31,262,316	2.44%	2.50%	2.65%	0.30%	-0.15%	2.72%	20,068
56	345	Accessory Electric Equipment	8,292,989	2.19%	2.74%	2.67%	0.27%	-0.34%	2.87%	45,466
57	346	Misc. Power Equipment	3,679,458	2.08%	2.46%	2.40%	0.23%	-0.29%	2.20%	13,885
58	341-346	Total State Line CC	161,022,417	2.13%	2.20%	2.32%	0.28%	-0.17%	2.30%	114,232
<b><u>State Line CT</u></b>										
59	341	Structures & Improvements	1,103,160	4.28%	0.00%	0.00%	0.00%	0.00%	4.24%	(47,215)
60	342	Fuel Holders	3,187,313	2.32%	1.59%	1.51%	0.32%	-0.41%	2.21%	(23,359)
61	343	Prime Movers	26,308,743	3.52%	2.42%	2.63%	0.43%	-0.21%	3.54%	(289,164)
62	344	Generators	7,049,204	2.61%	1.41%	1.61%	0.40%	-0.20%	2.62%	(84,339)
63	345	Accessory Electric Equipment	2,875,110	2.41%	1.85%	1.77%	0.32%	-0.40%	2.39%	(16,061)
64	346	Misc. Power Equipment	292,744	3.88%	3.77%	3.68%	0.36%	-0.45%	3.19%	(320)
65	341-346	Total State Line CT	40,816,274	3.21%	2.09%	2.24%	0.39%	-0.23%	3.21%	(460,458)
<b><u>Energy Center Unit 1&amp;2</u></b>										
66	341	Structures & Improvements	2,134,907	2.19%	1.61%	1.42%	0.75%	-0.94%	2.39%	(12,450)
67	342	Fuel Holders	1,290,095	3.03%	0.00%	0.00%	0.00%	0.00%	2.44%	(39,090)
68	343	Prime Movers	27,825,476	2.33%	2.93%	3.47%	1.09%	-0.54%	2.57%	166,054
69	344	Generators	4,737,700	2.08%	0.00%	0.00%	0.00%	0.00%	2.12%	(98,544)
70	345	Accessory Electric Equipment	2,263,612	1.14%	5.55%	5.36%	0.77%	-0.96%	1.73%	99,872
71	346	Misc. Power Equipment	1,816,646	2.75%	0.00%	0.00%	0.00%	0.00%	3.00%	(49,958)
72	341-346	Total Energy Center Unit 1&2	40,068,437	2.27%	2.43%	2.79%	0.84%	-0.48%	2.48%	65,884
<b><u>Energy Center Unit 3&amp;4 (FT8s)</u></b>										
73	341	Structures & Improvements	1,133,884	2.04%	3.27%	3.19%	0.29%	-0.37%	2.15%	13,927
74	342	Fuel Holders	1,467,460	2.04%	2.99%	2.92%	0.29%	-0.36%	2.23%	13,996
75	343	Prime Movers	48,234,546	1.98%	3.26%	3.45%	0.37%	-0.19%	2.20%	619,396
76	344	Generators	519,289	1.93%	3.20%	3.38%	0.36%	-0.18%	2.07%	6,603
77	345	Accessory Electric Equipment	3,338,042	2.05%	3.15%	3.08%	0.29%	-0.36%	2.30%	36,847
78	346	Misc. Power Equipment	1,105,379	2.04%	3.12%	3.04%	0.31%	-0.38%	2.37%	11,912
79	341-346	Total Energy Center Unit 3&4 (FT8s)	55,798,599	1.99%	3.25%	3.40%	0.36%	-0.21%	2.21%	702,680
<b><u>Riverton CT</u></b>										
80	341	Structures & Improvements	7,339,079	1.70%	4.51%	4.40%	0.45%	-0.57%	2.87%	206,423
81	342	Fuel Holders	456,988	2.04%	2.87%	2.76%	0.45%	-0.56%	2.32%	3,793
82	343	Prime Movers	6,671,999	2.03%	1.85%	2.12%	0.56%	-0.28%	2.64%	(12,237)
83	344	Generators	1,764,497	1.92%	2.36%	2.64%	0.56%	-0.28%	2.15%	7,841
84	345	Accessory Electric Equipment	1,430,904	1.95%	3.13%	3.02%	0.44%	-0.56%	1.97%	16,926
85	346	Misc. Power Equipment	740,456	2.04%	4.00%	3.88%	0.44%	-0.56%	3.40%	14,476
86	341-346	Total Riverton CT	18,403,922	1.88%	3.17%	3.24%	0.50%	-0.43%	2.66%	237,221
<b><u>Riverton Unit 12</u></b>										
87	341	Structures & Improvements	494,249	1.70%	2.42%	2.37%	0.20%	-0.25%	2.31%	3,557
88	342	Fuel Holders	945,601	2.04%	3.22%	3.15%	0.26%	-0.33%	3.06%	11,119
89	343	Prime Movers	16,505,226	2.03%	2.01%	2.13%	0.24%	-0.12%	2.06%	(3,836)
90	344	Generators	11,537,062	1.92%	2.05%	2.18%	0.25%	-0.13%	2.02%	15,124
91	345	Accessory Electric Equipment	8,620,428	1.95%	2.64%	2.58%	0.24%	-0.30%	2.65%	59,358
92	346	Misc. Power Equipment	1,484,187	2.04%	2.11%	2.06%	0.20%	-0.25%	2.19%	985
93	341-346	Total Riverton Unit 12	39,586,753	1.98%	2.20%	2.27%	0.24%	-0.17%	2.21%	86,308
87	Total		1,136,989,568	2.91%	3.16%	3.08%	0.24%	-0.32%	2.88%	2,870,120

## REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

**5.1 STEAM PRODUCTION PLANT**

The steam electric generating stations owned by Empire include one unit at Asbury, Iatan Unit 1 (12 percent ownership), Iatan Unit 2 (12 percent ownership) and one unit at Plum Point (7.52 percent ownership).

Table 5-2 summarizes the nameplate rating, year of installation, and forecast retirement date for each unit as provided by Empire.

Table 5-2. Steam Production Plant Data

Line	[A] Steam Production Plant	[B] Nameplate Rating MW	[C] Date Installed	[D] Estimated Retirement	[E] Estimated Service Life years
1	Asbury 1	198	1970	2035	65
2	Iatan 1 (a)	85	1980	2040	60
3	Iatan 2 (b)	105	2010	2070	60
4	Plum Point (c)	50	2010	2060	50

(a) EDE owns a 12% share of Iatan 1

(b) EDE owns a 12% share of Iatan 2

(c) EDE owns a 7.52% share of Plum Point

**Asbury.**

The Asbury station, located in Asbury, MO, has one steam generating unit with a maximum net capability of 198 MW. The age of this station at the end of 2014 was 44 years and the remaining life is estimated to be 21 years based on the forecast retirement of the plant in 2035. In order to achieve this life, there were major capital additions at Asbury in 2014 to install mercury, sulfur dioxide, and particulate matter emissions controls as well as a retrofit and upgrade of the steam turbine. Asbury Unit 2 was placed in service in 1986 and was retired coincident with the Unit 1 environmental upgrade. Other than this major capital addition, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. The Appendix summarizes the derivation of remaining life rates applicable to Asbury. A remaining life accrual rate of 5.43 percent is shown in Table 5-1. The accumulated depreciation reserve for the Asbury is \$41,725,501 compared to the depreciable plant balance of \$285,502,250 as of June 30, 2015.

**Riverton.**

The Riverton Plant is located in Riverton, KS and has been in service since 1905. Currently there are no operational steam units; the last steam unit was retired in June 2015. There is currently \$3.2 million of plant remaining in service in the Riverton steam accounts. This plant is primarily associated with a building and other common facilities that are expected to be retired and decommissioned in the 2017-2018 timeframe. The accumulated reserve for depreciation associated with the remaining Riverton steam common plant is \$2.1 million. Notably, there is currently a negative depreciation reserve balance for the Riverton steam accounts of -\$4.7 million, consisting of

**The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES**

the \$2.1 million associated with the common plant and a deficiency of \$6.8 million associated with the retired Riverton Units 7 and 8 (\$2.1 million less \$6.8 million equals an overall Riverton steam plant depreciation reserve of -\$4.7million).

Based on the final retirement of the building and other common facilities at the Riverton steam plant in 2018 and the net plant amount of approximately \$1.1 million (remaining plant only), we recommend an 11.52 percent depreciation rate to collect the balance of the plant in service by its retirement date ( $\$1,104,455 / 3 \text{ years} / \$3,196,964 = 11.52\%$ ).

**Iatan.**

The Iatan Plant is located in Weston, MO and was placed in service in 1980. Empire owns a 12 percent share of Iatan 1 and Iatan 2, or approximately 85 MW and 105 MW respectively. At the end of 2014, the age of Iatan 1 was 34 years and the remaining life is estimated to be 26 years based on the forecast retirement of the unit in 2040. Iatan 2 began commercial operation in 2010 and has an estimated remaining life of 56 years based on the forecast retirement of the unit in 2070. The retirement dates used for Iatan 1 and Iatan 2 in our analysis are consistent with the lives used by the primary owner of the plants, Kansas City Power & Light Company.

Based on the unit property methodology, the remaining life accrual rate for Iatan 1 is 3.12 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation reserve for Iatan 1 is \$42,695,210 compared to the depreciable plant balance of \$100,329,034 as of June 30, 2015.

For Iatan 2 and Iatan Common plant, based on the unit property methodology, the remaining life accrual rate is 2.20 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation reserve for Iatan 2 is \$17,713,138, plus a Regulatory Plan Amortization balance of \$37,312,953, for a total of \$55,026,091 compared to the depreciable plant balance of \$218,208,718 as of June 30, 2015. The accumulated depreciation reserve for Iatan Common is \$4,835,108 compared to the depreciable plant balance of \$60,036,052 as of June 30, 2015.

**Plum Point.**

The Plum Point Plant is located near Osceola, Arkansas and was placed in service in 2010. Empire owns a 7.52 percent share of Plum Point, or approximately 50 MW. At the end of 2014, the age of the facility was 4 years and the remaining life is estimated to be 46 years based on the forecast retirement of the unit in 2060.

Based on the unit property methodology, the remaining life accrual rate for Plum Point is 2.39 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation reserve for Plum Point is \$10,107,354 compared to the depreciable plant balance of \$104,727,276 as of June 30, 2015.



## REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

**5.2 HYDRAULIC PRODUCTION PLANT**

Empire owns the Ozark Beach hydraulic production plant which consists of four generating units installed in 1931. The current licensing period for Ozark Beach ends in 2022, however Empire expects to extend the life of the Ozark Beach plant through another 30 year licensing period. We have used an estimated final retirement date of 2053 which corresponds to the expiration of the renewed licensing period. We believe that substantial additional capital additions may be required to achieve this estimated retirement date.

Table 5-3. Hydraulic Production Plant Data

Line	[A] Hydraulic Production Plant	[B] Nameplate Rating MW	[C] Date Installed	[D] Estimated Retirement	[E] Estimated Service Life years
1	Ozark Beach 1	4	1931	2053	122
2	Ozark Beach 2	4	1931	2053	122
3	Ozark Beach 3	4	1931	2053	122
4	Ozark Beach 4	4	1931	2053	122

Based on the unit property methodology, the remaining life accrual rate for Ozark Beach hydraulic facility is 2.65 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation for Ozark Beach is \$2,919,149 compared to the depreciable plant balance of \$9,292,873 for the period ending June 30, 2015.

**5.3 OTHER PRODUCTION PLANT**

The other electric generating stations owned by Empire include the Energy Center combustion turbines, the Riverton combined cycle and combustion turbines, and the State Line combined cycle and combustion turbine. Table 5-4 summarizes the nameplate rating, year of installation, and forecast retirement date for each unit as provided by Empire.

Table 5-4. Other Production Plant Data

Line	[A] Other Production Plant	[B] Nameplate Rating MW	[C] Date Installed	[D] Estimated Retirement	[E] Estimated Service Life years
1	Energy Center 1	85	1978	2023	45
2	Energy Center 2	84	1981	2026	45
3	Energy Center 3 (FT8)	49	2003	2043	40
4	Energy Center 4 (FT8)	49	2003	2043	40
5	Riverton 10	16	1988	2033	45
6	Riverton 11	16	1988	2033	45
7	Riverton 12 <sup>(a)</sup>	150	2007	2057	50
8	State Line 1, CT	96	1995	2040	45
9	State Line 2, CC <sup>(b)</sup>	300	2001	2051	50

(a) Riverton 12 is being converted to a combined cycle plant in 2016

(b) Empire owns a 300 MW share of State Line 2 (combined cycle)

**Energy Center.**

The Energy Center is located in LaRussell, MO. Units 1 and 2 are combustion turbines and were installed in the period 1978 and 1984, respectively, and are forecast to be in service for 45 years. Units 3 and 4 are FT8 combustion turbines and were installed in 2003 and are forecast to be in service for 40 years.

Based on the unit property methodology, the remaining life accrual rate for Energy Center Units 1 and 2 is 2.43 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation for the Units 1 and 2 is \$31,345,227 compared to the plant balance of \$40,068,437 for the period ending June 30, 2015.

For Energy Center Units 3 and 4, the remaining life accrual rate is 3.25 percent as shown in Table 5-1. The analysis showing the development of these rates is shown in the Appendix. The accumulated depreciation for the plant is \$8,780,222 compared to the depreciable plant balance of \$55,798,599 for the period ending June 30, 2015.

**Riverton.**

The Riverton Plant is located in Riverton, KS. The existing simple cycle combustion turbines at Riverton were installed in 1988. Units 10 and 11 are forecast to be in service for 45 years. Based on the unit property methodology, the remaining life accrual rate for the Riverton combustion turbines is 3.17 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation reserve is \$7,044,633 compared to the depreciable plant balance of \$18,403,922 as of June 30, 2015.

Riverton Unit 12 was placed into service as a simple cycle combustion turbine in 2007 and is the process of being converted to a combined cycle plant, to be completed in the 2016 timeframe. Riverton Unit 12 has an estimated remaining life of 43 years based on a lifespan of 50 years. Based on the unit property methodology, the remaining life accrual rate is 2.20 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation for the plant is \$6,610,519 compared to the depreciable plant balance of \$39,586,753 for the period ending June 30, 2015.

**State Line.**

The State Line plant is located west of Joplin, MO and consists of a combustion turbine installed in 1995 and a combined cycle unit installed in 2001 of which Empire owns a 300MW share. At the end of 2014, the ages of the units were 19 and 13 years respectively. The forecast lifespan for State Line combustion turbine is 45 years and the forecast lifespan for State Line combined cycle is 50 years.

Based on the unit property methodology, the remaining life accrual rate for State Line combustion turbine is 2.09 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation is \$22,375,734 compared to the depreciable plant balance of \$40,816,274 for the period ending June 30, 2015.

## REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

For the State Line combined cycle plant, the remaining life accrual rate is 2.20 percent as shown in Table 5-1. The analysis showing the development of the rates is shown in the Appendix. The accumulated depreciation for the plant is \$41,542,797 compared to the depreciable plant balance of \$161,022,417 for the period ending June 30, 2015.

#### 5.4 RIVERTON UNITS 7, 8 AND 9 RESERVE DEFICIENCY AMORTIZATION

Empire retired the steam generation assets at the Riverton Plant, Units 7 and 8, in June 2014 and June 2015, respectively. Empire also retired Riverton Unit 9 (other production) in June of 2015. Upon retirement, there was a difference between the plant in service retired and the depreciation expense accumulated in the depreciation reserve for the Riverton steam generation assets. We recommend that the \$6,768,400 of accumulated depreciation reserve deficiency associated with the retired steam assets and the \$758,397 of accumulated depreciation reserve deficiency associated with Unit 9 should be amortized over the period of 5 years to make Empire whole for its investment in the plant. Additionally, Empire had a decommissioning study performed for the retired Riverton units. The estimated decommissioning costs (net cost of removal) of \$3,910,566 for Units 7 and 8, and \$56,093 for Unit 9 should have been collected through depreciation while the units were in service and should also be included in the reserve deficiency amortization. We recommend that Empire request at its next rate case an additional \$2,135,793 annually to amortize the under-depreciated portion of the retired Riverton steam generating assets over a five-year period and \$162,898 annually to amortize the under-depreciated portion of Riverton Unit 9 over a five-year period. Table 5-5 summarizes the calculation of the Riverton depreciation reserve deficiency amortization.

Table 5-5. Riverton Reserve Deficiency Amortization

Line	[A] Description	[B] Units 7&8	[C] Unit 9
1	Accumulated depreciation reserve at 6/30/2015	\$ (4,675,891)	
2	Depreciation reserve associated with remaining plant in service	<u>\$ 2,092,509</u>	
3	Undepreciated amount of retired plant	\$ (6,768,400)	\$ (758,397)
4	Estimated net cost of removal for decommissioning units	<u>\$ (3,910,566)</u>	<u>\$ (56,093)</u>
5	Total amount of depreciation reserve shortfall	\$ (10,678,966)	\$ (814,490)
6	Annual amortization (over 5 years) of Riverton reserve shortfall	\$ 2,135,793	\$ 162,898

## 6.0 MASS PROPERTY ANALYSIS

There are two fundamental formulas used to develop depreciation rates. These are the whole life formula and the remaining life formula. The basic equation used to determine a whole life depreciation rate is as follows:

$$\text{Whole Life Rate} = \frac{1 - \text{Salvage Ratio}}{\text{Average Service Life}}$$

As evident from the above, this equation consists of two elements. The first element reflects recovery of the initial investment (1/ASL). The second element (-SR/ASL) reflects credit for net salvage. As we previously indicated, the purpose of considering net salvage in determining the accrual rate is to credit salvage and recover cost of removal over the life of the property.

An underlying assumption of the whole life method is that for mass property accounts, as property is retired and new property is installed, the average service life of the group does not change significantly. The whole life method is predicated on homogeneity of the property units included in the group. For mass property accounts that have significant retirement history, where vintage retirement history is available, and where we consider life characteristics in the future to be similar to those observed in the past, we use an actuarial analysis as the principal basis to estimate average service life.

Conversely, the basic equation used to determine a remaining life depreciation rate is as follows:

$$\text{Remaining Life Rate} = \frac{1 - \text{Salvage Ratio} - \text{Reserve Ratio}}{\text{Estimated Average Remaining Life}}$$

As demonstrated above, the whole life and remaining life equations are comparable. The only difference is, as the names imply, that under the whole life approach, investment is recovered equally over the entire life. With the remaining life method, undepreciated investment is recovered over the remaining life. So long as no change in life or other characteristics occur, the whole life and remaining life depreciation rates will be the same. Typically an adjustment to reflect the amortization of reserve variance converts the whole life rate to a remaining life rate.

The traditional approach for incorporating allowances for net salvage is to compare annual net salvage (gross salvage minus cost of removal) to the original cost of the plant retired during that year. Typically this approach involves activity over a representative historical period, preferably at least 10 years. The traditional approach assumes that the ratio of net salvage dollars to the original cost dollars of the retirements is representative of the allowance that will ultimately apply to all plant in service over the life of the asset. In a whole life depreciation calculation, this allowance (ratio) is deducted before dividing by the average service life.

### 6.1 WHOLE LIFE ANALYSIS FOR MASS PROPERTY

In Table 6-1, we summarize our recommended average service lives (ASL), Iowa curves, and net salvage ratios we use to calculate our indicated whole life depreciation rates applicable to mass

REPORT ON DEPRECIATION ACCRUAL RATES | **The Empire District Electric Company**

property accounts. For mass property accounts (transmission, distribution, and general plant), we develop average service lives based on retirement (actuarial) analyses. We base our recommended net salvage ratios on Empire history, previous experience with similar systems, and judgment.

In this section, we summarize Empire's existing whole life rates and indicated whole life depreciation rates. To determine the average service life (ASL), we rely on retirement analyses for transmission, distribution and general plant.

Empire provided us with salvage and cost of removal data by plant account for the years 1988 through 2014. We analyzed the data, and developed average gross salvage, cost of removal and net salvage for transmission, distribution, and general plant accounts. Our recommended gross salvage, cost of removal, and net salvage adjustments are based on the last 10 years of Empire's net salvage history, our experience, and professional judgment.

Table 6-1 shows the development of our indicated whole life rates using our recommended average service lives, Iowa curves, and net salvage adjustment.

#### **6.1.1 Transmission Plant**

Based on the review of the results of our actuarial analyses, along with consideration of the average age of retired properties and engineering judgment, we developed indicated service lives for transmission plant. The net salvage ratios are based on Empire data, our experience and professional judgment. A listing of average service lives and net salvage ratios for each plant account is shown in Table 6-1.

The actuarial analysis indicated a few changes in the whole life rates as compared to the existing rates. As shown in Table 6-1, actuarial analyses suggest that the average service life for Station Equipment (Account 353) increased by 2 years, while Poles and Fixtures (Account 355) decreased by 3 years. Structures and Improvements (Account 352) and Towers and Fixtures (Account 354) did not have adequate retirement history for actuarial analysis and we are recommending no change to ASL. An analysis of the historical salvage and cost of removal data indicates that, in general, the transmission function has a negative net salvage (cost of removal exceeds salvage value). Net salvage ratios for transmission plant have trended less negative (reduction in cost of removal) and are shown in Table 6-1, Column N. As shown in Table 6-1, the indicated composite whole life rate for transmission plant is 2.43 percent.

#### **6.1.2 Distribution Plant**

Empire's distribution plant consists of substations, overhead and underground lines, transformers, services, meters, and lighting facilities. A listing of average service lives, Iowa curves, and net salvage ratios we use for each plant account is shown in Table 6-1.

Much like our actuarial analysis of transmission plant, some changes were identified for distribution plant accrual rates. As shown in Table 6-1, the actuarial analysis suggests that Meters (Account 370) and Street Lighting and Signal Systems (Account 373) decrease ASL by 1 and 3 years,

**The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES**

---

respectively. Of the remaining distribution accounts, the actuarial analysis indicates the need for longer average service lives. The specific changes are shown below:

- ▣ Structures and Improvements (Account 361) increases from 60 to 64 years
- ▣ Station Equipment (Account 362) increases from 45 to 53 years
- ▣ Poles, Towers, and Fixtures (Account 364) increases from 46 to 50 years
- ▣ Overhead Conductor and Devices (Account 365) increases from 53 to 59 years
- ▣ Underground Conduit (Account 366) increases from 37 to 47 years
- ▣ Underground Conductors and Devices (Account 367) increases from 32 to 45 years
- ▣ Line Transformers (Account 368) increases from 45 to 48 years
- ▣ Services (Account 369) increases from 40 to 45 years
- ▣ Installations (Account 371) increases from 25 to 30 years

Based on our analysis of Empire's history of gross salvage and cost of removal, as well as our experience, we recommend changes in net salvage ratios for 8 distribution accounts, as summarized below:

- ▣ Structures and Improvements (Account 361) changes from -25% to 0%,
- ▣ Station Equipment (Account 362) changes from 15% to -16%,
- ▣ Underground Conduit (Account 366) changes from -45% to -23%,
- ▣ Underground Conductors and Devices (Account 367) changes from -15% to -16%,
- ▣ Line Transformers (Account 368) changes from -25% to 0%,
- ▣ Meters (Account 370) changes from 0% to -2%,
- ▣ Installations (Account 371) changes from -45% to -33%,
- ▣ Street Lighting and Signal Systems (Account 373) changes from -50% to -57%.

Net salvage was capped at a maximum of -100 percent for of our recommendations. As shown in Table 6-1, the indicated composite whole life rate for distribution plant is 3.15 percent

### 6.1.3 General Plant

General plant consists of facilities and equipment which are used to support all functional activities. A listing of the average service lives and net salvage ratios for each plant account is shown in Table 6-1.

Based on the results of our actuarial analysis, General Structures and Improvements (Account 390) and Communications Equipment (Account 397) indicate a decrease in ASL by 12 and 4 years, respectively. Of the remaining general plant accounts, six indicated the need for longer services lives. Specific recommended changes are shown below:

- ▣ Office Furniture and Equipment (Account 391) increases from 20 to 21 years

REPORT ON DEPRECIATION ACCRUAL RATES | **The Empire District Electric Company**

---

- Transportation Equipment (Account 392) increases from 12 to 13 years
- Stores Equipment (Account 393) increases from 30 to 40 years
- Laboratory Equipment (Account 395) increases from 38 to 46 years
- Power Operated Equipment (Account 396) increases from 15 to 17 years
- Miscellaneous Equipment (Account 398) increases from 22 to 32 years

We recommend changes to net salvage ratios for five accounts shown below:

- Structures and Improvements (Account 390) changes from -10% to 0%,
- Transportation Equipment (Account 392) changes from 15% to 7%,
- Stores Equipment (Account 393) changes from 5% to 0%,
- Tools Shop and Garage Equipment (Account 393) changes from 10% to 0%,
- Power Operated Equipment (Account 396) changes from 5% to 4%.

As shown in Table 6-1, the indicated composite whole life rate for general plant accounts is 6.00 percent.

## The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 6-1. Summary of Mass Property Analysis

Line	FERC Acct	(B) Description	(C) Plant in Service At 6/30/2015	(D)	(E)	(F)	(G)	Existing		(I)	(J)
				Average Service Life	Life Rate	Net Salvage	Whole Life Rate	Life Accrual	Net Salvage Accrual	Total Accrual	
				1 / [D]			(1 - [F])/[D]	[C] * [E]	[I] - [H]	[C] * [G]	
1		Transmission Plant									
2	350	Land and Land Rights	11,609,210								
3	352	Structures and Improvements	2,901,325	55	1.82%	-15%	2.09%	52,804	7,834	60,638	
4	353	Station Equipment	119,157,090	50	2.00%	-10%	2.20%	2,383,142	238,314	2,621,456	
5	354	Towers and Fixtures	2,136,752	65	1.54%	-25%	1.92%	32,906	8,120	41,026	
6	355	Poles and Fixtures	79,706,458	60	1.67%	-100%	3.33%	1,328,707	1,327,910	2,656,616	
7	356	Overhead Conductors and Devices	80,991,018	65	1.54%	-40%	2.15%	1,247,262	497,285	1,744,547	
8	359	Roads and Trails									
9		Total Transmission Plant	296,501,852				2.50%	5,044,820	2,079,462	7,124,282	
10		Distribution Plant									
11	360	Land and Land Rights	4,090,138								
12	361	Structures and Improvements	27,401,649	60	1.67%	-25%	2.08%	456,694	113,260	569,954	
13	362	Station Equipment	100,170,779	45	2.22%	15%	1.89%	2,226,017	(332,790)	1,893,228	
14	364	Poles, Towers and Fixtures	183,365,567	46	2.17%	-100%	4.35%	3,986,208	3,990,194	7,976,402	
15	365	Overhead Conductors and Devices	193,449,947	53	1.89%	-100%	3.77%	3,649,999	3,643,064	7,293,063	
16	366	Underground Conduit	38,030,668	37	2.70%	-45%	3.92%	1,027,856	462,946	1,490,802	
17	367	Underground Conductors & Devices	59,875,907	32	3.13%	-15%	3.59%	1,871,122	278,423	2,149,545	
18	368	Line Transformers	108,466,691	45	2.22%	-25%	2.78%	2,410,371	605,003	3,015,374	
19	369	Services	77,775,708	40	2.50%	-100%	5.00%	1,944,393	1,944,393	3,888,785	
20	370	Meters	22,526,507	44	2.27%	0%	2.27%	511,966	(614)	511,352	
21	371	Installations on Cust. Premises	16,947,926	25	4.00%	-45%	5.80%	677,917	305,063	982,980	
22	373	Street Lighting & Signal Systems	18,968,907	48	2.08%	-50%	3.13%	395,186	198,541	593,727	
23		Total Distribution Plant	851,070,393					19,157,729	11,207,483	30,365,212	
24		General Plant									
25	389	Land and Land Rights	659,081								
26	390	Structures and Improvements	10,883,118	40	2.50%	-10%	2.75%	272,078	27,208	299,286	
27	391.1	Office Furniture and Equipment	6,160,960	20	5.00%	0%	5.00%	308,048	-	308,048	
28	391.2	Computer Equipment	13,895,203	10	10.00%	0%	10.00%	1,389,520	-	1,389,520	
29	392	Transportation Equipment	12,152,005	12	8.33%	15%	7.08%	1,012,667	(152,305)	860,362	
30	393	Stores Equipment	801,823	30	3.33%	5%	3.17%	26,727	(1,310)	25,418	
31	394	Tools, Shop & Garage Equipment	5,918,332	20	5.00%	10%	4.50%	295,917	(29,592)	266,325	
32	395	Laboratory Equipment	1,292,173	38	2.63%	0%	2.63%	34,005	(20)	33,984	
33	396	Power Operated Equipment	17,618,256	15	6.67%	5%	6.33%	1,174,550	(59,315)	1,115,236	
34	397	Communication Equipment	12,014,046	25	4.00%	0%	4.00%	480,562	-	480,562	
35	398	Miscellaneous Equipment	273,321	22	4.55%	0%	4.55%	12,424	12	12,436	
36		Total General Plant	81,668,317					5,006,498	(215,321)	4,791,176	
		Total Mass Property	1,229,240,562					29,209,047	13,071,624	42,280,671	



## REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

Table 6-1. Summary of Mass Property Analysis (continued)

Line	FERC Acct	Description	[C] Plant in Service At 6/30/2015	[K] Low Curve Type	[L] Average Service Life	[M] Life Rate	[N] Net Salvage	[O] Recommended		[Q] Net Salvage Accrual	[R] Total Accrual
								Whole Life Rates	Life Accrual		
						1 / [L]	(1 - [N])/[L]	[C] * [M]	[R] - [P]	[C] * [O]	
1		Transmission Plant									
2	350	Land and Land Rights	11,609,210								
3	352	Structures and Improvements	2,901,325		55	1.82%	0%	1.82%	52,804	-	52,804
4	353	Station Equipment	119,157,090	S2	52	1.92%	-16%	2.23%	2,287,816	369,387	2,657,203
5	354	Towers and Fixtures	2,136,752		65	1.54%	0%	1.54%	32,906	-	32,906
6	355	Poles and Fixtures	79,706,458	S2.5	57	1.75%	-100%	3.51%	1,394,863	1,402,834	2,797,697
7	356	Overhead Conductors and Devices	80,991,018	-	65	1.54%	-11%	1.71%	1,247,262	137,695	1,384,946
8	359	Roads and Trails									
9		Total Transmission Plant	296,501,852					2.43%	5,015,651	1,909,905	6,925,556
10		Distribution Plant									
11	360	Land and Land Rights	4,090,138								
12	361	Structures and Improvements	27,401,649	S1	64	1.56%	0%	1.56%	427,466	-	427,466
13	362	Station Equipment	100,170,779	R1.5	53	1.89%	-16%	2.19%	1,893,228	300,512	2,193,740
14	364	Poles, Towers and Fixtures	183,365,567	R3	50	2.00%	-100%	4.00%	3,667,311	3,667,311	7,334,623
15	365	Overhead Conductors and Devices	193,449,947	R2.5	59	1.69%	-100%	3.39%	3,269,304	3,288,649	6,557,953
16	366	Underground Conduit	38,030,668	R4	47	2.13%	-23%	2.62%	810,053	186,350	996,404
17	367	Underground Conductors & Devices	59,875,907	R2	45	2.22%	-16%	2.58%	1,329,245	215,553	1,544,798
18	368	Line Transformers	108,466,691	R2	48	2.08%	0%	2.08%	2,256,107	-	2,256,107
19	369	Services	77,775,708	R4	45	2.22%	-100%	4.44%	1,726,621	1,726,621	3,453,241
20	370	Meters	22,526,507	S0	43	2.33%	-2%	2.37%	524,868	9,011	533,878
21	371	Installations on Cust. Premises	16,947,926	R1	30	3.33%	-33%	4.43%	564,366	186,427	750,793
22	373	Street Lighting & Signal Systems	18,968,907	R1	45	2.22%	-57%	3.49%	421,110	240,905	662,015
23		Total Distribution Plant	851,070,393					3.15%	16,889,678	9,821,340	26,711,018
24		General Plant									
25	389	Land and Land Rights	659,081								
26	390	Structures and Improvements	10,883,118	L3	28	3.57%	0%	3.57%	388,527	-	388,527
27	391.1	Office Furniture and Equipment	6,160,960	R1	21	4.76%	0%	4.76%	293,262	-	293,262
28	391.2	Computer Equipment	13,895,203		10	10.00%	0%	10.00%	1,389,520	-	1,389,520
29	392	Transportation Equipment	12,152,005	L2	13	7.69%	7%	7.15%	934,489	(65,621)	868,868
30	393	Stores Equipment	801,823	R2	40	2.50%	0%	2.50%	20,046	-	20,046
31	394	Tools, Shop & Garage Equipment	5,918,332		20	5.00%	0%	5.00%	295,917	-	295,917
32	395	Laboratory Equipment	1,292,173	R3	46	2.17%	0%	2.17%	28,040	-	28,040
33	396	Power Operated Equipment	17,618,256	R3	17	5.88%	4%	5.65%	1,035,953	(40,522)	995,431
34	397	Communication Equipment	12,014,046	L1	21	4.76%	0%	4.76%	571,869	-	571,869
35	398	Miscellaneous Equipment	273,321	S0	32	3.13%	0%	3.13%	8,555	-	8,555
36		Total General Plant	81,668,317					6.00%	4,966,178	(106,143)	4,860,035
		Total Mass Property	1,229,240,562						26,871,507	11,625,102	38,496,610

## The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 6-1. Summary of Mass Property Analysis (continued)

Line	FERC Acct	[A] Description	[C] Plant in Service At 6/30/2015	[S] Difference		[U] Total Accrual
				[P] - [H] Life Accrual	[Q] - [I] NS Accrual	
1		Transmission Plant				
2	350	Land and Land Rights	11,609,210			
3	352	Structures and Improvements	2,901,325	-	(7,834)	(7,834)
4	353	Station Equipment	119,157,090	(95,326)	131,073	35,747
5	354	Towers and Fixtures	2,136,752	-	(8,120)	(8,120)
6	355	Poles and Fixtures	79,706,458	66,156	74,924	141,080
7	356	Overhead Conductors and Devices	80,991,018	-	(359,600)	(359,600)
8	359	Roads and Trails				
9		Total Transmission Plant	296,501,852	(29,169)	(169,556)	(198,726)
10		Distribution Plant				
11	360	Land and Land Rights	4,090,138			
12	361	Structures and Improvements	27,401,649	(29,228)	(113,260)	(142,489)
13	362	Station Equipment	100,170,779	(332,790)	633,302	300,512
14	364	Poles, Towers and Fixtures	183,365,567	(318,897)	(322,883)	(641,779)
15	365	Overhead Conductors and Devices	193,449,947	(380,695)	(354,415)	(735,110)
16	366	Underground Conduit	38,030,668	(217,803)	(276,596)	(494,399)
17	367	Underground Conductors & Devices	59,875,907	(541,877)	(62,870)	(604,747)
18	368	Line Transformers	108,466,691	(154,264)	(605,003)	(759,267)
19	369	Services	77,775,708	(217,772)	(217,772)	(435,544)
20	370	Meters	22,526,507	12,902	9,625	22,527
21	371	Installations on Cust. Premises	16,947,926	(113,551)	(118,635)	(232,187)
22	373	Street Lighting & Signal Systems	18,968,907	25,924	42,364	68,288
23		Total Distribution Plant	851,070,393	(2,268,050)	(1,386,143)	(3,654,194)
24		General Plant				
25	389	Land and Land Rights	659,081			
26	390	Structures and Improvements	10,883,118	116,449	(27,208)	89,242
27	391.1	Office Furniture and Equipment	6,160,960	(14,786)	-	(14,786)
28	391.2	Computer Equipment	13,895,203	-	-	-
29	392	Transportation Equipment	12,152,005	(78,178)	86,684	8,506
30	393	Stores Equipment	801,823	(6,682)	1,310	(5,372)
31	394	Tools, Shop & Garage Equipment	5,918,332	-	29,592	29,592
32	395	Laboratory Equipment	1,292,173	(5,964)	20	(5,944)
33	396	Power Operated Equipment	17,618,256	(138,597)	18,793	(119,804)
34	397	Communication Equipment	12,014,046	91,307	-	91,307
35	398	Miscellaneous Equipment	273,321	(3,869)	(12)	(3,881)
36		Total General Plant	81,668,317	(40,320)	109,179	68,859
		Total Mass Property	1,229,240,562	(2,337,540)	(1,446,521)	(3,784,061)

## 6.1.4 Depreciation Reserve Analysis

After developing indicated accrual rates, we evaluate the adequacy of the depreciation reserve balance (Table 6-2). In order to correct any imbalances in the depreciation reserve accounts, we first determine a theoretical level of where depreciation reserve should be. We calculate this based on the weighted age of the assets in each account, relative to our recommended average service lives. Without adjustment, to the extent that calculated reserve, Table 6-2, Column J, is greater than or less than the book reserve, Table 6-2, Column D, the Company will under- or over-recover, respectively, its depreciable plant investment. Differences between the calculated theoretical reserve and the book reserve can be attributed primarily to changes in life characteristics or historical rates which have not properly reflected life characteristics or changes in life characteristics. These changing life characteristics and the degree to which these changes are recognized and reflected in the depreciation rates directly affect the book reserves.

REPORT ON DEPRECIATION ACCRUAL RATES | **The Empire District Electric Company**

---

By subtracting the calculated depreciation reserve from the actual depreciation reserve, we determine the reserve excess or deficiency (Table 6-2, Column K). Any amounts that have been over- or under-recovered should be amortized over the remaining life of the asset group. We calculate a reserve deficiency of \$30.2 million for production plant and a reserve excess of \$67.7 million for transmission, distribution and general plant at June 30, 2015.

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 6-2. Depreciation Reserve Analysis

Line	[A] FERC Acct	[B] Description	[C] Plant in Service At 6/30/2015	[D] Depreciation Reserve At 6/30/2015	[E] Reserve Ratio [D] / [C]	[F] Average Age years	[G] Average Service Life	[H] Net Salvage	[I] Remaining Life	[J] Calculated Reserve	[K] Excess/ (Deficiency) [D] - [J]
1		Production Plant	\$	\$							
2		Steam Production Plant									
3	310	Land and Land Rights	2,435,380								
4	311-316	Asbury	285,502,250	41,725,501	14.6%					111,320,066	(69,594,565)
5	311-316	Riverton	3,196,964	(4,675,891)	-146.3%					(7,872,855)	(7,872,855)
6	311-316	Iatan 1	100,329,034	42,695,210	42.6%					45,415,901	(2,720,691)
7	311-316	Iatan 2*	218,208,718	55,026,091	25.2%					24,237,996	30,788,095
8	311-316	Iatan Common	60,036,052	4,835,108	8.1%					2,129,777	2,705,330
9	311-316	Plum Point	104,727,276	10,107,354	9.7%					12,723,295	(2,615,940)
10		Total Steam Production	774,435,673	149,713,373						187,954,180	(49,310,626)
11		Hydro Production Plant									
12	310	Land and Land Rights	226,488								
13	331-335	Ozark Beach	9,292,873	2,919,149	31.4%					3,267,805	(348,656)
14		Total Hydro Production	9,519,361	2,919,149						200,677,475	(348,656)
15		Other Production Plant									
16	340	Land and Land Rights	1,278,438								
17	341-346	State Line Combined Cycle	161,022,417	41,542,797	25.8%					34,578,942	6,963,855
18	341-346	State Line CT	40,816,274	22,375,734	54.8%					6,336,812	16,038,922
19	341-346	Energy Center Unit 1&2	40,068,437	31,345,227	78.2%					26,760,413	4,584,814
20	341-346	Energy Center Unit 3&4 (FT8)	55,798,599	8,780,222	15.7%					17,272,357	(8,492,135)
21	341-346	Riverton CT	18,403,922	7,044,633	38.3%					6,852,752	191,880
22	341-346	Riverton Unit 12	39,586,753	6,610,519	16.7%					6,399,407	211,112
23		Total Other Production	356,974,839	117,699,131						98,200,683	19,498,448
24		Total Production Plant	1,140,929,873	270,331,653	23.7%					486,832,339	(30,160,834)
25		Transmission Plant									
26	350	Land and Land Rights	11,609,210								
27	352	Structures and Improvements	2,901,325	1,364,827	47.0%	17.8	55	0%	40.3	1,080,079	284,748
28	353	Station Equipment	119,157,090	43,589,209	36.6%	18.3	52	-16%	38.4	38,331,800	5,257,409
29	354	Towers and Fixtures	2,136,752	885,507	41.4%	84.5	65	0%	14.6	1,151,160	(265,652)
30	355	Poles and Fixtures	79,706,458	23,896,253	30.0%	13.7	57	-100%	41.0	24,963,924	(1,067,671)
31	356	Overhead Conductors and Devices	80,991,018	25,290,128	31.2%	18.9	65	-11%	42.9	20,925,571	4,364,557
32	359	Roads and Trails	-	-							
33		Total Transmission Plant	296,501,852	95,025,924						86,452,534	8,573,390
34		Distribution Plant									
35	360	Land and Land Rights	4,090,138								
36	361	Structures and Improvements	27,401,649	5,201,197	19.0%	25.6	64	0%	46.3	3,269,655	1,931,542
37	362	Station Equipment	100,170,779	36,015,226	36.0%	20.3	53	-16%	40.8	24,304,749	11,710,477
38	364	Poles, Towers and Fixtures	183,365,567	91,033,629	49.6%	18.0	50	-100%	33.7	88,018,180	3,015,449
39	365	Overhead Conductors and Devices	193,449,947	82,902,165	42.9%	19.3	59	-100%	46.0	85,658,286	(2,756,121)
40	366	Underground Conduit	38,030,668	16,193,430	42.6%	14.2	47	-23%	41.2	10,743,307	5,450,123
41	367	Underground Conductors and Devices	59,875,907	30,804,739	51.4%	15.7	45	-16%	37.3	17,338,793	13,465,946
42	368	Line Transformers	108,466,691	39,374,989	36.3%	19.0	48	0%	36.5	29,324,527	10,050,462
43	369	Services	77,775,708	51,314,646	66.0%	17.4	45	-100%	30.2	50,607,720	706,926
44	370	Meters	22,526,507	7,861,021	34.9%	21.6	43	-2%	31.1	6,323,980	1,537,041
45	371	Installations on Customer Premises	16,947,926	12,096,845	71.4%	17.1	30	-33%	19.8	7,894,895	4,201,950
46	373	Street Lighting and Signal Systems	18,968,907	4,972,168	26.2%	19.5	45	-57%	34.8	6,700,430	(1,728,262)
47		Total Distribution Plant	851,070,393	377,770,056						330,184,522	47,585,534
48		General Plant									
49	389	Land and Land Rights	659,081								
50	390	Structures and Improvements	10,883,118	6,364,184	58.5%	25.9	28	0%	10.9	5,918,923	445,261
51	391.1	Office Furniture and Equipment	6,160,960	1,967,814	31.9%	12.8	21	0%	15.2	3,755,252	(1,787,437)
52	391.2	Computer Equipment	13,895,203	9,908,445	71.3%		10	0%		6,947,602	2,960,844
53	392	Transportation Equipment	12,152,005	6,595,343	54.3%	5.9	13	7%	7.7	3,381,386	3,213,957
54	393	Stores Equipment	801,823	375,189	46.8%	21.3	40	0%	27.6	203,896	171,293
55	394	Tools, Shop and Garage Equipment	5,918,332	3,395,407	57.4%	11.2	20	0%	10.1	2,591,405	804,002
56	395	Laboratory Equipment	1,292,173	844,863	65.4%	20.6	46	0%	26.6	495,594	349,269
57	396	Power Operated Equipment	17,618,256	7,965,587	45.2%	6.8	17	4%	8.7	5,503,900	2,461,687
58	397	Communication Equipment	12,014,046	6,127,485	51.0%	16.0	21	0%	16.0	3,279,757	2,847,728
59	398	Miscellaneous Equipment	273,321	174,928	64.0%	17.4	32	0%	21.1	83,580	91,348
60		Total General Plant	81,668,317	43,719,245						32,161,294	11,557,950
61		Total Transmission, Distribution, General	1,229,240,562	516,515,224	42.0%					448,798,350	67,716,875
62		Total Plant in Service @ 6/30/2015	2,370,170,435	786,846,878	33.2%					935,630,688	37,556,041

\*Iatan 2 depreciation reserve balance includes Regulatory Plan Amortization balance

## 7.0 RECOMMENDED DEPRECIATION RATES

We summarize our recommended depreciation rates for unit property and mass property in Table 7-1.

### 7.1 UNIT PROPERTY DEPRECIATION RATES

Our recommended composite depreciation rate for Steam Production Plant is 3.51 percent, an increase from the existing rate of 3.24 percent. This increase is primarily due to the change from whole life to remaining life depreciation rates for unit property. For Hydraulic Production Plant, the composite depreciation rate increases from 2.04 percent to 2.65 percent. For Other Production Plant, the composite rate increases from 2.22 percent to 2.43 percent. For all generation facilities, the composite rate increases from 2.91 percent to 3.16 percent, resulting in an estimated increase in depreciation expense of \$2,870,120.

We further recommend establishing an amortization of the retired Riverton steam assets accumulated depreciation reserve deficiency of \$10,678,966 and an amortization of the retired Unit 9 accumulated depreciation reserve deficiency of \$814,490 (both including estimated decommissioning costs) over a 5 year period to make Empire whole for its investment in the plants. We recommend that Empire request at its next rate case an additional amount of \$2,135,793 annually to amortize the under-depreciated portion of the retired Riverton steam generating assets and an additional \$162,898 annually to amortize the under-depreciated portion of Riverton Unit 9.

### 7.2 MASS PROPERTY DEPRECIATION RATES

For transmission accounts, the composite rate decreases from 2.50 percent to 2.43 percent. This results in an estimated decrease in depreciation expense of \$198,726. The composite rate for distribution accounts decreases from 3.59 percent to 3.15 percent, which results in an estimated decrease in depreciation expense of approximately \$3,654,194 million. For general plant accounts, the composite rate increases from 5.91 percent to 6.00 percent, an increase of \$68,859 in depreciation expense. We attribute these decreases to two main factors: first, we find a general trend of longer average service lives compared to the current ASLs, and second, we find the net salvage requirements are less negative (reduction in cost of removal) than the existing allowance.

### 7.3 SUMMARY

Overall, our recommended depreciation rates are 1.2 percent lower than existing, based on plant balances at June 30, 2015. The overall impact is a decrease in annual depreciation expense of \$913,943. We additionally recommend an amortization of the under-depreciated portion of Riverton Units 7, 8 and 9 in the annual amount of \$2,298,691.

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Table 7-1. Recommended Depreciation Rates

Line	[A] Description	[B] FERC Acct	[C] Plant in Service At 6/30/2015	[D] Depreciation Rate	[E] Existing			[G] Depreciation Expense	[H] Depreciation Rate	[I] Recommended		[K] Depreciation Expense	[L] Change in Depreciation Expense
					Life Rate	Net Salvage Rate	Depreciation Rate			Life Rate	Net Salvage Rate		
			\$	%	%	%	\$	%	%	%	\$	\$	
1	Production Plant												
2	Steam Production Plant												
3	Land and Land Rights	310	2,435,380										
4	Asbury	311-316	285,502,250	4.73%	4.51%	-0.22%	13,514,453	5.43%	5.17%	-0.26%	15,495,609	1,981,156	
5	Riverton	311-316	3,196,964	3.43%	3.26%	-0.17%	109,696	11.52%	11.52%	0.00%	368,152	258,456	
6	Iatan 1	311-316	100,329,034	3.12%	2.95%	-0.17%	3,128,773	3.19%	2.94%	-0.22%	3,195,844	67,071	
7	Iatan 2	311-316	218,208,718	2.10%	2.00%	-0.10%	4,582,383	1.94%	1.83%	-0.11%	4,232,214	(350,169)	
8	Iatan Common	311-316	60,036,052	2.10%	2.00%	-0.10%	1,260,757	2.17%	2.05%	-0.12%	1,305,053	44,296	
9	Plum Point	311-316	104,727,276	2.33%	2.00%	-0.10%	2,439,985	2.39%	2.29%	-0.11%	2,506,478	66,493	
10	Total Steam Production		774,435,673	3.24%			25,036,047	3.51%			27,103,350	2,067,303	
11	Hydro Production Plant												
12	Land and Land Rights	310	226,488										
13	Ozark Beach	331-335	9,292,873	2.04%	1.94%	-0.10%	189,257	2.65%	2.49%	-0.16%	246,207	56,950	
14	Total Hydro Production		9,519,361	2.04%			189,257	2.65%			246,207	56,950	
15	Other Production Plant												
16	Land and Land Rights	340	1,278,438										
17	State Line Combined Cycle	341-346	161,022,417	2.13%	3.45%	1.32%	3,431,111	2.20%	2.32%	0.11%	3,545,343	114,232	
18	State Line CT	341-346	40,816,274	3.21%	2.37%	-0.84%	1,311,861	2.09%	2.24%	0.16%	851,403	(460,458)	
19	Energy Center Unit 1&2	341-346	40,068,437	2.27%	2.34%	0.07%	908,485	2.43%	2.79%	0.36%	974,369	65,884	
20	Energy Center Unit 3&4 (FT8)	341-346	55,798,599	1.99%	2.05%	0.06%	1,109,113	3.25%	3.40%	0.15%	1,811,793	702,680	
21	Riverton CT	341-346	18,403,922	1.88%	1.90%	0.02%	346,415	3.17%	3.24%	0.07%	583,636	237,221	
22	Riverton Unit 12	341-346	39,586,753	1.98%	2.02%	0.05%	782,636	2.20%	2.27%	0.07%	868,944	86,308	
23	Total Other Production		356,974,839	2.22%			7,889,621	2.43%			8,635,488	745,867	
24	Total Production Plant		1,140,929,873	2.91%			33,114,925	3.16%			35,985,045	2,870,120	
25	Transmission Plant												
26	Land and Land Rights	350	11,609,210										
27	Structures and Improvements	352	2,901,325	2.09%	1.82%	-0.27%	60,638	1.82%	1.82%	0.00%	52,804	(7,834)	
28	Station Equipment	353	119,157,090	2.20%	2.00%	-0.20%	2,621,456	2.23%	1.92%	-0.31%	2,657,203	35,747	
29	Towers and Fixtures	354	2,136,752	1.92%	1.54%	-0.38%	41,026	1.54%	1.54%	0.00%	32,906	(8,120)	
30	Poles and Fixtures	355	79,706,458	3.33%	1.67%	-1.66%	2,656,616	3.51%	1.75%	-1.76%	2,797,697	141,081	
31	Overhead Conductors and Devices	356	80,991,018	2.15%	1.54%	-0.61%	1,744,547	1.71%	1.54%	-0.17%	1,384,946	(359,601)	
32	Roads and Trails	359	-				-				-	-	
33	Total Transmission Plant		296,501,852	2.50%			7,124,283	2.43%			6,925,556	(198,727)	
34	Distribution Plant												
35	Land and Land Rights	360	4,090,138										
36	Structures and Improvements	361	27,401,649	2.08%	1.67%	-0.41%	569,954	1.56%	1.56%	0.00%	427,466	(142,488)	
37	Station Equipment	362	100,170,779	1.89%	2.22%	0.33%	1,893,228	2.19%	1.89%	-0.30%	2,193,740	300,512	
38	Poles, Towers and Fixtures	364	183,365,567	4.35%	2.17%	-2.18%	7,976,402	4.00%	2.00%	-2.00%	7,334,623	(641,779)	
39	Overhead Conductors and Devices	365	193,449,947	3.77%	1.89%	-1.88%	7,293,063	3.39%	1.69%	-1.70%	6,557,953	(735,110)	
40	Underground Conduit	366	38,030,668	3.92%	2.70%	-1.22%	1,490,802	2.62%	2.13%	-0.49%	996,404	(494,398)	
41	Underground Conductors & Devices	367	59,875,907	3.59%	3.13%	-0.46%	2,149,545	2.58%	2.22%	-0.36%	1,544,798	(604,747)	
42	Line Transformers	368	108,466,691	2.78%	2.22%	-0.56%	3,015,374	2.08%	2.08%	0.00%	2,256,107	(759,267)	
43	Services	369	77,775,708	5.00%	2.50%	-2.50%	3,888,785	4.44%	2.22%	-2.22%	3,453,241	(435,544)	
44	Meters	370	22,526,507	2.27%	2.27%	0.00%	511,352	2.37%	2.33%	-0.04%	533,878	22,526	
45	Installations on Customer Premises	371	16,947,926	5.80%	4.00%	-1.80%	982,980	4.43%	3.33%	-1.10%	750,793	(232,187)	
46	Street Lighting and Signal Systems	373	18,968,907	3.13%	2.08%	-1.05%	593,727	3.49%	2.22%	-1.27%	662,015	68,288	
47	Total Distribution Plant		851,070,393	3.59%			30,365,212	3.15%			26,711,018	(3,654,194)	
48	General Plant												
49	Land and Land Rights	389	659,081										
50	Structures and Improvements	390	10,883,118	2.75%	2.50%	-0.25%	299,286	3.57%	3.57%	0.00%	388,527	89,241	
51	Office Furniture and Equipment	391.1	6,160,960	5.00%	5.00%	0.00%	308,048	4.76%	4.76%	0.00%	293,262	(14,786)	
52	Computer Equipment	391.2	13,895,203	10.00%	10.00%	0.00%	1,389,520	10.00%	10.00%	0.00%	1,389,520	-	
53	Transportation Equipment	392	12,152,005	7.08%	8.33%	1.25%	860,362	7.15%	7.69%	0.54%	868,868	8,506	
54	Stores Equipment	393	801,823	3.17%	3.33%	0.16%	25,418	2.50%	2.50%	0.00%	20,046	(5,372)	
55	Tools, Shop and Garage Equipment	394	5,918,332	4.50%	5.00%	0.50%	266,325	5.00%	5.00%	0.00%	295,917	29,592	
56	Laboratory Equipment	395	1,292,173	2.63%	2.63%	0.00%	33,984	2.17%	2.17%	0.00%	28,040	(5,944)	
57	Power Operated Equipment	396	17,618,256	6.33%	6.67%	0.34%	1,115,236	5.65%	5.88%	0.23%	995,431	(119,805)	
58	Communication Equipment	397	12,014,046	4.00%	4.00%	0.00%	480,562	4.76%	4.76%	0.00%	571,869	91,307	
59	Miscellaneous Equipment	398	273,321	4.55%	4.55%	0.00%	12,436	3.13%	3.13%	0.00%	8,555	(3,881)	
60	Total General Plant		81,668,317	5.91%			4,791,177	6.00%			4,860,035	68,858	
61	Total Plant in Service @ 6/30/2015		2,370,170,435	3.21%			75,395,597	3.17%			74,481,654	(913,943)	



The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Appendix



## **Unit Property Analyses**

The unit property analysis for each production plant is presented in the following Appendix. The analysis for each plant is presented by account on a remaining life basis, including recognition of interim and forecast additions and retirements and final net salvage. The recommended remaining life results in this Appendix are carried forward to Table 5-1 in the body of the report.

Summary by Plant  
 The Empire District Electric Company  
 Asbury Plant

Account	Description	Direct Investment 2014\$	Depreciation Rate
311	Structure & Improvements	18,292,563	4.48%
312	Boiler Plant Equipment	217,007,193	5.61%
314	Turbo Generator Equipment	36,039,914	5.22%
315	Accessory Electric Equipment	7,154,041	3.80%
316	Misc Power Equipment	2,290,843	4.38%
<b>Total</b>		280,784,554	5.43% remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Balance	Transaction Year		Retirements		Additions	Retirements		
				Balance	Additions		Retirements			Retirements	Additions
1	1970	65	733,336	-	-	(89,549)	-	733,336	-	-	733,336
2	1971	64	8,946	-	-	-	-	8,946	-	-	742,282
3	1972	63	1,192	-	-	-	-	1,192	-	-	743,474
4	1973	62	-	-	-	-	-	-	-	-	743,474
5	1974	61	-	-	-	-	-	-	-	-	743,474
6	1975	60	-	-	-	-	-	-	-	-	743,474
7	1976	59	-	-	-	-	-	-	-	-	743,474
8	1977	58	-	-	-	-	-	-	-	-	743,474
9	1978	57	120,977	-	-	-	-	120,977	-	-	864,451
10	1979	56	41,006	-	-	-	-	41,006	-	-	905,457
11	1980	55	29,783	-	-	(677)	-	29,783	-	-	935,240
12	1981	54	5,687	-	-	-	-	5,687	-	-	940,927
13	1982	53	1,644	-	-	-	-	1,644	-	-	942,571
14	1983	52	-	-	-	-	-	-	-	-	942,571
15	1984	51	25,765	42,787	-	(8,928)	-	68,552	-	-	1,011,123
16	1985	50	-	-	-	-	-	-	-	-	1,011,123
17	1986	49	2,392,445	-	-	(24,002)	-	2,392,445	-	-	3,403,568
18	1987	48	91,974	-	-	(86,414)	-	91,974	-	-	3,495,542
19	1988	47	12,344	-	-	-	-	12,344	-	-	3,507,886
20	1989	46	-	-	-	-	-	-	-	-	3,507,886
21	1990	45	8,888,648	-	-	(412,012)	-	8,888,648	-	-	12,396,534
22	1991	44	29,680	-	-	(752)	-	29,680	-	-	12,426,214
23	1992	43	99,952	-	-	(43,081)	-	99,952	-	-	12,526,166
24	1993	42	235,141	-	-	-	-	235,141	-	-	12,761,307
25	1994	41	60,961	-	-	-	-	60,961	-	-	12,822,268
26	1995	40	93,854	-	-	-	-	93,854	-	-	12,916,122
27	1996	39	134,029	-	-	(14,900)	-	134,029	-	-	13,050,151
28	1997	38	180,858	-	-	(38,440)	-	180,858	-	-	13,231,009
29	1998	37	72,408	-	-	(31,037)	-	72,408	-	-	13,303,417
30	1999	36	-	-	(59,445)	-	-	-	(59,445)	-	13,243,972
31	2000	35	-	99,245	(4,600)	-	-	99,245	(4,600)	-	13,338,617
32	2001	34	-	46,200	-	(2,415)	-	46,200	-	-	13,384,817
33	2002	33	-	102,502	-	-	-	102,502	-	-	13,487,319
34	2003	32	-	11,386	-	-	-	11,386	-	-	13,498,705
35	2004	31	-	119,746	(10,235)	-	-	119,746	(10,235)	-	13,608,216
36	2005	30	-	75,007	-	(1,774)	-	75,007	-	-	13,683,223
37	2006	29	-	44,811	-	-	-	44,811	-	-	13,728,034
38	2007	28	-	70,748	(2,415)	-	-	70,748	(2,415)	-	13,796,367
39	2008	27	-	66,059	(5,008)	-	-	66,059	(5,008)	-	13,857,418
40	2009	26	-	33,136	-	-	-	33,136	-	-	13,890,553
41	2010	25	-	446,383	(3,100)	(401,728)	-	446,383	(3,100)	-	14,339,836
42	2011	24	-	80,471	(317,930)	-	-	80,471	(317,930)	-	14,096,377
43	2012	23	-	3,943,793	(210,174)	-	301,669	4,245,461	(210,174)	-	18,131,665
44	2013	22	-	-	(345,737)	-	280,159	280,159	(345,737)	-	18,066,087
45	2014	21	-	-	(197,064)	-	204,824	204,824	(197,064)	218,717	18,292,563
46	Total		\$ 13,260,630	\$ 5,182,273	\$ (1,155,708)	\$ (1,155,708)	\$ 786,652	\$ 19,229,555	\$ (1,155,708)	\$ 218,717	\$ 375,275,770
47	Major Additions/Retirements										
48	2011				\$ (317,930)						
49	2012			3,943,793	\$ (210,174)						
50	2013				\$ (345,737)						
51	2014				\$ (197,064)						
52	Routine Activity										
53	Historical Interim Activity			\$ 2,025,132	\$ (84,803)						
54	Forecast Interim Activity			0.54%	-0.02%						
				0.54%	-0.02%						
							Major		Major		
							Additions**		Retirements		
55	2015	20						98,714	(4,134)		18,387,143
56	2016	19						99,224	(4,155)		18,482,212
57	2017	18						99,737	(4,177)		18,577,773
58	2018	17						100,253	(4,198)		18,673,828
59	2019	16						100,771	(4,220)		18,770,379
60	2020	15						101,292	(4,242)		18,867,430
61	2021	14						101,816	(4,264)		18,964,982
62	2022	13						102,342	(4,286)		19,063,039
63	2023	12						102,871	(4,308)		19,161,602
64	2024	11						103,403	(4,330)		19,260,676
65	2025	10						103,938	(4,352)		19,360,261
66	2026	9						104,475	(4,375)		19,460,362
67	2027	8						105,016	(4,398)		19,560,980
68	2028	7						105,559	(4,420)		19,662,118
69	2029	6						106,104	(4,443)		19,763,779
70	2030	5						106,653	(4,466)		19,865,966
71	2031	4						107,204	(4,489)		19,968,681
72	2032	3						107,759	(4,512)		20,071,928
73	2033	2						108,316	(4,536)		20,175,708
74	2034	1						108,876	(4,559)		20,280,024
75	2035	0								(20,280,024)	-
								\$ -	\$ 21,303,879	\$ (1,242,571)	\$ 761,654,642

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	19,229,555
Forecast Additions	2,074,324
Total Additions	21,303,879
Gross Salvage Value	1,014,001
Less Cost of Removal	2,028,002
Net Salvage Value	(1,014,001)
Total to be Recovered	22,317,880

Forecast Plant Balances 761,654,642

Whole Life Accrual Rate 2.93%

Cost of Removal Accrual Rate 0.27%

Whole Life Accrual Rate (Excluding Cost of Removal) 2.68%

Depreciable Service Life, years 34.1

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	18,292,563
Forecast Additions	2,074,324
Gross Salvage Value	1,014,001
Less Cost of Removal	2,028,002
Net Salvage Value	(1,014,001)

Depreciation Reserve Balance 12/31/14 (4,054,373)

Forecast Total Remaining Life Balance 17,326,516

Forecast Plant Balances 386,378,872

Remaining Life Accrual Rate 4.48%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year		Vintage Year Retirements		Additions	Retirements			
			Balance	Additions							Retirements
1	1970	65	12,597,910	49,965	-	(4,869,252)	-	12,647,875	-	12,647,875	
2	1971	64	248,135	-	-	(33,744)	-	248,135	-	12,896,010	
3	1972	63	67,779	-	-	(29,910)	-	67,779	-	12,963,789	
4	1973	62	56,263	-	-	(18,959)	-	56,263	-	13,020,052	
5	1974	61	207,476	-	-	(179,204)	-	207,476	-	13,227,528	
6	1975	60	61,298	-	-	(39,703)	-	61,298	-	13,288,826	
7	1976	59	224,592	-	-	(135,418)	-	224,592	-	13,513,418	
8	1977	58	208,546	-	-	(93,096)	-	208,546	-	13,721,954	
9	1978	57	394,454	-	-	(265,979)	-	394,454	-	14,116,418	
10	1979	56	3,845,385	-	-	(3,656,207)	-	3,845,385	-	17,961,803	
11	1980	55	150,595	-	-	(58,000)	-	150,595	-	18,112,398	
12	1981	54	288,683	-	-	(238,480)	-	288,683	-	18,401,081	
13	1982	53	263,675	-	-	(90,270)	-	263,675	-	18,664,756	
14	1983	52	347,742	-	-	(197,318)	-	347,742	-	19,012,498	
15	1984	51	300,303	-	-	(258,014)	-	300,303	-	19,312,801	
16	1985	50	77,137	-	-	(1,080)	-	77,137	-	19,389,938	
17	1986	49	1,346,623	-	-	(374,872)	-	1,346,623	-	20,736,561	
18	1987	48	1,593,575	-	-	(942,143)	-	1,593,575	-	22,330,136	
19	1988	47	1,526,147	-	-	(174,507)	-	1,526,147	-	23,856,283	
20	1989	46	872,427	-	-	(433,525)	-	872,427	-	24,728,710	
21	1990	45	12,451,299	156,409	-	(506,066)	-	12,607,708	-	37,336,419	
22	1991	44	712,943	-	-	(462,280)	-	712,943	-	38,049,362	
23	1992	43	798,020	11,867	-	(228,003)	-	809,887	-	38,859,248	
24	1993	42	1,286,297	-	-	(797,153)	-	1,286,297	-	40,145,545	
25	1994	41	1,297,618	5,213	-	(396,244)	-	1,302,831	-	41,448,377	
26	1995	40	1,127,004	-	-	(254,478)	-	1,127,004	-	42,575,381	
27	1996	39	3,035,892	28,079	-	(574,050)	-	3,063,971	-	45,639,352	
28	1997	38	1,115,228	-	-	(385,211)	-	1,115,228	-	46,754,580	
29	1998	37	2,318,768	57,288	-	(47,104)	-	2,376,056	-	49,130,635	
30	1999	36	-	3,904,565	(2,199,465)	(443,075)	-	3,904,565	(2,199,465)	50,835,735	
31	2000	35	-	1,819,015	(116,307)	(274,855)	-	1,819,015	(116,307)	52,538,443	
32	2001	34	-	1,221,566	-	(458,633)	-	1,221,566	-	53,760,069	
33	2002	33	-	10,841,295	-	(273,729)	-	10,841,295	-	64,601,304	
34	2003	32	-	943,693	(446,115)	(251,428)	-	943,693	(446,115)	65,098,882	
35	2004	31	-	1,283,175	(1,944,362)	(830,467)	-	1,283,175	(1,944,362)	64,437,694	
36	2005	30	-	4,623,075	-	(2,273,652)	-	4,623,075	-	69,060,769	
37	2006	29	-	478,043	-	(127,309)	-	478,043	-	69,538,812	
38	2007	28	-	6,644,621	(1,880,069)	(610,592)	-	6,644,621	(1,880,069)	74,303,364	
39	2008	27	-	32,347,214	(79,015)	(1,896,019)	-	32,347,214	(79,015)	106,571,569	
40	2009	26	-	494,582	-	(18,009)	0	494,582	-	107,066,145	
41	2010	25	-	571,874	(312,584)	(33,505)	114,161	686,035	(312,584)	107,439,595	
42	2011	24	-	243,748	(42,511)	-	98,476	342,224	(42,511)	107,739,310	
43	2012	23	-	1,090,614	(1,698,211)	-	313,197	1,403,811	(1,698,211)	107,444,910	
44	2013	22	-	-	(1,957,363)	-	1,148,314	1,148,314	(1,957,363)	107,027,722	
45	2014	21	-	-	(12,355,952)	-	122,554,139	122,554,139	(12,355,952)	217,007,193	
46	Total		\$ 48,821,814	\$ 66,815,900	\$ (23,031,952)	\$ (23,031,952)	\$ 124,228,288	\$ 239,866,001	\$ (23,031,952)	\$ 173,144	\$ 2,146,313,202

47 Major Additions/Retirements

48	2002	\$ 10,841,295	
49	2007	\$ 6,644,621	\$ (1,880,069)
50	2008	\$ 32,347,214	\$ (1,957,363)
51	2014	\$ 122,554,139	\$ (12,355,952)
52	Routine Activity	\$ 18,656,918	\$ (6,838,569)
53	Historical Interim Activity	0.87%	-0.32%
54	Forecast Interim Activity	0.87%	-0.32%

	Major Additions**	Major Retirements	
55	2015	20	1,886,344 (691,427) 218,202,110
56	2016	19	1,896,731 (695,234) 219,403,607
57	2017	18	1,907,175 (699,062) 220,611,720
58	2018	17	7,600,000 1,917,677 (702,912) 221,826,485
59	2019	16	5,600,000 1,928,236 (706,782) 223,047,939
60	2020	15	1,938,854 (710,674) 224,276,118
61	2021	14	1,949,530 (714,587) 225,511,061
62	2022	13	1,960,264 (718,522) 226,752,804
63	2023	12	1,971,058 (722,478) 228,001,384
64	2024	11	1,981,912 (726,457) 229,256,839
65	2025	10	1,992,825 (730,457) 230,519,207
66	2026	9	2,003,798 (734,479) 231,788,526
67	2027	8	2,014,832 (738,523) 233,064,834
68	2028	7	2,025,926 (742,590) 234,348,171
69	2029	6	2,037,081 (746,679) 235,638,573
70	2030	5	2,048,298 (750,790) 236,936,032
71	2031	4	2,059,577 (754,924) 238,240,734
72	2032	3	2,070,918 (759,081) 239,552,571
73	2033	2	2,082,321 (763,261) 240,871,631
74	2034	1	2,093,787 (767,464) 242,197,954
75	2035	0	
			(242,197,954) -
			\$ 13,200,000 \$ 279,633,144 \$ (37,608,333) \$ 6,746,361,550

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

Whole Life Depreciation Rate Calculation

Historical Additions	239,866,001
Forecast Additions	52,967,142
<b>Total Additions</b>	<b>292,833,144</b>
Gross Salvage Value	12,109,898
Less Cost of Removal	24,219,795
<b>Net Salvage Value</b>	<b>(12,109,898)</b>
<b>Total to be Recovered</b>	<b>304,943,041</b>

Forecast Plant Balances 6,746,361,550

Whole Life Accrual Rate	4.52%
Cost of Removal Accrual Rate	0.36%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>4.16%</b>

Depreciable Service Life, years 22.1

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	217,007,193
Forecast Additions	52,967,142
Gross Salvage Value	12,109,898
Less Cost of Removal	24,219,795
<b>Net Salvage Value</b>	<b>(12,109,898)</b>

Depreciation Reserve Balance 12/31/14 (23,923,643)

<b>Forecast Total Remaining Life Balance</b>	<b>258,160,590</b>
Forecast Plant Balances	4,600,048,349
<b>Remaining Life Accrual Rate</b>	<b>5.61%</b>

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1970	65	8,192,128	-	-	(4,101,424)	-	8,192,128	-	8,192,128	
2	1971	64	43,107	-	-	(20,408)	-	43,107	-	8,235,235	
3	1972	63	1,450	-	-	-	-	1,450	-	8,236,685	
4	1973	62	1,799	-	-	(1,799)	-	1,799	-	8,238,484	
5	1974	61	-	-	-	-	-	-	-	8,238,484	
6	1975	60	7,376	-	-	(6,647)	-	7,376	-	8,245,860	
7	1976	59	7,330	-	-	(7,330)	-	7,330	-	8,253,190	
8	1977	58	-	-	-	-	-	-	-	8,253,190	
9	1978	57	-	-	-	-	-	-	-	8,253,190	
10	1979	56	20,706	-	-	(5,915)	-	20,706	-	8,273,896	
11	1980	55	-	-	-	-	-	-	-	8,273,896	
12	1981	54	351,350	-	-	(351,350)	-	351,350	-	8,625,246	
13	1982	53	-	-	-	-	-	-	-	8,625,246	
14	1983	52	10,677	-	-	-	-	10,677	-	8,635,923	
15	1984	51	10,598	-	-	(10,598)	-	10,598	-	8,646,521	
16	1985	50	27,959	-	-	(27,959)	-	27,959	-	8,674,480	
17	1986	49	3,889,736	-	-	(3,468,084)	-	3,889,736	-	12,564,216	
18	1987	48	4,677	-	-	-	-	4,677	-	12,568,893	
19	1988	47	226,936	-	-	(176,141)	-	226,936	-	12,795,829	
20	1989	46	75,782	-	-	(67,172)	-	75,782	-	12,871,611	
21	1990	45	4,931	-	-	-	-	4,931	-	12,876,542	
22	1991	44	632,830	-	-	(552,593)	-	632,830	-	13,509,372	
23	1992	43	11,469	-	-	(11,469)	-	11,469	-	13,520,841	
24	1993	42	16,859	-	-	-	-	16,859	-	13,537,700	
25	1994	41	73,804	-	-	-	-	73,804	-	13,611,504	
26	1995	40	12,296	-	-	-	-	12,296	-	13,623,800	
27	1996	39	910,483	-	-	(514,915)	-	910,483	-	14,534,283	
28	1997	38	4,944,045	23,126	-	(480,516)	-	4,967,171	-	19,501,454	
29	1998	37	1,501,271	-	-	-	-	1,501,271	-	21,002,725	
30	1999	36	-	52,578	(1,550,734)	-	-	52,578	(1,550,734)	19,504,569	
31	2000	35	-	1,241,408	-	-	-	1,241,408	-	20,745,977	
32	2001	34	-	585,311	-	(349,460)	-	585,311	-	21,331,288	
33	2002	33	-	811,453	-	(119,003)	-	811,453	-	22,142,741	
34	2003	32	-	-	-	-	-	-	-	22,142,741	
35	2004	31	-	-	(1,004,131)	-	-	-	(1,004,131)	21,138,610	
36	2005	30	-	-	-	-	-	-	-	21,138,610	
37	2006	29	-	352,969	-	(350,227)	-	352,969	-	21,491,579	
38	2007	28	-	9,649	(55,892)	-	-	9,649	(55,892)	21,445,335	
39	2008	27	-	705,769	(146,067)	-	0	705,769	(146,067)	22,005,037	
40	2009	26	-	21,390	-	-	0	21,390	-	22,026,428	
41	2010	25	-	5,293	(57,662)	-	-	5,293	(57,662)	21,974,059	
42	2011	24	-	53,875	-	-	-	53,875	-	22,027,934	
43	2012	23	-	25,559	(27,959)	-	53,760	79,318	(27,959)	22,079,293	
44	2013	22	-	-	(3,035,784)	-	540,953	540,953	(3,035,784)	19,584,462	
45	2014	21	-	-	(4,743,782)	-	21,199,234	21,199,234	(4,743,782)	36,039,914	
46	Total		\$ 20,979,599	\$ 3,888,379	\$ (10,622,011)	\$ (10,622,011)	\$ 21,793,947	\$ 46,661,925	\$ (10,622,011)	\$ 677,238,996	

47	Major Additions/Retirements			
48	2013	\$ 540,953	\$ (3,035,784)	
49	2014	21,199,234	(4,743,782)	
50				
51				
52	Routine Activity	\$ 3,942,139	\$ (2,842,445)	
53	Historical Interim Activity	0.58%	-0.42%	
54	Forecast Interim Activity	0.58%	-0.42%	

		Major Additions**	Major Retirements		
55	2015	20	209,785	(151,263)	36,098,436
56	2016	19	210,125	(151,509)	36,157,052
57	2017	18	210,467	(151,755)	36,215,763
58	2018	17	210,808	(152,001)	36,274,570
59	2019	16	211,151	(152,248)	36,333,472
60	2020	15	211,493	(152,496)	36,392,470
61	2021	14	211,837	(152,743)	36,451,564
62	2022	13	212,181	(152,991)	36,510,754
63	2023	12	212,525	(153,240)	36,570,039
64	2024	11	212,870	(153,488)	36,629,422
65	2025	10	213,216	(153,738)	36,688,900
66	2026	9	213,562	(153,987)	36,748,475
67	2027	8	213,909	(154,237)	36,808,147
68	2028	7	214,256	(154,488)	36,867,916
69	2029	6	214,604	(154,739)	36,927,781
70	2030	5	214,953	(154,990)	36,987,744
71	2031	4	215,302	(155,242)	37,047,805
72	2032	3	215,651	(155,494)	37,107,962
73	2033	2	216,002	(155,746)	37,168,218
74	2034	1	216,352	(155,999)	37,228,571
75	2035	0			
<hr/>					
		\$ -	\$ 50,922,976	\$ (13,694,405)	\$ 1,410,454,057

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Balance	Transaction Year			Retirements	Additions			Retirements
				Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	46,661,925
Forecast Additions	4,261,051
<b>Total Additions</b>	<b>50,922,976</b>
Gross Salvage Value	1,861,429
Less Cost of Removal	3,722,857
<b>Net Salvage Value</b>	<b>(1,861,429)</b>
<b>Total to be Recovered</b>	<b>52,784,405</b>

Forecast Plant Balances 1,410,454,057

Whole Life Accrual Rate	3.74%
Cost of Removal Accrual Rate	0.26%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.48%

Depreciable Service Life, years 26.7

**Remaining Life Depreciation Rate Calculation**

Account Balance - 12/31/14	36,039,914
Forecast Additions	4,261,051
Gross Salvage Value	1,861,429
Less Cost of Removal	3,722,857
<b>Net Salvage Value</b>	<b>(1,861,429)</b>

Depreciation Reserve Balance 12/31/14 (3,879,472)

Forecast Total Remaining Life Balance	38,282,922
Forecast Plant Balances	733,215,061
Remaining Life Accrual Rate	5.22%



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1970	65	1,382,577	31,225	-	(257,424)	-	1,413,802	-	1,413,802	
2	1971	64	-	-	-	-	-	-	-	1,413,802	
3	1972	63	-	-	-	-	-	-	-	1,413,802	
4	1973	62	-	-	-	-	-	-	-	1,413,802	
5	1974	61	4,334	-	-	-	-	4,334	-	1,418,136	
6	1975	60	-	-	-	-	-	-	-	1,418,136	
7	1976	59	-	-	-	-	-	-	-	1,418,136	
8	1977	58	-	-	-	-	-	-	-	1,418,136	
9	1978	57	-	-	-	-	-	-	-	1,418,136	
10	1979	56	-	-	-	-	-	-	-	1,418,136	
11	1980	55	736	-	-	-	-	736	-	1,418,872	
12	1981	54	2,375	-	-	-	-	2,375	-	1,421,247	
13	1982	53	-	-	-	-	-	-	-	1,421,247	
14	1983	52	-	-	-	-	-	-	-	1,421,247	
15	1984	51	-	-	-	-	-	-	-	1,421,247	
16	1985	50	-	-	-	-	-	-	-	1,421,247	
17	1986	49	836,455	-	-	(40,896)	-	836,455	-	2,257,702	
18	1987	48	7,082	-	-	-	-	7,082	-	2,264,784	
19	1988	47	6,227	-	-	-	-	6,227	-	2,271,011	
20	1989	46	-	-	-	-	-	-	-	2,271,011	
21	1990	45	-	-	-	-	-	-	-	2,271,011	
22	1991	44	-	-	-	-	-	-	-	2,271,011	
23	1992	43	-	-	-	-	-	-	-	2,271,011	
24	1993	42	3,638	-	-	-	-	3,638	-	2,274,649	
25	1994	41	-	-	-	-	-	-	-	2,274,649	
26	1995	40	10,190	-	-	-	-	10,190	-	2,284,839	
27	1996	39	37,644	-	-	(37,644)	-	37,644	-	2,322,483	
28	1997	38	15,577	-	-	-	-	15,577	-	2,338,060	
29	1998	37	7,290	-	-	-	-	7,290	-	2,345,350	
30	1999	36	-	-	-	-	-	-	-	2,345,350	
31	2000	35	-	-	-	-	-	-	-	2,345,350	
32	2001	34	-	-	-	-	-	-	-	2,345,350	
33	2002	33	-	-	-	-	-	-	-	2,345,350	
34	2003	32	-	-	-	-	-	-	-	2,345,350	
35	2004	31	-	-	-	-	-	-	-	2,345,350	
36	2005	30	-	-	-	-	-	-	-	2,345,350	
37	2006	29	-	-	-	-	-	-	-	2,345,350	
38	2007	28	-	11,085	(1,705)	-	-	11,085	(1,705)	2,354,730	
39	2008	27	-	-	-	-	-	-	1,852,342	4,207,072	
40	2009	26	-	2,620,194	-	-	(0)	2,620,194	-	6,827,266	
41	2010	25	-	10,087	(69,408)	-	-	10,087	(69,408)	6,747,944	
42	2011	24	-	-	-	-	-	-	-	6,747,944	
43	2012	23	-	25,181	(38,352)	-	-	25,181	(38,352)	6,734,773	
44	2013	22	-	28,341	(38,673)	-	597,427	625,767	(38,673)	7,321,867	
45	2014	21	-	-	(167,827)	-	-	-	(167,827)	7,154,041	
46	Total		\$ 2,314,125	\$ 2,726,112	\$ (335,965)	\$ (335,965)	\$ 597,427	\$ 5,637,663	\$ (335,965)	\$ 119,265,139	

47	Major Additions/Retirements				
48	2009		\$ 2,620,194		
49	2010			\$ (69,408)	
50	2013		\$ 597,427		
51	2014			\$ (167,827)	
52	Routine Activity		\$ 105,918	\$ (78,730)	
53	Historical Interim Activity		0.09%	-0.07%	
54	Forecast Interim Activity		0.09%	-0.07%	

		Major Additions**	Major Retirements		
55	2015	20	6,353	(4,723)	7,155,672
56	2016	19	6,355	(4,724)	7,157,303
57	2017	18	6,356	(4,725)	7,158,934
58	2018	17	6,358	(4,726)	7,160,566
59	2019	16	6,359	(4,727)	7,162,199
60	2020	15	6,361	(4,728)	7,163,831
61	2021	14	6,362	(4,729)	7,165,465
62	2022	13	6,364	(4,730)	7,167,098
63	2023	12	6,365	(4,731)	7,168,732
64	2024	11	6,366	(4,732)	7,170,366
65	2025	10	6,368	(4,733)	7,172,001
66	2026	9	6,369	(4,734)	7,173,636
67	2027	8	6,371	(4,735)	7,175,271
68	2028	7	6,372	(4,737)	7,176,907
69	2029	6	6,374	(4,738)	7,178,543
70	2030	5	6,375	(4,739)	7,180,179
71	2031	4	6,377	(4,740)	7,181,816
72	2032	3	6,378	(4,741)	7,183,453
73	2033	2	6,380	(4,742)	7,185,091
74	2034	1	6,381	(4,743)	7,186,729
75	2035	0			
<hr/>					
			\$ 5,765,008	\$ (430,621)	\$ 262,658,930

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
<b>Whole Life Depreciation Rate Calculation</b>											
Historical Additions											
5,637,653											
Forecast Additions											
127,344											
Total Additions											
5,765,008											
Gross Salvage Value											
359,336											
Less Cost of Removal											
718,673											
Net Salvage Value											
(359,336)											
Total to be Recovered											
6,124,344											
Forecast Plant Balances											
262,668,930											
Whole Life Accrual Rate											
2.33%											
Cost of Removal Accrual Rate											
0.27%											
Whole Life Accrual Rate (Excluding Cost of Removal)											
2.06%											
Depreciable Service Life, years											
42.9											
<b>Remaining Life Depreciation Rate Calculation</b>											
Account Balance - 12/31/14											
7,154,041											
Forecast Additions											
127,344											
Gross Salvage Value											
359,336											
Less Cost of Removal											
718,673											
Net Salvage Value											
(359,336)											
Depreciation Reserve Balance 12/31/14											
(2,195,678)											
Forecast Total Remaining Life Balance											
5,445,044											
Forecast Plant Balances											
143,423,792											
Remaining Life Accrual Rate											
3.80%											

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year				Vintage Year Retirements	Additions			Retirements
			Balance	Additions	Retirements						
1	1970	65	378,805	-	-	(86,416)	-	378,805	-	378,805	
2	1971	64	5,008	-	-	(4,906)	-	5,008	-	383,813	
3	1972	63	6,698	-	-	(2,998)	-	6,698	-	390,511	
4	1973	62	9,550	-	-	(5,148)	-	9,550	-	400,051	
5	1974	61	8,466	-	-	(319)	-	8,466	-	408,527	
6	1975	60	11,191	-	-	(232)	-	11,191	-	419,718	
7	1976	59	9,438	-	-	-	-	9,438	-	429,156	
8	1977	58	4,645	-	-	(473)	-	4,645	-	433,801	
9	1978	57	4,158	-	-	(862)	-	4,158	-	437,959	
10	1979	56	10,249	-	-	-	-	10,249	-	448,208	
11	1980	55	10,393	-	-	-	-	10,393	-	458,601	
12	1981	54	28,348	-	-	(15,503)	-	28,348	-	486,949	
13	1982	53	20,435	-	-	(12,295)	-	20,435	-	507,384	
14	1983	52	1,916	-	-	-	-	1,916	-	509,300	
15	1984	51	5,070	-	-	-	-	5,070	-	514,370	
16	1985	50	8,126	-	-	-	-	8,126	-	522,496	
17	1986	49	58,491	-	-	(1,582)	-	58,491	-	580,987	
18	1987	48	60,920	-	-	(318)	-	60,920	-	641,907	
19	1988	47	57,101	-	-	-	-	57,101	-	699,008	
20	1989	46	139,742	-	-	(782)	-	139,742	-	838,750	
21	1990	45	4,102	-	-	-	-	4,102	-	842,852	
22	1991	44	4,845	-	-	-	-	4,845	-	847,697	
23	1992	43	77,564	-	-	-	-	77,564	-	925,261	
24	1993	42	54,920	-	-	(794)	-	54,920	-	980,181	
25	1994	41	38,387	-	-	(21,620)	-	38,387	-	1,018,568	
26	1995	40	73,167	-	-	(12,458)	-	73,167	-	1,091,735	
27	1996	39	22,810	-	-	(2,682)	-	22,810	-	1,114,545	
28	1997	38	117,747	-	-	(20,426)	-	117,747	-	1,232,292	
29	1998	37	102,928	-	-	(52,570)	-	102,928	-	1,335,220	
30	1999	36	-	78,705	(15,503)	-	-	78,705	(15,503)	1,398,422	
31	2000	35	-	69,546	(4,094)	-	-	69,546	(4,094)	1,463,874	
32	2001	34	-	60,689	-	(16,402)	-	60,689	-	1,524,563	
33	2002	33	-	13,953	-	(0)	-	13,953	-	1,538,516	
34	2003	32	-	14,273	-	(5,938)	-	14,273	-	1,552,789	
35	2004	31	-	16,876	(53,043)	-	-	16,876	(53,043)	1,516,622	
36	2005	30	-	42,810	-	-	-	42,810	-	1,559,432	
37	2006	29	-	5,234	-	-	-	5,234	-	1,564,666	
38	2007	28	-	146,257	(20,000)	(75,604)	0	146,258	(20,000)	1,690,924	
39	2008	27	-	329,743	-	-	(0)	329,743	-	2,020,666	
40	2009	26	-	121,705	-	-	(0)	121,705	-	2,142,371	
41	2010	25	-	32,678	(21,084)	(14,150)	-	32,678	(21,084)	2,153,955	
42	2011	24	-	10,965	(9,703)	-	-	10,965	(9,703)	2,155,218	
43	2012	23	-	183,921	(42,043)	-	64,616	248,538	(42,043)	2,361,713	
44	2013	22	-	1,433	-	-	154,950	156,383	-	2,518,096	
45	2014	21	-	-	(225,794)	-	(1,460)	(1,460)	(225,794)	2,292,843	
46	Total		\$ 1,335,220	\$ 1,128,788	\$ (391,273)	\$ (354,529)	\$ 218,107	\$ 2,682,116	\$ (391,273)	\$ 48,731,332	

47	Major Additions/Retirements		
48	2008	\$ 329,743	
49	2012	248,538	
50	2014		\$ (225,794)
51			
52	Routine Activity	\$ 768,615	\$ (165,479)
53	Historical Interim Activity	1.58%	-0.34%
54	Forecast Interim Activity	1.58%	-0.34%

		Major Additions**	Major Retirements		
55	2015	20	38,132	(7,779)	2,319,196
56	2016	19	36,580	(7,875)	2,347,900
57	2017	18	37,032	(7,973)	2,376,960
58	2018	17	37,491	(8,072)	2,406,379
59	2019	16	37,955	(8,171)	2,436,162
60	2020	15	38,424	(8,273)	2,466,314
61	2021	14	38,900	(8,375)	2,496,839
62	2022	13	39,381	(8,479)	2,527,741
63	2023	12	39,869	(8,584)	2,559,027
64	2024	11	40,362	(8,690)	2,590,699
65	2025	10	40,862	(8,797)	2,622,764
66	2026	9	41,368	(8,906)	2,655,225
67	2027	8	41,880	(9,016)	2,688,083
68	2028	7	42,398	(9,128)	2,721,358
69	2029	6	42,923	(9,241)	2,755,040
70	2030	5	43,454	(9,355)	2,789,138
71	2031	4	43,992	(9,471)	2,823,659
72	2032	3	44,536	(9,588)	2,858,606
73	2033	2	45,087	(9,707)	2,893,937
74	2034	1	45,645	(9,827)	2,929,805
75	2035	0			
<hr/>					
		\$ -	\$ 3,496,386	\$ (566,581)	\$ 100,996,217

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Asbury Plant	Install Date	1970
	Retirement Date	2035
	Service Life, Yrs	65

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

Whole Life Depreciation Rate Calculation

Historical Additions	2,682,116
Forecast Additions	814,270
<b>Total Additions</b>	<b>3,496,386</b>
Gross Salvage Value	146,490
Less Cost of Removal	292,980
<b>Net Salvage Value</b>	<b>(146,490)</b>
<b>Total to be Recovered</b>	<b>3,642,876</b>

Forecast Plant Balances 100,996,217

Whole Life Accrual Rate	3.61%
Cost of Removal Accrual Rate	0.29%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>3.32%</b>

Depreciable Service Life, years 27.7

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/14	2,290,843
Forecast Additions	814,270
Gross Salvage Value	146,490
Less Cost of Removal	292,980
<b>Net Salvage Value</b>	<b>(146,490)</b>

Depreciation Reserve Balance 12/31/14 (961,930)

<b>Forecast Total Remaining Life Balance</b>	<b>2,289,673</b>
Forecast Plant Balances	52,264,884
<b>Remaining Life Accrual Rate</b>	<b>4.38%</b>

[THIS PAGE INTENTIONALLY LEFT BLANK]

Summary by Plant  
 The Empire District Electric Company  
 Plant 1

Account	Description	Direct Investment 2014\$	Depreciation Rate
311	Structure & Improvements	4,359,286	1.96%
312	Boiler Plant Equipment	73,879,236	3.25%
314	Turbo Generator Equipment	11,115,815	2.88%
315	Accessory Electric Equipment	6,916,869	3.67%
316	Misc Power Equipment	1,414,804	2.41%
<b>Total</b>		97,686,010	3.17% remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1980	60	3,179,510	-	-	(191,459)	-	3,179,510	-	-	3,179,510
2	1981	59	-	-	-	-	-	-	-	-	3,179,510
3	1982	58	-	-	-	-	-	-	-	-	3,179,510
4	1983	57	50,794	-	-	(1,984)	-	50,794	-	-	3,230,304
5	1984	56	2,939	-	-	-	-	2,939	-	-	3,233,243
6	1985	55	8,370	-	-	-	-	8,370	-	-	3,241,613
7	1986	54	2,000	-	-	-	-	2,000	-	-	3,243,613
8	1987	53	-	-	-	-	-	-	-	-	3,243,613
9	1988	52	-	-	-	-	-	-	-	-	3,243,613
10	1989	51	1,670	-	-	-	-	1,670	-	-	3,245,283
11	1990	50	4,939	-	-	-	-	4,939	-	-	3,250,222
12	1991	49	51,815	-	-	(16,565)	-	51,815	-	-	3,302,037
13	1992	48	118,212	-	-	(1,985)	-	118,212	-	-	3,420,249
14	1993	47	-	-	-	-	-	-	-	-	3,420,249
15	1994	46	176,285	-	-	(607)	-	176,285	-	-	3,596,534
16	1995	45	51,965	-	-	(2,699)	-	51,965	-	-	3,648,499
17	1996	44	168,815	-	-	(3,818)	-	168,815	-	-	3,817,314
18	1997	43	16,480	-	-	-	-	16,480	-	-	3,833,794
19	1998	42	18,183	-	-	(4,932)	-	18,183	-	-	3,851,977
20	1999	41	-	3,495	-	-	-	3,495	-	-	3,855,472
21	2000	40	-	9,462	-	(1,419)	-	9,462	-	-	3,864,934
22	2001	39	-	6,592	-	-	-	6,592	-	-	3,871,526
23	2002	38	-	6,079	-	(1,909)	-	6,079	-	-	3,877,605
24	2003	37	-	21,394	-	(1,858)	-	21,394	-	-	3,898,999
25	2004	36	-	7,910	-	(595)	-	7,910	-	-	3,906,909
26	2005	35	-	8,161	-	-	-	8,161	-	-	3,915,070
27	2006	34	-	21,064	-	(5,167)	-	21,064	-	-	3,936,134
28	2007	33	-	13,200	(68,236)	-	-	13,200	(68,236)	-	3,881,098
29	2008	32	-	18,548	-	-	10,539	29,087	-	-	3,910,184
30	2009	31	-	429,939	-	-	(8,393)	421,546	-	-	4,331,730
31	2010	30	-	2,910	(11,158)	-	64,846	67,756	(11,158)	-	4,388,328
32	2011	29	-	49,224	(607)	-	46,468	95,692	(607)	-	4,483,413
33	2012	28	-	585	-	-	29,567	30,152	-	-	4,513,565
34	2013	27	-	-	-	-	716	716	-	-	4,514,281
35	2014	26	-	-	(154,996)	-	-	-	(154,996)	-	4,359,286
36	Total		\$ 3,851,977	\$ 598,563	\$ (234,997)	\$ (234,997)	\$ 143,743	\$ 4,594,282	\$ (234,997)	\$ -	\$ 129,869,220
37	Major Additions/Retirements										
38	2009			\$ 429,939							
39											
40											
41											
42	Routine Activity		\$	312,366	\$	(234,997)					
43	Historical Interim Activity			0.24%		-0.18%					
44	Forecast Interim Activity			0.24%		-0.18%					
45	2015	25					Major Additions**	10,485	(7,888)		4,361,883
46	2016	24						10,491	(7,893)		4,364,481
47	2017	23						10,498	(7,897)		4,367,081
48	2018	22						10,504	(7,902)		4,369,683
49	2019	21						10,510	(7,907)		4,372,286
50	2020	20						10,516	(7,912)		4,374,891
51	2021	19						10,523	(7,916)		4,377,497
52	2022	18						10,529	(7,921)		4,380,105
53	2023	17						10,535	(7,926)		4,382,715
54	2024	16						10,541	(7,930)		4,385,326
55	2025	15						10,548	(7,935)		4,387,938
56	2026	14						10,554	(7,940)		4,390,552
57	2027	13						10,560	(7,945)		4,393,168
58	2028	12						10,567	(7,949)		4,395,785
59	2029	11						10,573	(7,954)		4,398,404
60	2030	10						10,579	(7,959)		4,401,024
61	2031	9						10,586	(7,964)		4,403,646
62	2032	8						10,592	(7,968)		4,406,270
63	2033	7						10,598	(7,973)		4,408,895
64	2034	6						10,604	(7,978)		4,411,521
65	2035	5						10,611	(7,983)		4,414,149
66	2036	4						10,617	(7,987)		4,416,779
67	2037	3						10,623	(7,992)		4,419,411
68	2038	2						10,630	(7,997)		4,422,043
69	2039	1						10,636	(8,002)		4,424,678
70	2040	0								(4,424,678)	-
								\$ -	\$ 4,858,293	\$ (433,615)	\$ 239,699,433

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year				Vintage Year	Additions			Retirements
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	4,594,282
Forecast Additions	264,010
Total Additions	4,858,293
Gross Salvage Value	221,234
Less Cost of Removal	442,468
Net Salvage Value	(221,234)
Total to be Recovered	5,079,527

Forecast Plant Balances 239,699,433

Whole Life Accrual Rate 2.12%

Cost of Removal Accrual Rate 0.18%

Whole Life Accrual Rate (Excluding Cost of Removal) 1.93%

Depreciable Service Life, years 47.2

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	4,359,286
Forecast Additions	264,010
Gross Salvage Value	221,234
Less Cost of Removal	442,468
Net Salvage Value	(221,234)

Depreciation Reserve Balance 12/31/14 (2,692,543)

Forecast Total Remaining Life Balance 2,151,987

Forecast Plant Balances 109,830,213

Remaining Life Accrual Rate 1.96%



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year Retirements	Additions		Retirements			
			Balance	Additions			Retirements		Retirements	Additions	Retirements
1	1980	60	26,030,607	-	-	(7,381,186)	-	26,030,607	-	-	26,030,607
2	1981	59	-	-	-	-	-	-	-	-	26,030,607
3	1982	58	-	-	-	-	-	-	-	-	26,030,607
4	1983	57	159,024	-	-	(48,946)	-	159,024	-	-	26,189,631
5	1984	56	133,092	-	-	(113,550)	-	133,092	-	-	26,322,723
6	1985	55	43,315	-	-	(3,104)	-	43,315	-	-	26,366,038
7	1986	54	22,975	-	-	-	-	22,975	-	-	26,389,013
8	1987	53	63,339	-	-	(750)	-	63,339	-	-	26,452,352
9	1988	52	6,996	-	-	-	-	6,996	-	-	26,459,348
10	1989	51	107,911	-	-	(5,836)	-	107,911	-	-	26,567,259
11	1990	50	48,647	-	-	(34,703)	-	48,647	-	-	26,615,906
12	1991	49	273,477	1,405	-	(3,319)	-	274,882	-	-	26,890,788
13	1992	48	321,108	-	-	(61,375)	-	321,108	-	-	27,211,896
14	1993	47	-	-	-	-	-	-	-	-	27,211,896
15	1994	46	179,351	-	-	(30,137)	-	179,351	-	-	27,391,247
16	1995	45	63,212	-	-	(23,312)	-	63,212	-	-	27,454,459
17	1996	44	380,926	-	-	(38,328)	-	380,926	-	-	27,835,385
18	1997	43	165,192	-	-	(3,658)	-	165,192	-	-	28,000,577
19	1998	42	36,366	-	-	(12,402)	-	36,366	-	-	28,036,943
20	1999	41	-	23,451	-	-	-	23,451	-	-	28,060,394
21	2000	40	-	354,275	-	(113,677)	-	354,275	-	-	28,414,669
22	2001	39	-	143,555	-	(15,155)	-	143,555	-	-	28,558,224
23	2002	38	-	635,875	-	(54,173)	-	635,875	-	-	29,194,099
24	2003	37	-	487,438	-	(35,083)	-	487,438	-	-	29,681,537
25	2004	36	-	244,257	-	(25,989)	-	244,257	-	-	29,925,794
26	2005	35	-	336,763	-	(17,043)	-	336,763	-	-	30,262,557
27	2006	34	-	169,927	-	(28,160)	0	169,928	-	-	30,432,485
28	2007	33	-	1,370,358	(1,803,878)	(89,014)	(0)	1,370,357	(1,803,878)	-	29,998,964
29	2008	32	-	526,333	(167,584)	(18,665)	(0)	526,332	(167,584)	-	30,357,712
30	2009	31	-	42,940,755	-	(7,107)	796,426	43,737,181	-	-	74,094,893
31	2010	30	-	24,344	(5,353,488)	(244)	263,448	287,792	(5,353,488)	-	69,029,197
32	2011	29	-	187,603	(712,330)	-	2,818,317	3,005,919	(712,330)	-	71,322,787
33	2012	28	-	-	(244)	-	744,534	744,534	(244)	-	72,067,076
34	2013	27	-	-	-	-	1,638,150	1,638,150	-	-	73,705,226
35	2014	26	-	-	(127,392)	-	301,402	301,402	(127,392)	-	73,879,236
36	Total		\$ 28,035,538	\$ 47,446,338	\$ (8,164,916)	\$ (8,164,916)	\$ 6,562,276	\$ 82,044,152	\$ (8,164,916)	\$ -	\$ 1,238,472,131
37	Major Additions/Retirements										
38	2007					\$ (1,803,878)					
39	2009			\$ 42,940,755							
40	2010					\$ (5,353,488)					
41											
42	Routine Activity			\$ 11,067,859		\$ (1,007,550)					
43	Historical Interim Activity			0.89%		-0.08%					
44	Forecast Interim Activity			0.69%		-0.08%					
45	2015	25						660,237	(60,104)		74,479,369
46	2016	24						665,600	(60,592)		75,084,377
47	2017	23						671,007	(61,084)		75,694,300
48	2018	22						676,458	(61,581)		76,309,177
49	2019	21						681,953	(62,081)		76,929,049
50	2020	20						687,492	(62,585)		77,553,956
51	2021	19						693,077	(63,093)		78,183,939
52	2022	18						698,707	(63,606)		78,819,040
53	2023	17						704,382	(64,123)		79,459,300
54	2024	16						710,104	(64,644)		80,104,761
55	2025	15						715,873	(65,169)		80,755,465
56	2026	14						721,688	(65,698)		81,411,455
57	2027	13						727,550	(66,232)		82,072,773
58	2028	12						733,460	(66,770)		82,739,463
59	2029	11						739,418	(67,312)		83,411,569
60	2030	10						745,425	(67,859)		84,089,135
61	2031	9						751,480	(68,410)		84,772,205
62	2032	8						757,584	(68,966)		85,460,823
63	2033	7						763,738	(69,526)		86,155,035
64	2034	6						769,942	(70,091)		86,854,887
65	2035	5						776,196	(70,660)		87,560,423
66	2036	4						782,502	(71,234)		88,272,690
67	2037	3						788,858	(71,813)		88,988,736
68	2038	2						795,266	(72,396)		89,711,606
69	2039	1						801,726	(72,984)		90,440,348
70	2040	0								(90,440,348)	-
								\$ 100,263,874	\$ (9,823,527)		\$ 3,293,785,013

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Unit 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	82,044,152
Forecast Additions	18,219,722
<b>Total Additions</b>	<b>100,263,874</b>
Gross Salvage Value	4,522,017
Less Cost of Removal	9,044,035
Net Salvage Value	(4,522,017)
<b>Total to be Recovered</b>	<b>104,785,892</b>

Forecast Plant Balances 3,293,785,013

Whole Life Accrual Rate	3.18%
Cost of Removal Accrual Rate	0.27%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.91%

Depreciable Service Life, years 31.4

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	73,879,235
Forecast Additions	18,219,722
Gross Salvage Value	4,522,017
Less Cost of Removal	9,044,035
Net Salvage Value	(4,522,017)

Depreciation Reserve Balance 12/31/14 (29,738,977)

Forecast Total Remaining Life Balance	66,881,999
Forecast Plant Balances	2,055,312,882
Remaining Life Accrual Rate	3.25%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year Retirements	Additions		Retirements			
			Balance	Additions			Retirements		Retirements	Additions	Retirements
1	1980	60	7,168,194	-	-	(1,172,909)	-	7,168,194	-	7,168,194	
2	1981	59	-	-	-	-	-	-	-	7,168,194	
3	1982	58	-	-	-	-	-	-	-	7,168,194	
4	1983	57	14,962	-	-	(1,163)	-	14,962	-	7,183,156	
5	1984	56	4,814	-	-	-	-	4,814	-	7,187,970	
6	1985	55	9,230	-	-	(9,230)	-	9,230	-	7,197,200	
7	1986	54	-	-	-	-	-	-	-	7,197,200	
8	1987	53	44,068	-	-	(3,029)	-	44,068	-	7,241,268	
9	1988	52	7	-	-	-	-	7	-	7,241,275	
10	1989	51	900	-	-	-	-	900	-	7,242,175	
11	1990	50	9,097	-	-	-	-	9,097	-	7,251,272	
12	1991	49	146,125	-	-	-	-	146,125	-	7,397,397	
13	1992	48	243,821	-	-	-	-	243,821	-	7,641,218	
14	1993	47	-	-	-	-	-	-	-	7,641,218	
15	1994	46	20,490	-	-	(1,620)	-	20,490	-	7,661,708	
16	1995	45	-	-	-	-	-	-	-	7,661,708	
17	1996	44	-	-	-	-	-	-	-	7,661,708	
18	1997	43	13,769	-	-	(6,890)	-	13,769	-	7,675,477	
19	1998	42	17,980	-	-	(7,172)	-	17,980	-	7,693,457	
20	1999	41	-	-	-	-	-	-	-	7,693,457	
21	2000	40	-	118,246	-	(53,456)	-	118,246	-	7,811,703	
22	2001	39	-	4,616	-	-	-	4,616	-	7,816,319	
23	2002	38	-	26,194	-	(15,058)	-	26,194	-	7,842,513	
24	2003	37	-	34,241	-	(5,870)	-	34,241	-	7,876,754	
25	2004	36	-	9,235	-	(1,284)	-	9,235	-	7,885,989	
26	2005	35	-	155,500	-	-	-	155,500	-	8,041,489	
27	2006	34	-	56,127	-	(19,703)	-	56,127	-	8,097,616	
28	2007	33	-	408,626	(336,830)	(27,355)	787	409,413	(336,830)	8,170,199	
29	2008	32	-	194,628	(68,715)	-	0	194,628	(68,715)	8,296,112	
30	2009	31	-	1,433,363	-	-	160,497	1,593,860	-	9,889,972	
31	2010	30	-	-	(785,054)	-	(86,409)	(86,409)	(785,054)	9,018,508	
32	2011	29	-	-	(85,997)	-	111,133	111,133	(85,997)	9,043,645	
33	2012	28	-	1,245,977	-	-	76,506	1,322,482	-	10,366,127	
34	2013	27	-	-	-	-	699,963	699,963	-	11,066,090	
35	2014	26	-	-	(48,143)	-	97,869	97,869	(48,143)	11,115,815	
36	Total		\$ 7,693,457	\$ 3,686,752	\$ (1,324,739)	\$ (1,324,739)	\$ 1,060,345	\$ 12,440,555	\$ (1,324,739)	\$ 280,312,298	
37	Major Additions/Retirements										
38	2009		\$ 1,433,363								
39	2010				\$ (785,054)						
40	2012		\$ 1,245,977								
41											
42	Routine Activity		\$ 2,067,758	\$ (539,685)							
43	Historical Interim Activity		0.74%	-0.19%							
44	Forecast Interim Activity		0.74%	-0.19%							
45	2015	25					Major Additions**	81,997	(21,401)	11,176,411	
46	2016	24						82,444	(21,518)	11,237,338	
47	2017	23						82,894	(21,635)	11,298,596	
48	2018	22						83,345	(21,753)	11,360,188	
49	2019	21						83,800	(21,872)	11,422,116	
50	2020	20						84,257	(21,991)	11,484,382	
51	2021	19						84,716	(22,111)	11,546,987	
52	2022	18						85,178	(22,231)	11,609,934	
53	2023	17						85,642	(22,353)	11,673,223	
54	2024	16						86,109	(22,474)	11,736,858	
55	2025	15						86,578	(22,597)	11,800,839	
56	2026	14						87,050	(22,720)	11,865,169	
57	2027	13						87,525	(22,844)	11,929,850	
58	2028	12						88,002	(22,969)	11,994,884	
59	2029	11						88,482	(23,094)	12,060,272	
60	2030	10						88,964	(23,220)	12,126,016	
61	2031	9						89,449	(23,346)	12,192,119	
62	2032	8						89,937	(23,473)	12,258,582	
63	2033	7						90,427	(23,601)	12,325,408	
64	2034	6						90,920	(23,730)	12,392,597	
65	2035	5						91,416	(23,859)	12,460,153	
66	2036	4						91,914	(23,990)	12,528,078	
67	2037	3						92,415	(24,120)	12,596,372	
68	2038	2						92,919	(24,252)	12,665,039	
69	2039	1						93,425	(24,384)	12,734,081	
70	2040	0								-	
										(12,734,081)	
										\$ 578,787,790	

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* from 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Jatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	12,440,555
Forecast Additions	2,189,804
<b>Total Additions</b>	<b>14,630,359</b>
Gross Salvage Value	636,704
Less Cost of Removal	1,273,408
Net Salvage Value	(636,704)
<b>Total to be Recovered</b>	<b>15,267,063</b>

Forecast Plant Balances 578,787,790

Whole Life Accrual Rate	2.64%
Cost of Removal Accrual Rate	0.22%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>2.42%</b>

Depreciable Service Life, years 37.9

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	11,115,815
Forecast Additions	2,189,804
Gross Salvage Value	636,704
Less Cost of Removal	1,273,408
Net Salvage Value	(636,704)

Depreciation Reserve Balance 12/31/14 (5,355,678)

Forecast Total Remaining Life Balance	8,586,646
Forecast Plant Balances	298,475,492
Remaining Life Accrual Rate	2.88%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Steam Production, Iatan 1

Gross Salvage 5%  
 Cost of Removal 10%  
 Net Salvage -5%  
 Install Date 1980  
 Retirement Date 2040  
 Service Life, Yrs 60

Historical and Forecast Plant Additions & Balances  
 Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advances	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1980	60	3,184,218	-	-	(739,485)	-	3,184,218	-	3,184,218	
2	1981	59	-	-	-	-	-	-	-	3,184,218	
3	1982	58	-	-	-	-	-	-	-	3,184,218	
4	1983	57	2,284	-	-	(2,284)	-	2,284	-	3,186,502	
5	1984	56	2,741	-	-	(2,741)	-	2,741	-	3,189,243	
6	1985	55	1,648	-	-	-	-	1,648	-	3,190,891	
7	1986	54	20,565	-	-	(20,565)	-	20,565	-	3,211,456	
8	1987	53	8,983	-	-	(3,061)	-	8,983	-	3,220,439	
9	1988	52	-	-	-	-	-	-	-	3,220,439	
10	1989	51	9,030	-	-	(9,030)	-	9,030	-	3,229,469	
11	1990	50	2,537	-	-	(2,537)	-	2,537	-	3,232,006	
12	1991	49	44,236	-	-	-	-	44,236	-	3,276,242	
13	1992	48	4,348	-	-	-	-	4,348	-	3,280,590	
14	1993	47	-	-	-	-	-	-	-	3,280,590	
15	1994	46	203,198	-	-	-	-	203,198	-	3,483,788	
16	1995	45	-	-	-	-	-	-	-	3,483,788	
17	1996	44	19,468	-	-	-	-	19,468	-	3,503,256	
18	1997	43	20,483	-	-	-	-	20,483	-	3,523,739	
19	1998	42	10,828	-	-	-	-	10,828	-	3,534,567	
20	1999	41	-	-	-	-	-	-	-	3,534,567	
21	2000	40	-	75,988	-	(30,717)	-	75,988	-	3,610,555	
22	2001	39	-	539,053	-	(8,436)	-	539,053	-	4,149,608	
23	2002	38	-	1,439,220	-	(10,124)	-	1,439,220	-	5,588,828	
24	2003	37	-	70,512	-	-	-	70,512	-	5,659,340	
25	2004	36	-	16,441	-	-	-	16,441	-	5,675,781	
26	2005	35	-	30,751	-	-	-	30,751	-	5,706,532	
27	2006	34	-	2,681	-	-	-	2,681	-	5,709,213	
28	2007	33	-	46,601	(802,344)	-	(0)	46,601	(802,344)	4,953,470	
29	2008	32	-	64,177	-	-	0	64,177	-	5,355,795	
30	2009	31	-	279,461	-	-	0	279,461	-	5,635,256	
31	2010	30	-	1,827	(15,554)	-	42,771	44,598	(15,554)	5,664,301	
32	2011	29	-	-	(11,081)	-	907,459	907,459	(11,081)	6,560,679	
33	2012	28	-	10,126	-	-	64,031	74,157	-	6,634,835	
34	2013	27	-	-	-	-	282,034	282,034	-	6,916,869	
35	2014	26	-	-	-	-	-	-	-	6,916,869	
31	Total		\$ 3,534,567	\$ 2,576,837	\$ (828,980)	\$ (828,980)	\$ 1,296,296	\$ 7,407,700	\$ (628,980)	\$ 338,149	\$ 150,872,157

36	Major Additions/Retirements										
37	2002		\$ 1,439,220								
38	2007			\$ (802,344)							
39											
40											
41	Routine Activity		\$ 2,433,913	\$ (26,636)							
42	Historical Interim Activity		1.61%	-0.02%							
43	Forecast Interim Activity		1.61%	-0.02%							

			Major Additions**						
Line	Year	Age	Balance	Additions	Retirements	Advances	Retirements	Transfers and Adjustments	End of Year Plant Balance*
44	2015	25				111,585	(1,221)		7,027,233
45	2016	24				113,365	(1,241)		7,139,358
46	2017	23				115,174	(1,260)		7,253,271
47	2018	22				117,012	(1,281)		7,369,003
48	2019	21				118,879	(1,301)		7,486,581
49	2020	20				120,776	(1,322)		7,606,035
50	2021	19				122,703	(1,343)		7,727,394
51	2022	18				124,661	(1,364)		7,850,691
52	2023	17				126,650	(1,386)		7,975,954
53	2024	16				128,670	(1,408)		8,103,217
54	2025	15				130,723	(1,431)		8,232,509
55	2026	14				132,809	(1,453)		8,363,865
56	2027	13				134,928	(1,477)		8,497,317
57	2028	12				137,081	(1,500)		8,632,898
58	2029	11				139,268	(1,524)		8,770,642
59	2030	10				141,491	(1,548)		8,910,584
60	2031	9				143,748	(1,573)		9,052,759
61	2032	8				146,042	(1,598)		9,197,203
62	2033	7				148,372	(1,624)		9,343,951
63	2034	6				150,739	(1,650)		9,493,041
64	2035	5				153,144	(1,676)		9,644,509
65	2036	4				155,588	(1,703)		9,798,394
66	2037	3				158,070	(1,730)		9,954,735
67	2038	2				160,593	(1,757)		10,113,570
68	2039	1				163,155	(1,785)		10,274,940
69	2040	0						(10,274,940)	-
			\$ -	\$ 10,802,926	\$ (866,135)				\$ 364,691,810

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
 \*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	7,407,700
Forecast Additions	3,395,226
Total Additions	10,802,926
Gross Salvage Value	513,747
Less Cost of Removal	1,027,494
Net Salvage Value	(513,747)
Total to be Recovered	11,316,673

Forecast Plant Balances 364,691,810

Whole Life Accrual Rate	3.10%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.82%

Depreciable Service Life, years 32.2

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	6,916,869
Forecast Additions	3,395,226
Gross Salvage Value	513,747
Less Cost of Removal	1,027,494
Net Salvage Value	(513,747)

Depreciation Reserve Balance 12/31/14 (2,981,400)

Forecast Total Remaining Life Balance	7,844,442
Forecast Plant Balances	213,819,653
Remaining Life Accrual Rate	3.67%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements		
1	1980	60	425,090	-	-	(91,211)	-	425,090	-	-	425,090
2	1981	59	-	-	-	-	-	-	-	-	425,090
3	1982	58	-	-	-	-	-	-	-	-	425,090
4	1983	57	9,163	-	-	(1,194)	-	9,163	-	-	434,253
5	1984	56	9,331	-	-	(4,138)	-	9,331	-	-	443,584
6	1985	55	5,728	-	-	(4,661)	-	5,728	-	-	449,312
7	1986	54	19,419	-	-	(16,569)	-	19,419	-	-	468,731
8	1987	53	3,690	-	-	(179)	-	3,690	-	-	472,421
9	1988	52	1,582	-	-	(564)	-	1,582	-	-	474,003
10	1989	51	20,797	-	-	(18,888)	-	20,797	-	-	494,800
11	1990	50	4,203	-	-	(608)	-	4,203	-	-	499,003
12	1991	49	8,354	-	-	(532)	-	8,354	-	-	507,357
13	1992	48	13,794	-	-	(2,135)	-	13,794	-	-	521,151
14	1993	47	-	-	-	-	-	-	-	-	521,151
15	1994	46	23,918	-	-	(550)	-	23,918	-	-	545,069
16	1995	45	9,920	-	-	(833)	-	9,920	-	-	554,989
17	1996	44	95,116	-	-	(3,378)	-	95,116	-	-	650,105
18	1997	43	9,018	-	-	-	-	9,018	-	-	659,123
19	1998	42	21,620	-	-	(15,592)	-	21,620	-	-	680,743
20	1999	41	-	-	-	-	-	-	-	-	680,743
21	2000	40	-	24,743	-	(3,404)	-	24,743	-	-	705,486
22	2001	39	-	13,727	-	(1,104)	-	13,727	-	-	719,213
23	2002	38	-	16,443	-	-	-	16,443	-	-	735,656
24	2003	37	-	21,801	-	(758)	-	21,801	-	-	757,457
25	2004	36	-	25,299	-	(441)	-	25,299	-	-	782,756
26	2005	35	-	7,091	-	-	-	7,091	-	-	789,847
27	2006	34	-	23,952	-	(3,956)	0	23,952	-	-	813,799
28	2007	33	-	13,074	(57,799)	(864)	(0)	13,074	(57,799)	-	769,074
29	2008	32	-	68,186	-	(1,795)	1	68,187	-	-	837,260
30	2009	31	-	602,899	-	-	0	602,899	-	-	1,440,159
31	2010	30	-	29,679	(114,663)	-	1,015	30,693	(114,663)	-	1,356,190
32	2011	29	-	2,617	(274)	-	32,566	35,183	(274)	-	1,391,099
33	2012	28	-	-	(463)	-	7,980	7,980	(463)	-	1,398,616
34	2013	27	-	-	-	-	4,877	4,877	-	0	1,403,493
35	2014	26	-	-	(157)	-	11,468	11,468	(157)	-	1,414,804
31	Total		\$ 680,743	\$ 849,511	\$ (173,356)	\$ (173,356)	\$ 57,906	\$ 1,588,160	\$ (173,356)	\$ 0	\$ 25,646,716
36	Major Additions/Retirements										
37	2009		\$	602,899							
38	2010				\$	(114,663)					
39											
40											
41	Routine Activity		\$	304,518	\$	(58,693)					
42	Historical Interim Activity			1.19%		-0.23%					
43	Forecast Interim Activity			1.19%		-0.23%					
44	2015	25					Major Additions**	16,799	(3,238)		1,428,365
45	2016	24						16,960	(3,269)		1,442,055
46	2017	23						17,122	(3,300)		1,455,878
47	2018	22						17,286	(3,332)		1,469,832
48	2019	21						17,452	(3,364)		1,483,921
49	2020	20						17,619	(3,396)		1,498,144
50	2021	19						17,788	(3,429)		1,512,504
51	2022	18						17,959	(3,461)		1,527,001
52	2023	17						18,131	(3,495)		1,541,638
53	2024	16						18,305	(3,528)		1,556,414
54	2025	15						18,480	(3,562)		1,571,333
55	2026	14						18,657	(3,596)		1,586,394
56	2027	13						18,836	(3,630)		1,601,600
57	2028	12						19,017	(3,665)		1,616,951
58	2029	11						19,199	(3,700)		1,632,450
59	2030	10						19,383	(3,736)		1,648,097
60	2031	9						19,569	(3,772)		1,663,894
61	2032	8						19,756	(3,808)		1,679,842
62	2033	7						19,945	(3,844)		1,695,944
63	2034	6						20,137	(3,881)		1,712,199
64	2035	5						20,330	(3,918)		1,728,611
65	2036	4						20,525	(3,956)		1,745,180
66	2037	3						20,722	(3,994)		1,761,907
67	2038	2						20,920	(4,032)		1,778,795
68	2039	1						21,121	(4,071)		1,795,845
69	2040	0								(1,795,845)	
			\$	-	\$	2,060,178	\$	(264,333)		\$	65,781,509

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Steam Production, Iatan 1	Install Date	1980
	Retirement Date	2040
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					

**Whole Life Depreciation Rate Calculation**

Historical Additions	1,588,160
Forecast Additions	472,019
<b>Total Additions</b>	<b>2,060,178</b>
Gross Salvage Value	89,792
Less Cost of Removal	179,585
<b>Net Salvage Value</b>	<b>(89,792)</b>
<b>Total to be Recovered</b>	<b>2,149,971</b>

Forecast Plant Balances 65,781,509

Whole Life Accrual Rate	3.27%
Cost of Removal Accrual Rate	0.27%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>3.00%</b>

Depreciable Service Life, years 30.6

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	1,414,804
Forecast Additions	472,019
Gross Salvage Value	89,792
Less Cost of Removal	179,585
<b>Net Salvage Value</b>	<b>(89,792)</b>

Depreciation Reserve Balance 12/31/14 (1,007,595)

Forecast Total Remaining Life Balance	969,019
Forecast Plant Balances	40,134,793
<b>Remaining Life Accrual Rate</b>	<b>2.41%</b>



[THIS PAGE INTENTIONALLY LEFT BLANK]

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Summary by Plant  
 The Empire District Electric Company  
 Plant 2 and Common

Account	Description	Direct Investment 2014\$	Depreciation Rate
311	Structure & Improvements	34,577,245	2.92%
312	Boiler Plant Equipment	137,388,055	1.96%
314	Turbo Generator Equipment	48,958,112	1.54%
315	Accessory Electric Equipment	16,753,742	1.60%
316	Misc Power Equipment	717,586	4.18%
<b>Total</b>		<b>238,394,740</b>	<b>1.99%</b> remaining life weighted average rate

Schedule TJS-2  
**REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company**

<b>The Empire District Electric Company</b>	Gross Salvage	5%
<b>Unit Property Depreciation Rate Analysis</b>	Cost of Removal	10%
	Net Salvage	-5%
<b>Unit Property: Steam Production, Iatan 2 and Common</b>	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

**Historical and Forecast Plant Additions & Balances**  
**Account: 311 Structures & Improvements**

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year		Additions	Retirements		
			Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements		
1	2003	61	-	10,870,010	-	-	10,870,010	-	-	10,870,010	
2	2010	60	-	20,273,675	-	18,020	20,291,694	-	-	31,161,704	
3	2011	59	-	-	-	302,294	302,294	-	-	31,463,998	
4	2012	58	-	-	-	1,391,216	1,391,216	-	-	32,855,214	
5	2013	57	-	-	-	1,700,795	1,700,795	-	-	34,556,009	
6	2014	56	-	-	-	21,236	21,236	-	-	34,577,245	
7	Total		\$ -	\$ 31,143,684	\$ -	\$ -	\$ 3,433,560	\$ 34,577,245	\$ -	\$ -	\$ 175,484,179
8	Major Additions/Retirements										
9	2009			\$ 10,870,010							
10	2010			\$ 20,273,675							
11											
12											
13	Routine Activity			\$ 3,433,560	\$ -						
14	Historical Interim Activity			1.96%	0.00%						
15	Forecast Interim Activity			1.96%	0.00%						
						Major Additions**					
16	2015	55					676,546	-			35,253,790
17	2016	54					689,783	-			35,943,573
18	2017	53					703,279	-			36,646,853
19	2018	52					717,040	-			37,363,893
20	2019	51					731,070	-			38,094,963
21	2020	50					745,374	-			38,840,337
22	2021	49					759,958	-			39,600,295
23	2022	48					774,828	-			40,375,122
24	2023	47					789,988	-			41,165,111
25	2024	46					805,445	-			41,970,556
26	2025	45					821,205	-			42,791,760
27	2026	44					837,273	-			43,629,033
28	2027	43					853,655	-			44,482,688
29	2028	42					870,358	-			45,353,045
30	2029	41					887,387	-			46,240,433
31	2030	40					904,750	-			47,145,183
32	2031	39					922,453	-			48,067,635
33	2032	38					940,501	-			49,008,137
34	2033	37					958,903	-			49,967,040
35	2034	36					977,666	-			50,944,706
36	2035	35					996,795	-			51,941,500
37	2036	34					1,016,298	-			52,957,799
38	2037	33					1,036,183	-			53,993,982
39	2038	32					1,056,458	-			55,050,440
40	2039	31					1,077,128	-			56,127,568
41	2040	30					1,098,204	-			57,225,772
42	2041	29					1,119,691	-			58,345,463
43	2042	28					1,141,600	-			59,487,063
44	2043	27					1,163,936	-			60,650,999
45	2044	26					1,186,710	-			61,837,709
46	2045	25					1,209,930	-			63,047,639
47	2046	24					1,233,603	-			64,281,242
48	2047	23					1,257,740	-			65,538,983
49	2048	22					1,282,349	-			66,821,332
50	2049	21					1,307,440	-			68,128,772
51	2050	20					1,333,022	-			69,461,794
52	2051	19					1,359,104	-			70,820,898
53	2052	18					1,385,697	-			72,206,595
54	2053	17					1,412,809	-			73,619,404
55	2054	16					1,440,453	-			75,059,857
56	2055	15					1,468,637	-			76,528,494
57	2056	14					1,497,373	-			78,025,866
58	2057	13					1,526,670	-			79,552,537
59	2058	12					1,556,542	-			81,109,078
60	2059	11					1,586,997	-			82,696,076
61	2060	10					1,618,049	-			84,314,124
62	2061	9					1,649,708	-			85,963,832
63	2062	8					1,681,986	-			87,645,818
64	2063	7					1,714,896	-			89,360,715
65	2064	6					1,748,450	-			91,109,165
66	2065	5					1,782,661	-			92,891,826
67	2066	4					1,817,541	-			94,709,367
68	2067	3					1,853,103	-			96,562,471
69	2068	2					1,889,362	-			98,451,832
70	2069	1					1,926,329	-			100,378,162
71	2070	0							(100,378,162)		-
							\$ -	\$ 100,378,162	\$ -		\$ 3,604,272,506

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	34,577,245
Forecast Additions	65,800,917
<b>Total Additions</b>	<b>100,378,162</b>
Gross Salvage Value	5,018,908
Less Cost of Removal	10,037,816
Net Salvage Value	(5,018,908)
<b>Total to be Recovered</b>	<b>105,397,070</b>

Forecast Plant Balances 3,604,272,506

Whole Life Accrual Rate	2.92%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.65%

Depreciable Service Life, years 34.2

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	34,577,245
Forecast Additions	65,800,917
Gross Salvage Value	5,018,908
Less Cost of Removal	10,037,816
Net Salvage Value	(5,018,908)

Depreciation Reserve Balance 12/31/14 (5,388,070)

*Includes Regulatory Plan Amortization and adjustments from Case No. ER-2014-0351*

Forecast Total Remaining Life Balance	100,009,000
Forecast Plant Balances	3,428,788,327
Remaining Life Accrual Rate	2.92%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year Retirements	Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year					Additions	Retirements		
			Balance	Additions	Retirements						
1	2009	61	-	35,970,754	-	(36,288,300)	(317,546)	-	-	(317,546)	
2	2010	60	-	132,035,800	-	11,436	132,047,237	-	-	131,729,691	
3	2011	59	-	4,619	-	944,485	949,104	-	-	132,678,795	
4	2012	58	-	-	-	262,472	262,472	-	-	132,941,267	
5	2013	57	-	-	-	656,892	656,892	-	-	133,598,159	
6	2014	56	-	-	-	3,789,896	3,789,896	-	-	137,388,055	
7	Total		\$ -	\$ 168,011,173	\$ -	\$ -	\$ (30,623,118)	\$ 137,388,055	\$ -	\$ -	\$ 668,018,421
8	Major Additions/Retirements										
9	2009										
10	2010			\$ 132,035,800							
11											
12											
13	Routine Activity										
14	Historical Interim Activity			0.80%	0.00%						
15	Forecast Interim Activity			0.80%	0.00%						
							Major Additions**				
16	2015	55					1,100,772	-		138,488,827	
17	2016	54					1,109,591	-		139,598,418	
18	2017	53					1,118,482	-		140,716,900	
19	2018	52					1,127,443	-		141,844,343	
20	2019	51					1,136,476	-		142,980,819	
21	2020	50					1,145,582	-		144,126,401	
22	2021	49					1,154,760	-		145,281,161	
23	2022	48					1,164,013	-		146,445,174	
24	2023	47					1,173,339	-		147,618,513	
25	2024	46					1,182,740	-		148,801,252	
26	2025	45					1,192,216	-		149,993,468	
27	2026	44					1,201,768	-		151,195,236	
28	2027	43					1,211,397	-		152,406,633	
29	2028	42					1,221,103	-		153,627,736	
30	2029	41					1,230,886	-		154,858,622	
31	2030	40					1,240,748	-		156,099,371	
32	2031	39					1,250,689	-		157,350,060	
33	2032	38					1,260,710	-		158,610,770	
34	2033	37					1,270,811	-		159,881,582	
35	2034	36					1,280,993	-		161,162,575	
36	2035	35					1,291,257	-		162,453,831	
37	2036	34					1,301,602	-		163,755,434	
38	2037	33					1,312,031	-		165,067,464	
39	2038	32					1,322,543	-		166,390,007	
40	2039	31					1,333,139	-		167,723,147	
41	2040	30					1,343,821	-		169,066,968	
42	2041	29					1,354,588	-		170,421,555	
43	2042	28					1,365,441	-		171,786,996	
44	2043	27					1,376,381	-		173,163,377	
45	2044	26					1,387,409	-		174,550,786	
46	2045	25					1,398,525	-		175,949,310	
47	2046	24					1,409,730	-		177,359,040	
48	2047	23					1,421,025	-		178,780,065	
49	2048	22					1,432,410	-		180,212,475	
50	2049	21					1,443,887	-		181,656,362	
51	2050	20					1,455,456	-		183,111,818	
52	2051	19					1,467,117	-		184,578,935	
53	2052	18					1,478,872	-		186,057,807	
54	2053	17					1,490,721	-		187,548,527	
55	2054	16					1,502,664	-		189,051,191	
56	2055	15					1,514,704	-		190,565,895	
57	2056	14					1,526,840	-		192,092,735	
58	2057	13					1,539,073	-		193,631,809	
59	2058	12					1,551,404	-		195,183,213	
60	2059	11					1,563,835	-		196,747,048	
61	2060	10					1,576,364	-		198,323,412	
62	2061	9					1,588,994	-		199,912,406	
63	2062	8					1,601,726	-		201,514,132	
64	2063	7					1,614,559	-		203,128,690	
65	2064	6					1,627,495	-		204,756,185	
66	2065	5					1,640,535	-		206,396,720	
67	2066	4					1,653,679	-		208,050,398	
68	2067	3					1,666,928	-		209,717,327	
69	2068	2					1,680,284	-		211,397,611	
70	2069	1					1,693,747	-		213,091,357	
71	2070	0							(213,091,357)	-	
							\$ -	\$ 213,091,357	\$ -		\$ 10,192,300,317

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Instal Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year	Advance	Additions	Retirements		
			Balance	Additions	Retirements	Retirements	Additions				
<b>Whole Life Depreciation Rate Calculation</b>											
										Historical Additions	137,388,055
										Forecast Additions	75,703,302
										Total Additions	213,091,357
										Gross Salvage Value	10,654,568
										Less Cost of Removal	21,309,136
										Net Salvage Value	(10,654,568)
										Total to be Recovered	223,745,925
										Forecast Plant Balances	10,192,300,317
										Whole Life Accrual Rate	2.20%
										Cost of Removal Accrual Rate	0.21%
										Whole Life Accrual Rate (Excluding Cost of Removal)	1.99%
										Depreciable Service Life, years	45.6
<b>Remaining Life Depreciation Rate Calculation</b>											
										Account Balance 12/31/14	137,388,055
										Forecast Additions	75,703,302
										Gross Salvage Value	10,654,568
										Less Cost of Removal	21,309,136
										Net Salvage Value	(10,654,568)
										Depreciation Reserve Balance 12/31/14	(36,937,440)
<i>Includes Regulatory Plan Amortization and adjustments from Case No. ER-2014-0351</i>											
										Forecast Total Remaining Life Balance	186,808,485
										Forecast Plant Balances	9,524,281,896
										Remaining Life Accrual Rate	1.96%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements	Advance Additions	Additions	Retirements		
			Balance	Additions	Retirements						
1	2009	61	-	1,222,204	-	-	1,222,204	-	-	1,222,204	
2	2010	60	-	47,513,210	-	-	47,513,210	-	-	48,735,415	
3	2011	59	-	-	-	34,988	34,988	-	-	48,770,403	
4	2012	58	-	-	-	124,709	124,709	-	-	48,895,112	
5	2013	57	-	-	-	30,310	30,310	-	-	48,925,422	
6	2014	56	-	-	-	32,690	32,690	-	-	48,958,112	
7	Total		\$ -	\$ 48,735,415	\$ -	\$ -	\$ 222,697	\$ 48,958,112	\$ -	\$ -	\$ 245,506,667
8	Major Additions/Retirements										
9	2009		\$	1,222,204							
10	2010		\$	47,513,210							
11											
12											
13	Routine Activity										
14	Historical Interim Activity			0.09%		0.00%					
15	Forecast Interim Activity			0.09%		0.00%					
							Major Additions**				
16	2015	55					44,410	-		49,002,522	
17	2016	54					44,450	-		49,046,972	
18	2017	53					44,490	-		49,091,462	
19	2018	52					44,531	-		49,135,992	
20	2019	51					44,571	-		49,180,563	
21	2020	50					44,611	-		49,225,175	
22	2021	49					44,652	-		49,269,826	
23	2022	48					44,692	-		49,314,519	
24	2023	47					44,733	-		49,359,252	
25	2024	46					44,773	-		49,404,025	
26	2025	45					44,814	-		49,448,839	
27	2026	44					44,855	-		49,493,694	
28	2027	43					44,895	-		49,538,589	
29	2028	42					44,936	-		49,583,525	
30	2029	41					44,977	-		49,628,502	
31	2030	40					45,018	-		49,673,520	
32	2031	39					45,059	-		49,718,578	
33	2032	38					45,099	-		49,763,678	
34	2033	37					45,140	-		49,808,818	
35	2034	36					45,181	-		49,853,999	
36	2035	35					45,222	-		49,899,222	
37	2036	34					45,263	-		49,944,485	
38	2037	33					45,304	-		49,989,789	
39	2038	32					45,345	-		50,035,135	
40	2039	31					45,387	-		50,080,521	
41	2040	30					45,428	-		50,125,949	
42	2041	29					45,469	-		50,171,418	
43	2042	28					45,510	-		50,216,928	
44	2043	27					45,551	-		50,262,479	
45	2044	26					45,593	-		50,308,072	
46	2045	25					45,634	-		50,353,706	
47	2046	24					45,676	-		50,399,382	
48	2047	23					45,717	-		50,445,099	
49	2048	22					45,758	-		50,490,857	
50	2049	21					45,800	-		50,536,657	
51	2050	20					45,841	-		50,582,499	
52	2051	19					45,883	-		50,628,382	
53	2052	18					45,925	-		50,674,306	
54	2053	17					45,966	-		50,720,273	
55	2054	16					46,008	-		50,766,281	
56	2055	15					46,050	-		50,812,330	
57	2056	14					46,092	-		50,858,422	
58	2057	13					46,133	-		50,904,555	
59	2058	12					46,175	-		50,950,731	
60	2059	11					46,217	-		50,996,948	
61	2060	10					46,259	-		51,043,207	
62	2061	9					46,301	-		51,089,508	
63	2062	8					46,343	-		51,135,850	
64	2063	7					46,385	-		51,182,235	
65	2064	6					46,427	-		51,228,663	
66	2065	5					46,469	-		51,275,132	
67	2066	4					46,511	-		51,321,643	
68	2067	3					46,554	-		51,368,197	
69	2068	2					46,596	-		51,414,792	
70	2069	1					46,638	-		51,461,430	
71	2070	0							(51,461,430)	-	
							\$ -	\$ 51,461,430	\$ -	\$ 3,007,723,799	

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Instal. Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G]	[H] [I]		[J]	[K]
			Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year	Advance	Additions	Retirements		
Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements					
<b>Whole Life Depreciation Rate Calculation</b>											
										Historical Additions	48,958,112
										Forecast Additions	2,503,318
										Total Additions	51,461,430
										Gross Salvage Value	2,573,072
										Less Cost of Removal	5,146,143
										Net Salvage Value	(2,573,072)
										Total to be Recovered	54,034,502
										Forecast Plant Balances	3,007,723,799
										Whole Life Accrual Rate	1.80%
										Cost of Removal Accrual Rate	0.17%
										Whole Life Accrual Rate (Excluding Cost of Removal)	1.63%
										Depreciable Service Life, years	55.7
<b>Remaining Life Depreciation Rate Calculation</b>											
										Account Balance 12/31/14	48,958,112
										Forecast Additions	2,503,318
										Gross Salvage Value	2,573,072
										Less Cost of Removal	5,146,143
										Net Salvage Value	(2,573,072)
										Depreciation Reserve Balance 12/31/14	(11,581,403)
<i>Includes Regulatory Plan Amortization and adjustments from Case No. ER-2014-0351</i>											
										Forecast Total Remaining Life Balance	42,453,098
										Forecast Plant Balances	2,762,217,132
										Remaining Life Accrual Rate	1.54%



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year	Advance	Additions	Retirements		
			Balance	Additions	Retirements	Retirements	Additions				
1	2009	61	-	4,716,989	-	-	4,716,989	-	-	4,716,989	
2	2010	60	-	12,010,875	-	-	12,010,875	-	-	16,727,864	
3	2011	59	-	-	-	-	3,045	3,045	-	16,730,909	
4	2012	58	-	-	-	-	1,297	1,297	-	16,732,206	
5	2013	57	-	-	-	-	9,312	9,312	-	16,741,518	
6	2014	56	-	-	-	-	12,224	12,224	-	16,753,742	
7	Total		\$ -	\$ 16,727,864	\$ -	\$ -	\$ 25,879	\$ 16,753,742	\$ -	\$ -	\$ 88,403,228
8	Major Additions/Retirements										
9	2009			\$ 4,716,989							
10	2010			\$ 12,010,875							
11											
12											
13	Routine Activity			\$ 25,879	\$ -						
14	Historical Interim Activity			0.03%	0.00%						
15	Forecast Interim Activity			0.03%	0.00%						
							Major Additions**				
16	2015	55					4,904	-			16,758,647
17	2016	54					4,906	-			16,763,553
18	2017	53					4,907	-			16,768,460
19	2018	52					4,909	-			16,773,369
20	2019	51					4,910	-			16,778,279
21	2020	50					4,912	-			16,783,191
22	2021	49					4,913	-			16,788,104
23	2022	48					4,914	-			16,793,018
24	2023	47					4,916	-			16,797,934
25	2024	46					4,917	-			16,802,851
26	2025	45					4,919	-			16,807,770
27	2026	44					4,920	-			16,812,690
28	2027	43					4,922	-			16,817,612
29	2028	42					4,923	-			16,822,535
30	2029	41					4,925	-			16,827,460
31	2030	40					4,926	-			16,832,386
32	2031	39					4,927	-			16,837,313
33	2032	38					4,929	-			16,842,242
34	2033	37					4,930	-			16,847,172
35	2034	36					4,932	-			16,852,104
36	2035	35					4,933	-			16,857,037
37	2036	34					4,935	-			16,861,972
38	2037	33					4,936	-			16,866,908
39	2038	32					4,938	-			16,871,846
40	2039	31					4,939	-			16,876,785
41	2040	30					4,940	-			16,881,725
42	2041	29					4,942	-			16,886,667
43	2042	28					4,943	-			16,891,610
44	2043	27					4,945	-			16,896,555
45	2044	26					4,946	-			16,901,501
46	2045	25					4,948	-			16,906,449
47	2046	24					4,949	-			16,911,398
48	2047	23					4,951	-			16,916,349
49	2048	22					4,952	-			16,921,301
50	2049	21					4,953	-			16,926,254
51	2050	20					4,955	-			16,931,209
52	2051	19					4,956	-			16,936,165
53	2052	18					4,958	-			16,941,123
54	2053	17					4,959	-			16,946,082
55	2054	16					4,961	-			16,951,043
56	2055	15					4,962	-			16,956,005
57	2056	14					4,964	-			16,960,969
58	2057	13					4,965	-			16,965,934
59	2058	12					4,967	-			16,970,901
60	2059	11					4,968	-			16,975,869
61	2060	10					4,969	-			16,980,838
62	2061	9					4,971	-			16,985,809
63	2062	8					4,972	-			16,990,781
64	2063	7					4,974	-			16,995,755
65	2064	6					4,975	-			17,000,730
66	2065	5					4,977	-			17,005,707
67	2066	4					4,978	-			17,010,685
68	2067	3					4,980	-			17,015,665
69	2068	2					4,981	-			17,020,646
70	2069	1					4,983	-			17,025,629
71	2070	0							(17,025,629)		-
							\$ -	\$ 17,025,629	\$ -		\$ 1,017,451,819

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
<b>Whole Life Depreciation Rate Calculation</b>											
										Historical Additions	16,753,742
										Forecast Additions	271,886
										Total Additions	17,025,629
										Gross Salvage Value	851,281
										Less Cost of Removal	1,702,563
										Net Salvage Value	(851,281)
										Total to be Recovered	17,876,910
										Forecast Plant Balances	1,017,451,819
										Whole Life Accrual Rate	1.76%
										Cost of Removal Accrual Rate	0.17%
										Whole Life Accrual Rate (Excluding Cost of Removal)	1.59%
										Depreciable Service Life, years	56.9
<b>Remaining Life Depreciation Rate Calculation</b>											
										Account Balance 12/31/14	16,753,742
										Forecast Additions	271,886
										Gross Salvage Value	851,281
										Less Cost of Removal	1,702,563
										Net Salvage Value	(851,281)
										Depreciation Reserve Balance 12/31/14	(3,049,438)
<i>Includes Regulatory Plan Amortization and adjustments from Case No. ER-2014-0351</i>											
										Forecast Total Remaining Life Balance	14,827,472
										Forecast Plant Balances	929,048,591
										Remaining Life Accrual Rate	1.60%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Install Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2009	61	-	260,679	-	-	260,679	-	-	260,679	
2	2010	60	-	140,507	-	19,577	160,084	-	-	420,763	
3	2011	59	-	1,672	-	32,189	33,861	-	-	454,624	
4	2012	58	-	-	-	99,364	99,364	-	-	553,988	
5	2013	57	-	-	-	54,229	54,229	-	-	608,216	
6	2014	56	-	-	-	109,370	109,370	-	-	717,586	
7	Total		\$ -	\$ 402,858	\$ -	\$ -	\$ 314,729	\$ 717,586	\$ -	\$ 3,015,856	
8	Major Additions/Retirements										
9	2009		\$	260,679							
10	2010		\$	140,507							
11	2012		\$	99,364							
12	2014		\$	109,370							
13	Routine Activity										
14	Historical Interim Activity				3.57%		0.00%				
15	Forecast Interim Activity				3.57%		0.00%				
						Major Additions**					
16	2015	55					25,618	-		743,204	
17	2016	54					26,533	-		769,737	
18	2017	53					27,460	-		797,217	
19	2018	52					28,461	-		825,678	
20	2019	51					29,477	-		855,155	
21	2020	50					30,529	-		885,685	
22	2021	49					31,619	-		917,304	
23	2022	48					32,748	-		950,052	
24	2023	47					33,917	-		983,970	
25	2024	46					35,128	-		1,019,098	
26	2025	45					36,382	-		1,055,480	
27	2026	44					37,681	-		1,093,161	
28	2027	43					39,026	-		1,132,188	
29	2028	42					40,420	-		1,172,607	
30	2029	41					41,863	-		1,214,470	
31	2030	40					43,357	-		1,257,827	
32	2031	39					44,905	-		1,302,732	
33	2032	38					46,508	-		1,349,240	
34	2033	37					48,169	-		1,397,409	
35	2034	36					49,888	-		1,447,297	
36	2035	35					51,669	-		1,498,966	
37	2036	34					53,514	-		1,552,480	
38	2037	33					55,424	-		1,607,904	
39	2038	32					57,403	-		1,665,307	
40	2039	31					59,452	-		1,724,760	
41	2040	30					61,575	-		1,786,334	
42	2041	29					63,773	-		1,850,107	
43	2042	28					66,050	-		1,916,157	
44	2043	27					68,408	-		1,984,565	
45	2044	26					70,850	-		2,055,415	
46	2045	25					73,379	-		2,128,794	
47	2046	24					75,999	-		2,204,793	
48	2047	23					78,712	-		2,283,505	
49	2048	22					81,522	-		2,365,027	
50	2049	21					84,433	-		2,449,460	
51	2050	20					87,447	-		2,536,907	
52	2051	19					90,569	-		2,627,476	
53	2052	18					93,802	-		2,721,278	
54	2053	17					97,151	-		2,818,429	
55	2054	16					100,619	-		2,919,048	
56	2055	15					104,211	-		3,023,259	
57	2056	14					107,932	-		3,131,191	
58	2057	13					111,785	-		3,242,976	
59	2058	12					115,776	-		3,358,752	
60	2059	11					119,909	-		3,478,661	
61	2060	10					124,190	-		3,602,851	
62	2061	9					128,624	-		3,731,475	
63	2062	8					133,215	-		3,864,690	
64	2063	7					137,971	-		4,002,661	
65	2064	6					142,897	-		4,145,558	
66	2065	5					147,998	-		4,293,557	
67	2066	4					153,282	-		4,446,839	
68	2067	3					158,754	-		4,605,593	
69	2068	2					164,422	-		4,770,015	
70	2069	1					170,292	-		4,940,307	
71	2070	0					-	-	(4,940,307)	-	
							\$ -	\$ 4,940,307	\$ -	\$ 125,520,465	

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Iatan 2 and Common	Instal Date	2010
	Retirement Date	2070
	Service Life, Yrs	60

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	[A] Vintage Year	[B] Vintage Age	[C] Reported Per Books				[D] Account 106	[E] Adjusted Transaction Year		[F] Transfers and Adjustments	[G] End of Year Plant Balance*
			[H] Transaction Year			[I] Vintage Year	[J] Advance	[K] Additions	[L] Retirements		
			[M] Balance	[N] Additions	[O] Retirements	[P] Retirements	[Q] Additions				
<b>Whole Life Depreciation Rate Calculation</b>											
										Historical Additions	717,586
										Forecast Additions	4,222,721
										Total Additions	4,940,307
										Gross Salvage Value	247,015
										Less Cost of Removal	494,031
										Net Salvage Value	(247,015)
										Total to be Recovered	5,187,322
										Forecast Plant Balances	125,520,465
										Whole Life Accrual Rate	4.13%
										Cost of Removal Accrual Rate	0.39%
										Whole Life Accrual Rate (Excluding Cost of Removal)	3.74%
										Depreciable Service Life, years	24.2
<b>Remaining Life Depreciation Rate Calculation</b>											
										Account Balance 12/31/14	717,586
										Forecast Additions	4,222,721
										Gross Salvage Value	247,015
										Less Cost of Removal	494,031
										Net Salvage Value	(247,015)
										Depreciation Reserve Balance 12/31/14	(70,673)
<i>Includes Regulatory Plan Amortization and adjustments from Case No. ER-2014-0351</i>											
										Forecast Total Remaining Life Balance	5,116,649
										Forecast Plant Balances	122,504,609
										Remaining Life Accrual Rate	4.18%

[THIS PAGE INTENTIONALLY LEFT BLANK]

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Summary by Plant  
 The Empire District Electric Company  
 Plum Point

Account	Description	Direct Investment 2014\$	Depreciation Rate
311	Structure & Improvements	20,665,934	2.18%
312	Boiler Plant Equipment	53,031,016	2.17%
312T	Train	2,729,681	6.67%
314	Turbo Generator Equipment	16,956,702	2.18%
315	Accessory Electric Equipment	5,248,915	2.12%
316	Misc Power Equipment	2,968,554	2.07%
<b>Total</b>		<b>101,600,802</b>	<b>2.29%</b> remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Balance	Transaction Year		Vintage Year Retirements	Advance Additions	Additions	Retirements		
				Additions	Retirements						
1	2010	50	-	19,851,439	-	-	-	19,851,439	-	-	19,851,439
2	2011	49	-	806,853	-	-	-	806,853	-	-	20,658,292
3	2012	48	-	7,544	-	-	98	7,642	-	-	20,665,934
4	2013	47	-	-	-	-	-	-	-	-	20,665,934
5	2014	46	-	-	-	-	-	-	-	-	20,665,934
6	Total		\$ -	\$ 20,665,836	\$ -	\$ -	\$ 98	\$ 20,665,934	\$ -	\$ -	\$ 102,507,534
7	Major Additions/Retirements										
8	2010			\$ 19,851,439							
9											
10											
11											
12	Routine Activity			\$ 814,495	\$ -						
13	Historical Interim Activity			0.79%	0.00%						
14	Forecast Interim Activity			0.00%	0.00%						
							Major Additions**				
15	2015	45									20,665,934
16	2016	44									20,665,934
17	2017	43									20,665,934
18	2018	42									20,665,934
19	2019	41									20,665,934
20	2020	40									20,665,934
21	2021	39									20,665,934
22	2022	38									20,665,934
23	2023	37									20,665,934
24	2024	36									20,665,934
25	2025	35									20,665,934
26	2026	34									20,665,934
27	2027	33									20,665,934
28	2028	32									20,665,934
29	2029	31									20,665,934
30	2030	30									20,665,934
31	2031	29									20,665,934
32	2032	28									20,665,934
33	2033	27									20,665,934
34	2034	26									20,665,934
35	2035	25									20,665,934
36	2036	24									20,665,934
37	2037	23									20,665,934
38	2038	22									20,665,934
39	2039	21									20,665,934
40	2040	20									20,665,934
41	2041	19									20,665,934
42	2042	18									20,665,934
43	2043	17									20,665,934
44	2044	16									20,665,934
45	2045	15									20,665,934
46	2046	14									20,665,934
47	2047	13									20,665,934
48	2048	12									20,665,934
49	2049	11									20,665,934
50	2050	10									20,665,934
51	2051	9									20,665,934
52	2052	8									20,665,934
53	2053	7									20,665,934
54	2054	6									20,665,934
55	2055	5									20,665,934
56	2056	4									20,665,934
57	2057	3									20,665,934
58	2058	2									20,665,934
59	2059	1									20,665,934
60	2060	0							(20,665,934)		-
							\$ -	\$ 20,665,934	\$ -		\$ 1,032,474,579

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 311 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year				Vintage Year Retirements	Additions			Retirements
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	20,665,934
Forecast Additions	-
<b>Total Additions</b>	<b>20,665,934</b>
Gross Salvage Value	1,033,297
Less Cost of Removal	2,066,593
<b>Net Salvage Value</b>	<b>(1,033,297)</b>
<b>Total to be Recovered</b>	<b>21,699,231</b>

Forecast Plant Balances 1,032,474,579

Whole Life Accrual Rate	2.10%
Cost of Removal Accrual Rate	0.20%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>1.90%</b>

Depreciable Service Life, years 47.6

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	20,665,934
Forecast Additions	-
Gross Salvage Value	1,033,297
Less Cost of Removal	2,066,593
<b>Net Salvage Value</b>	<b>(1,033,297)</b>

Depreciation Reserve Balance 12/31/14 (1,417,641)

Forecast Total Remaining Life Balance	20,281,590
Forecast Plant Balances	929,967,044
<b>Remaining Life Accrual Rate</b>	<b>2.18%</b>



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements	Advance Additions	Additions	Retirements		
			Balance	Additions	Retirements						
1	2010	50	-	52,712,923	-	(342,627)	(12)	52,712,911	-	-	52,712,911
2	2011	49	-	70,618	-	-	176	70,794	-	-	52,783,705
3	2012	48	-	25,730	-	-	(101)	25,629	-	-	52,809,334
4	2013	47	-	128,201	-	-	-	128,201	-	-	52,937,535
5	2014	46	-	-	(342,627)	-	436,108	436,108	(342,627)	-	53,031,016
6	Total		\$ -	\$ 52,937,472	\$ (342,627)	\$ (342,627)	\$ 436,171	\$ 53,373,643	\$ (342,627)	\$ -	\$ 264,274,502
7	Major Additions/Retirements										
8	2010			\$ 52,712,923							
9											
10											
11											
12	Routine Activity										
13	Historical Interim Activity			\$ 660,720	\$ (342,627)						
14	Forecast Interim Activity			0.25%	-0.13%						
				0.00%	0.00%						
							Major Additions**				
15	2015	45					-	-			53,031,016
16	2016	44					-	-			53,031,016
17	2017	43					-	-			53,031,016
18	2018	42					-	-			53,031,016
19	2019	41					-	-			53,031,016
20	2020	40					-	-			53,031,016
21	2021	39					-	-			53,031,016
22	2022	38					-	-			53,031,016
23	2023	37					-	-			53,031,016
24	2024	36					-	-			53,031,016
25	2025	35					-	-			53,031,016
26	2026	34					-	-			53,031,016
27	2027	33					-	-			53,031,016
28	2028	32					-	-			53,031,016
29	2029	31					-	-			53,031,016
30	2030	30					-	-			53,031,016
31	2031	29					-	-			53,031,016
32	2032	28					-	-			53,031,016
33	2033	27					-	-			53,031,016
34	2034	26					-	-			53,031,016
35	2035	25					-	-			53,031,016
36	2036	24					-	-			53,031,016
37	2037	23					-	-			53,031,016
38	2038	22					-	-			53,031,016
39	2039	21					-	-			53,031,016
40	2040	20					-	-			53,031,016
41	2041	19					-	-			53,031,016
42	2042	18					-	-			53,031,016
43	2043	17					-	-			53,031,016
44	2044	16					-	-			53,031,016
45	2045	15					-	-			53,031,016
46	2046	14					-	-			53,031,016
47	2047	13					-	-			53,031,016
48	2048	12					-	-			53,031,016
49	2049	11					-	-			53,031,016
50	2050	10					-	-			53,031,016
51	2051	9					-	-			53,031,016
52	2052	8					-	-			53,031,016
53	2053	7					-	-			53,031,016
54	2054	6					-	-			53,031,016
55	2055	5					-	-			53,031,016
56	2056	4					-	-			53,031,016
57	2057	3					-	-			53,031,016
58	2058	2					-	-			53,031,016
59	2059	1					-	-			53,031,016
60	2060	0					-	-			53,031,016
									(53,031,016)		\$ 2,650,670,227

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 312 Boiler Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year	Advance	Additions	Retirements		
			Balance	Additions	Retirements	Retirements	Additions				
<b>Whole Life Depreciation Rate Calculation</b>											
										Historical Additions	53,373,643
										Forecast Additions	-
										Total Additions	53,373,643
										Gross Salvage Value	2,651,551
										Less Cost of Removal	5,303,102
										Net Salvage Value	(2,651,551)
										Total to be Recovered	56,025,194
										Forecast Plant Balances	2,650,670,227
										Whole Life Accrual Rate	2.11%
										Cost of Removal Accrual Rate	0.20%
										Whole Life Accrual Rate (Excluding Cost of Removal)	1.91%
										Depreciable Service Life, years	47.3
<b>Remaining Life Depreciation Rate Calculation</b>											
										Account Balance 12/31/14	53,031,016
										Forecast Additions	-
										Gross Salvage Value	2,651,551
										Less Cost of Removal	5,303,102
										Net Salvage Value	(2,651,551)
										Depreciation Reserve Balance 12/31/14	(3,984,918)
										Forecast Total Remaining Life Balance	51,697,649
										Forecast Plant Balances	2,386,395,725
										Remaining Life Accrual Rate	2.17%



The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 314 Turbogenerator Equipment

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	
Line	Vintage Year	Vintage Age	Reported Per Books			Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*		
			Transaction Year		Vintage Year	Advance	Additions	Retirements				
			Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements			
<b>Whole Life Depreciation Rate Calculation</b>												
											Historical Additions	16,961,271
											Forecast Additions	-
											Total Additions	16,961,271
											Gross Salvage Value	847,835
											Less Cost of Removal	1,695,670
											Net Salvage Value	(847,835)
											Total to be Recovered	17,809,106
											Forecast Plant Balances	847,861,147
											Whole Life Accrual Rate	2.10%
											Cost of Removal Accrual Rate	0.20%
											Whole Life Accrual Rate (Excluding Cost of Removal)	1.90%
											Depreciable Service Life, years	47.6
<b>Remaining Life Depreciation Rate Calculation</b>												
											Account Balance 12/31/14	16,956,702
											Forecast Additions	-
											Gross Salvage Value	847,835
											Less Cost of Removal	1,695,670
											Net Salvage Value	(847,835)
											Depreciation Reserve Balance 12/31/14	(1,159,784)
											Forecast Total Remaining Life Balance	16,644,753
											Forecast Plant Balances	763,051,602
											Remaining Life Accrual Rate	2.18%

Schedule TJS-2  
 REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
 Account: 315 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106		Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements	Advance Additions	Additions	Retirements			
			Balance	Additions	Retirements							
1	2010	50	-	5,254,788	-	-	-	5,254,788	-	-	5,254,788	
2	2011	49	-	-	-	-	-	-	-	-	5,254,788	
3	2012	48	-	-	-	-	98	98	-	-	5,254,886	
4	2013	47	-	-	-	-	-	-	-	-	5,254,886	
5	2014	46	-	-	-	-	(5,972)	(5,972)	-	-	5,248,915	
6	Total		\$ -	\$ 5,254,788	\$ -	\$ -	\$ (5,873)	\$ 5,248,915	\$ -	\$ -	\$ 26,268,263	
7	Major Additions/Retirements											
8	2010		\$	5,254,788								
9												
10												
11												
12	Routine Activity		\$	(5,873)	\$	-						
13	Historical Interim Activity			-0.02%		0.00%						
14	Forecast Interim Activity			0.00%		0.00%						
15	2015	45					Major Additions**				5,248,915	
16	2016	44									5,248,915	
17	2017	43									5,248,915	
18	2018	42									5,248,915	
19	2019	41									5,248,915	
20	2020	40									5,248,915	
21	2021	39									5,248,915	
22	2022	38									5,248,915	
23	2023	37									5,248,915	
24	2024	36									5,248,915	
25	2025	35									5,248,915	
26	2026	34									5,248,915	
27	2027	33									5,248,915	
28	2028	32									5,248,915	
29	2029	31									5,248,915	
30	2030	30									5,248,915	
31	2031	29									5,248,915	
32	2032	28									5,248,915	
33	2033	27									5,248,915	
34	2034	26									5,248,915	
35	2035	25									5,248,915	
36	2036	24									5,248,915	
37	2037	23									5,248,915	
38	2038	22									5,248,915	
39	2039	21									5,248,915	
40	2040	20									5,248,915	
41	2041	19									5,248,915	
42	2042	18									5,248,915	
43	2043	17									5,248,915	
44	2044	16									5,248,915	
45	2045	15									5,248,915	
46	2046	14									5,248,915	
47	2047	13									5,248,915	
48	2048	12									5,248,915	
49	2049	11									5,248,915	
50	2050	10									5,248,915	
51	2051	9									5,248,915	
52	2052	8									5,248,915	
53	2053	7									5,248,915	
54	2054	6									5,248,915	
55	2055	5									5,248,915	
56	2056	4									5,248,915	
57	2057	3									5,248,915	
58	2058	2									5,248,915	
59	2059	1									5,248,915	
60	2060	0								(5,248,915)	-	
			\$	-	\$	5,248,915	\$	-	\$	-	\$	262,469,416

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 315 Accessory Electric Equipment

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G]	[H] [I]		[J]	[K]
			Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year	Advance	Additions	Retirements		
Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements					
<b>Whole Life Depreciation Rate Calculation</b>											
										Historical Additions	5,248,915
										Forecast Additions	-
										Total Additions	5,248,915
										Gross Salvage Value	262,446
										Less Cost of Removal	524,891
										Net Salvage Value	(262,446)
										Total to be Recovered	5,511,360
										Forecast Plant Balances	262,469,416
										Whole Life Accrual Rate	2.10%
										Cost of Removal Accrual Rate	0.20%
										Whole Life Accrual Rate (Excluding Cost of Removal)	1.90%
										Depreciable Service Life, years	47.6
<b>Remaining Life Depreciation Rate Calculation</b>											
										Account Balance 12/31/14	5,248,915
										Forecast Additions	-
										Gross Salvage Value	262,446
										Less Cost of Removal	524,891
										Net Salvage Value	(262,446)
										Depreciation Reserve Balance 12/31/14	(495,457)
										Forecast Total Remaining Life Balance	5,015,904
										Forecast Plant Balances	236,201,153
										Remaining Life Accrual Rate	2.12%



The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
	Net Salvage	-5%
Unit Property: Steam Production, Plum Point	Install Date	2010
	Retirement Date	2060
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 316 Miscellaneous Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year Retirements		Additions	Retirements		
			Balance	Additions						
<b>Whole Life Depreciation Rate Calculation</b>										
									Historical Additions	2,968,554
									Forecast Additions	-
									Total Additions	2,968,554
									Gross Salvage Value	148,428
									Less Cost of Removal	296,855
									Net Salvage Value	(148,428)
									Total to be Recovered	3,116,982
									Forecast Plant Balances	148,424,704
									Whole Life Accrual Rate	2.10%
									Cost of Removal Accrual Rate	0.20%
									Whole Life Accrual Rate (Excluding Cost of Removal)	1.90%
									Depreciable Service Life, years	47.6
<b>Remaining Life Depreciation Rate Calculation</b>										
									Account Balance 12/31/14	2,968,554
									Forecast Additions	-
									Gross Salvage Value	148,428
									Less Cost of Removal	296,855
									Net Salvage Value	(148,428)
									Depreciation Reserve Balance 12/31/14	(349,001)
									Forecast Total Remaining Life Balance	2,767,981
									Forecast Plant Balances	133,584,930
									Remaining Life Accrual Rate	2.07%



[THIS PAGE INTENTIONALLY LEFT BLANK]

Summary by Plant

The Empire District Electric Company

Ozark Beach Hydro Plant

Account	Description	Direct Investment 2014\$	Depreciation Rate
331	Structures & Improvements	796,556	2.39%
332	Reservoirs, Dams, and Waterways	3,414,911	1.93%
333	Water Wheels, Turbines and Generators	3,175,990	3.11%
334	Accessory Electric Equipment	1,375,734	3.14%
335	Miscellaneous Power Plant Equipment	452,661	3.66%
<b>Total</b>		9,215,852	2.64% remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Net Salvage	-5%
	Install Date	1931
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 331 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1913	140	101,713	-	-	(5,000)	-	101,713	-	101,713	
2	1914	139	620	-	-	-	-	620	-	102,333	
3	1915	138	-	-	-	-	-	-	-	102,333	
4	1916	137	2,570	-	-	-	-	2,570	-	104,903	
5	1917	136	-	-	-	-	-	-	-	104,903	
6	1918	135	-	-	-	-	-	-	-	104,903	
7	1919	134	-	-	-	-	-	-	-	104,903	
8	1920	133	-	-	-	-	-	-	-	104,903	
9	1921	132	-	-	-	-	-	-	-	104,903	
10	1922	131	-	-	-	-	-	-	-	104,903	
11	1923	130	65	-	-	-	-	65	-	104,968	
12	1924	129	-	-	-	-	-	-	-	104,968	
13	1925	128	2,200	-	-	-	-	2,200	-	107,168	
14	1926	127	1,233	-	-	(810)	-	1,233	-	108,401	
15	1927	126	428	-	-	-	-	428	-	108,829	
16	1928	125	753	-	-	-	-	753	-	109,582	
17	1929	124	-	-	-	-	-	-	-	109,582	
18	1930	123	313	-	-	-	-	313	-	109,895	
19	1931	122	12,230	-	-	-	-	12,230	-	122,125	
20	1932	121	-	-	-	-	-	-	-	122,125	
21	1933	120	616	-	-	-	-	616	-	122,741	
22	1934	119	-	-	-	-	-	-	-	122,741	
23	1935	118	-	-	-	-	-	-	-	122,741	
24	1936	117	-	-	-	-	-	-	-	122,741	
25	1937	116	-	-	-	-	-	-	-	122,741	
26	1938	115	216	-	-	-	-	216	-	122,957	
27	1939	114	334	-	-	(334)	-	334	-	123,291	
28	1940	113	2,700	-	-	-	-	2,700	-	125,991	
29	1941	112	475	-	-	-	-	475	-	126,466	
30	1942	111	-	-	-	-	-	-	-	126,466	
31	1943	110	-	-	-	-	-	-	-	126,466	
32	1944	109	2,524	-	-	(1,599)	-	2,524	-	128,990	
33	1945	108	7,828	-	-	-	-	7,828	-	136,818	
34	1946	107	27	-	-	(27)	-	27	-	136,845	
35	1947	106	1,216	-	-	-	-	1,216	-	138,061	
36	1948	105	-	-	-	-	-	-	-	138,061	
37	1949	104	-	-	-	-	-	-	-	138,061	
38	1950	103	-	-	-	-	-	-	-	138,061	
39	1951	102	-	-	-	-	-	-	-	138,061	
40	1952	101	-	-	-	-	-	-	-	138,061	
41	1953	100	22	-	-	-	-	22	-	138,083	
42	1954	99	-	-	-	-	-	-	-	138,083	
43	1955	98	487	-	-	-	-	487	-	138,570	
44	1956	97	81	-	-	-	-	81	-	138,651	
45	1957	96	-	-	-	-	-	-	-	138,651	
46	1958	95	4,625	-	-	(4,625)	-	4,625	-	143,276	
47	1959	94	91	-	-	-	-	91	-	143,367	
48	1960	93	-	-	-	-	-	-	-	143,367	
49	1961	92	-	-	-	-	-	-	-	143,367	
50	1962	91	396	-	-	-	-	396	-	143,763	
51	1963	90	156	-	-	-	-	156	-	143,959	
52	1964	89	2,018	-	-	-	-	2,018	-	145,977	
53	1965	88	1,194	-	-	(950)	-	1,194	-	147,171	
54	1966	87	2,185	-	-	-	-	2,185	-	149,356	
55	1967	86	3,036	-	-	-	-	3,036	-	152,392	
56	1968	85	3,958	-	-	-	-	3,958	-	156,350	
57	1969	84	2,012	-	-	-	-	2,012	-	158,362	
58	1970	83	28	-	-	-	-	28	-	158,390	
59	1971	82	8,662	-	-	-	-	8,662	-	167,052	
60	1972	81	-	-	-	-	-	-	-	167,052	
61	1973	80	2,467	-	-	(387)	-	2,467	-	169,519	
62	1974	79	41	-	-	-	-	41	-	169,560	
63	1975	78	-	-	-	-	-	-	-	169,560	
64	1976	77	4,262	-	-	-	-	4,262	-	173,822	
65	1977	76	1,353	-	-	-	-	1,353	-	175,175	
66	1978	75	1,958	-	-	-	-	1,958	-	177,143	
67	1979	74	260	-	-	-	-	260	-	177,403	
68	1980	73	-	-	-	-	-	-	-	177,403	
69	1981	72	431	-	-	-	-	431	-	177,834	
70	1982	71	3,144	-	-	-	-	3,144	-	180,978	
71	1983	70	-	-	-	-	-	-	-	180,978	
72	1984	69	-	-	-	-	-	-	-	180,978	
73	1985	68	-	-	-	-	-	-	-	180,978	
74	1986	67	6,521	-	-	-	-	6,521	-	187,499	
75	1987	66	11,268	-	-	-	-	11,268	-	198,767	
76	1988	65	12,219	-	-	-	-	12,219	-	211,006	
77	1989	64	75,968	-	-	-	-	75,968	-	286,974	
78	1990	63	18,588	-	-	-	-	18,588	-	305,562	
79	1991	62	2,279	-	-	(1,152)	-	2,279	-	307,841	
80	1992	61	6,477	-	-	-	-	6,477	-	314,318	
81	1993	60	22,600	-	-	-	-	22,600	-	336,918	
82	1994	59	6,200	-	-	-	-	6,200	-	343,118	
83	1995	58	-	-	-	-	-	-	-	343,118	
84	1996	57	-	-	-	-	-	-	-	343,118	
85	1997	56	114,148	-	-	(3,538)	-	114,148	-	457,266	
86	1998	55	17,593	-	-	-	-	17,593	-	474,861	

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Instal Date	1931
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 331 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Account 106		Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year				Advances	Additions	Retirements	Retirements		
			Balance	Additions	Retirements							
87	1999	54	-	1,118	-	-	-	1,118	-	-	475,979	
88	2000	53	-	-	(5,950)	-	-	-	(5,950)	-	469,929	
89	2001	52	-	33,591	-	-	-	33,591	-	-	503,520	
90	2002	51	-	-	-	-	-	-	-	-	503,520	
91	2003	50	-	60,555	(7,782)	-	-	60,555	(7,782)	-	556,284	
92	2004	49	-	-	-	-	-	-	-	-	556,284	
93	2005	48	-	-	-	-	-	-	-	-	556,284	
94	2005	47	-	-	-	-	-	-	-	-	556,284	
95	2007	45	-	-	-	-	-	-	-	-	556,284	
96	2008	45	-	121,138	-	-	-	121,138	-	-	677,522	
97	2009	44	-	1,385	(1,152)	-	-	1,385	(1,152)	-	677,755	
98	2010	43	-	-	(0)	-	-	-	(0)	-	677,755	
99	2011	42	-	-	-	-	-	-	-	-	677,755	
100	2012	41	-	-	-	-	-	-	-	-	677,755	
101	2013	40	-	-	-	-	3,636	3,636	-	-	681,391	
102	2014	39	-	-	(3,538)	-	118,703	118,703	(3,538)	-	795,556	
103	Total		\$ 474,851	\$ 217,808	\$ (18,452)	\$ (18,452)	\$ 122,339	\$ 815,008	\$ (18,452)	\$ -	\$ 23,703,207	

104	Major Additions/Retirements			
105	2014	\$	118,703	
106				
107	Routine Activity	\$	221,444	\$ (18,452)
108	Historical Interim Activity		0.93%	-0.05%
109	Forecast Interim Activity		0.93%	-0.05%

Major Additions\*\*

Line	Vintage Year	Vintage Age	Advances	Additions	Retirements	End of Year Plant Balance*
110	2015	38		7,442	(620)	803,378
111	2016	37		7,505	(625)	810,258
112	2017	36		7,570	(631)	817,197
113	2018	35		7,635	(636)	824,155
114	2019	34		7,700	(642)	831,253
115	2020	33		7,766	(647)	838,372
116	2021	32		7,832	(653)	845,552
117	2022	31		7,899	(658)	852,793
118	2023	30		7,967	(664)	860,095
119	2024	29		8,035	(670)	867,462
120	2025	28		8,104	(675)	874,891
121	2026	27		8,174	(681)	882,383
122	2027	26		8,244	(687)	889,940
123	2028	25		8,314	(693)	897,561
124	2029	24		8,385	(699)	905,248
125	2030	23		8,457	(705)	913,001
126	2031	22		8,530	(711)	920,819
127	2032	21		8,603	(717)	928,705
128	2033	20		8,676	(723)	936,659
129	2034	19		8,751	(729)	944,680
130	2035	18		8,826	(735)	952,770
131	2036	17		8,901	(742)	960,930
132	2037	16		8,977	(748)	969,159
133	2038	15		9,054	(754)	977,459
134	2039	14		9,132	(761)	985,830
135	2040	13		9,210	(767)	994,272
136	2041	12		9,289	(774)	1,002,787
137	2042	11		9,368	(781)	1,011,375
138	2043	10		9,449	(787)	1,020,036
139	2044	9		9,530	(794)	1,028,772
140	2045	8		9,611	(801)	1,037,582
141	2046	7		9,693	(808)	1,046,468
142	2047	6		9,776	(815)	1,055,430
143	2048	5		9,860	(822)	1,064,458
144	2049	4		9,945	(829)	1,073,584
145	2050	3		10,032	(836)	1,082,719
146	2051	2		10,116	(843)	1,092,051
147	2052	1		10,202	(850)	1,101,403
148	2053	0				
			\$ 1,147,565	\$ (65,162)		\$ 59,604,804

\* Through vintage year 1999 the balances are 1999 remaining plant balances  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	815,008
Forecast Additions	332,558
Total Additions	1,147,565
Gross Salvage Value	55,070
Less Cost of Removal	110,140
Net Salvage Value	(55,070)
Total to be Recovered	1,202,436

Forecast Plant Balances 59,604,804

Whole Life Accrual Rate	2.02%
Cost of Removal Accrual Rate	0.18%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.83%

Depreciable Service Life, years 49.6

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/14	795,556
Forecast Additions	332,558
Gross Salvage Value	55,070
Less Cost of Removal	110,140
Net Salvage Value	(55,070)

Depreciation Reserve Balance 12/31/14 (325,891)

Forecast Total Remaining Life Balance	658,233
Forecast Plant Balances	35,901,598
Remaining Life Accrual Rate	2.35%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Install Date	1931
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 332 Reservoirs, Dams, and Waterways

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					
1	1913	140								976,972	
2	1914	139	976,972			(2,915)				976,972	
3	1915	138								976,972	
4	1916	137								976,972	
5	1917	136								976,972	
6	1918	135								976,972	
7	1919	134								976,972	
8	1920	133								976,972	
9	1921	132								976,972	
10	1922	131								976,972	
11	1923	130								976,972	
12	1924	129								976,972	
13	1925	128								976,972	
14	1926	127								976,972	
15	1927	126								976,972	
16	1928	125								976,972	
17	1929	124								976,972	
18	1930	123								976,972	
19	1931	122								976,972	
20	1932	121								976,972	
21	1933	120								976,972	
22	1934	119								976,972	
23	1935	118								976,972	
24	1936	117								976,972	
25	1937	116	207,338					207,338		1,184,310	
26	1938	115	502					502		1,184,812	
27	1939	114	1,073					1,073		1,185,885	
28	1940	113	54					54		1,185,939	
29	1941	112								1,185,939	
30	1942	111								1,185,939	
31	1943	110								1,185,939	
32	1944	109								1,185,939	
33	1945	108								1,185,939	
34	1946	107								1,185,939	
35	1947	106								1,185,939	
36	1948	105								1,185,939	
37	1949	104								1,185,939	
38	1950	103								1,185,939	
39	1951	102								1,185,939	
40	1952	101								1,185,939	
41	1953	100								1,185,939	
42	1954	99								1,185,939	
43	1955	98								1,185,939	
44	1956	97								1,185,939	
45	1957	96								1,185,939	
46	1958	95	1,707					1,707		1,187,646	
47	1959	94								1,187,646	
48	1960	93								1,187,646	
49	1961	92								1,187,646	
50	1962	91								1,187,646	
51	1963	90								1,187,646	
52	1964	89								1,187,646	
53	1965	88								1,187,646	
54	1966	87								1,187,646	
55	1967	86								1,187,646	
56	1968	85								1,187,646	
57	1969	84								1,187,646	
58	1970	83								1,187,646	
59	1971	82								1,187,646	
60	1972	81								1,187,646	
61	1973	80								1,187,646	
62	1974	79								1,187,646	
63	1975	78								1,187,646	
64	1976	77								1,187,646	
65	1977	76								1,187,646	
66	1978	75								1,187,646	
67	1979	74								1,187,646	
68	1980	73	45,160					45,160		1,232,806	
69	1981	72								1,232,806	
70	1982	71								1,232,806	
71	1983	70								1,232,806	
72	1984	69								1,232,806	
73	1985	68	3,332					3,332		1,236,138	
74	1986	67	12,376					12,376		1,248,514	
75	1987	66	15,800			(15,800)		15,800		1,264,314	
76	1988	65	90,509			(88,227)		90,509		1,354,823	
77	1989	64	8,330					8,330		1,363,153	
78	1990	63								1,363,153	
79	1991	62	5,836					5,836		1,369,049	
80	1992	61								1,369,049	
81	1993	60	13,235			(13,235)		13,235		1,382,284	
82	1994	59	14,976					14,976		1,397,260	
83	1995	58								1,397,260	
84	1996	57	9,363					9,363		1,406,623	
85	1997	56	5,210					5,210		1,411,833	
85	1998	55	10,957					10,957		1,422,790	

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Instal Date	1931
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 332 Reservoirs, Dams, and Waterways

Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*									
			Transaction Year					Additions	Retirements											
			Balance	Additions	Retirements															
87	1999	54	-	-	-	-	-	-	-	1,422,730										
88	2000	53	-	-	-	-	-	-	-	1,422,730										
89	2001	52	-	-	-	-	-	-	-	1,422,730										
90	2002	51	-	25,562	-	(25,562)	25,562	-	-	1,448,352										
91	2003	50	-	-	(13,235)	-	-	(13,235)	-	1,435,117										
92	2004	49	-	49,728	-	(26,286)	49,728	-	-	1,484,845										
93	2005	48	-	-	(15,000)	-	-	(15,000)	-	1,469,845										
94	2006	47	-	-	(19,547)	-	-	(19,547)	-	1,450,298										
95	2007	46	-	-	-	-	-	-	-	1,450,298										
96	2008	45	-	85,752	(6,015)	(55,809)	85,752	(6,015)	-	1,530,035										
97	2009	44	-	158,956	(26,286)	-	158,956	(26,286)	-	1,662,705										
98	2010	43	-	-	(18,542)	-	-	(18,542)	-	1,644,164										
99	2011	42	-	1,899,957	-	-	1,899,957	-	-	3,544,120										
100	2012	41	-	-	-	-	-	-	-	3,544,120										
101	2013	40	-	-	(69,027)	-	-	(69,027)	-	3,455,094										
102	2014	39	-	-	(40,182)	-	-	(40,182)	-	3,414,911										
103	Total		\$	1,422,730	\$	2,219,955	\$	(227,834)	\$	(227,834)	\$	-	\$	3,642,745	\$	(227,834)	\$	-	\$	131,429,597

104	Major Additions/Retirements	
105	2011	\$ 1,899,957
106		
107	Routine Activity	\$ 318,998 \$ (227,834)
108	Historical Interim Activity	0.24% -0.17%
109	Forecast Interim Activity	0.24% -0.17%

Line	Vintage Year	Vintage Age	Balance	Additions	Retirements	Account 106 Advance Additions	Adjusted Transaction Year Additions	Adjusted Transaction Year Retirements	Transfers and Adjustments	End of Year Plant Balance*
110	2015	39					8,314	(5,920)		3,417,305
111	2016	37					8,320	(5,924)		3,419,702
112	2017	35					8,326	(5,928)		3,422,100
113	2018	35					8,332	(5,932)		3,424,500
114	2019	34					8,338	(5,936)		3,426,901
115	2020	33					8,344	(5,941)		3,429,304
116	2021	32					8,349	(5,945)		3,431,709
117	2022	31					8,355	(5,949)		3,434,116
118	2023	30					8,361	(5,953)		3,436,524
119	2024	29					8,367	(5,957)		3,438,934
120	2025	28					8,373	(5,961)		3,441,345
121	2026	27					8,379	(5,965)		3,443,758
122	2027	26					8,385	(5,970)		3,446,173
123	2028	25					8,391	(5,974)		3,448,590
124	2029	24					8,396	(5,978)		3,451,008
125	2030	23					8,402	(5,982)		3,453,428
126	2031	22					8,408	(5,987)		3,455,850
127	2032	21					8,414	(5,991)		3,458,273
128	2033	20					8,420	(5,995)		3,460,698
129	2034	19					8,426	(5,999)		3,463,125
130	2035	18					8,432	(6,003)		3,465,554
131	2036	17					8,438	(6,008)		3,467,984
132	2037	16					8,444	(6,012)		3,470,416
133	2038	15					8,450	(6,016)		3,472,849
134	2039	14					8,456	(6,020)		3,475,285
135	2040	13					8,461	(6,024)		3,477,722
136	2041	12					8,467	(6,029)		3,480,160
137	2042	11					8,473	(6,033)		3,482,601
138	2043	10					8,479	(6,037)		3,485,043
139	2044	9					8,485	(6,041)		3,487,487
140	2045	8					8,491	(6,045)		3,489,932
141	2046	7					8,497	(6,050)		3,492,380
142	2047	6					8,503	(6,054)		3,494,829
143	2048	5					8,509	(6,058)		3,497,280
144	2049	4					8,515	(6,063)		3,499,732
145	2050	3					8,521	(6,067)		3,502,185
146	2051	2					8,527	(6,071)		3,504,642
147	2052	1					8,533	(6,075)		3,507,100
148	2053	0							(3,507,100)	-
			\$	3,962,827	\$	(455,727)				\$ 262,936,523

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

<b>Whole Life Depreciation Rate Calculation</b>	
Historical Additions	3,642,745
Forecast Additions	320,082
Total Additions	3,962,827
Gross Salvage Value	175,355
Less Cost of Removal	350,710
Net Salvage Value	(175,355)
Total to be Recovered	4,138,182
Forecast Plant Balances	262,936,523
Whole Life Accrual Rate	1.57%
Cost of Removal Accrual Rate	0.13%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.44%
Depreciable Service Life, years	63.6
<b>Remaining Life Depreciation Rate Calculation</b>	
Account Balance - 12/31/14	3,414,911
Forecast Additions	320,082
Gross Salvage Value	175,355
Less Cost of Removal	350,710
Net Salvage Value	(175,355)
Depreciation Reserve Balance 12/31/14	(1,368,924)
Forecast Total Remaining Life Balance	2,541,444
Forecast Plant Balances	131,556,526
Remaining Life Accrual Rate	1.93%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Hydraulic Production, Ozark Beach Hydro Plant

Gross Salvage 5%  
 Cost of Removal 10%  
 Net Salvage -5%  
 Install Date 1931  
 Retirement Date 2053  
 Service Life, Yrs 122

Historical and Forecast Plant Additions & Balances  
 Account 333 Water Wheels, Turbines and Generators

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106		Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year		Advance		Additions			
			Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements			
1	1913	140	16,105	-	-	-	-	16,105	-	-	16,105	
2	1914	139	-	-	-	-	-	-	-	-	16,105	
3	1915	138	-	-	-	-	-	-	-	-	16,105	
4	1916	137	-	-	-	-	-	-	-	-	16,105	
5	1917	136	-	-	-	-	-	-	-	-	16,105	
6	1918	135	-	-	-	-	-	-	-	-	16,105	
7	1919	134	-	-	-	-	-	-	-	-	16,105	
8	1920	133	-	-	-	-	-	-	-	-	16,105	
9	1921	132	-	-	-	-	-	-	-	-	16,105	
10	1922	131	-	-	-	-	-	-	-	-	16,105	
11	1923	130	-	-	-	-	-	-	-	-	16,105	
12	1924	129	-	-	-	-	-	-	-	-	16,105	
13	1925	128	-	-	-	-	-	-	-	-	16,105	
14	1926	127	-	-	-	-	-	-	-	-	16,105	
15	1927	126	-	-	-	-	-	-	-	-	16,105	
16	1928	125	-	-	-	-	-	-	-	-	16,105	
17	1929	124	-	-	-	-	-	-	-	-	16,105	
18	1930	123	-	-	-	-	-	-	-	-	16,105	
19	1931	122	278,658	-	-	(55,916)	-	278,658	-	-	294,793	
20	1932	121	-	-	-	-	-	-	-	-	294,793	
21	1933	120	-	-	-	-	-	-	-	-	294,793	
22	1934	119	-	-	-	-	-	-	-	-	294,793	
23	1935	118	-	-	-	-	-	-	-	-	294,793	
24	1936	117	-	-	-	-	-	-	-	-	294,793	
25	1937	116	-	-	-	-	-	-	-	-	294,793	
26	1938	115	-	-	-	-	-	-	-	-	294,793	
27	1939	114	-	-	-	-	-	-	-	-	294,793	
28	1940	113	-	-	-	-	-	-	-	-	294,793	
29	1941	112	-	-	-	-	-	-	-	-	294,793	
30	1942	111	-	-	-	-	-	-	-	-	294,793	
31	1943	110	-	-	-	-	-	-	-	-	294,793	
32	1944	109	-	-	-	-	-	-	-	-	294,793	
33	1945	108	-	-	-	-	-	-	-	-	294,793	
34	1946	107	-	-	-	-	-	-	-	-	294,793	
35	1947	106	-	-	-	-	-	-	-	-	294,793	
36	1948	105	-	-	-	-	-	-	-	-	294,793	
37	1949	104	12,212	-	-	-	-	12,212	-	-	307,005	
38	1950	103	-	-	-	-	-	-	-	-	307,005	
39	1951	102	-	-	-	-	-	-	-	-	307,005	
40	1952	101	-	-	-	-	-	-	-	-	307,005	
41	1953	100	-	-	-	-	-	-	-	-	307,005	
42	1954	99	-	-	-	-	-	-	-	-	307,005	
43	1955	98	-	-	-	-	-	-	-	-	307,005	
44	1956	97	-	-	-	-	-	-	-	-	307,005	
45	1957	96	-	-	-	-	-	-	-	-	307,005	
46	1958	95	-	-	-	-	-	-	-	-	307,005	
47	1959	94	-	-	-	-	-	-	-	-	307,005	
48	1960	93	34,564	-	-	-	-	34,564	-	-	341,569	
49	1961	92	-	-	-	-	-	-	-	-	341,569	
50	1962	91	-	-	-	-	-	-	-	-	341,569	
51	1963	90	-	-	-	-	-	-	-	-	341,569	
52	1964	89	145	-	-	-	-	145	-	-	341,714	
53	1965	88	-	-	-	-	-	-	-	-	341,714	
54	1966	87	-	-	-	-	-	-	-	-	341,714	
55	1967	86	-	-	-	-	-	-	-	-	341,714	
56	1968	85	-	-	-	-	-	-	-	-	341,714	
57	1969	84	-	-	-	-	-	-	-	-	341,714	
58	1970	83	-	-	-	-	-	-	-	-	341,714	
59	1971	82	-	-	-	-	-	-	-	-	341,714	
60	1972	81	-	-	-	-	-	-	-	-	341,714	
61	1973	80	-	-	-	-	-	-	-	-	341,714	
62	1974	79	-	-	-	-	-	-	-	-	341,714	
63	1975	78	9,762	-	-	-	-	9,762	-	-	351,476	
64	1976	77	-	-	-	-	-	-	-	-	351,476	
65	1977	76	-	-	-	-	-	-	-	-	351,476	
66	1978	75	-	-	-	-	-	-	-	-	351,476	
67	1979	74	-	-	-	-	-	-	-	-	351,476	
68	1980	73	-	-	-	-	-	-	-	-	351,476	
69	1981	72	-	-	-	-	-	-	-	-	351,476	
70	1982	71	-	-	-	-	-	-	-	-	351,476	
71	1983	70	-	-	-	-	-	-	-	-	351,476	
72	1984	69	650	-	-	-	-	650	-	-	352,155	
73	1985	68	681	-	-	-	-	681	-	-	353,037	
74	1986	67	-	-	-	-	-	-	-	-	353,037	
75	1987	66	-	-	-	-	-	-	-	-	353,037	
76	1988	65	-	-	-	-	-	-	-	-	353,037	
77	1989	64	-	-	-	-	-	-	-	-	353,037	
78	1990	63	-	-	-	-	-	-	-	-	353,037	
79	1991	62	-	-	-	-	-	-	-	-	353,037	
80	1992	61	-	-	-	-	-	-	-	-	353,037	
81	1993	60	-	-	-	-	-	-	-	-	353,037	
82	1994	59	-	-	-	-	-	-	-	-	353,037	
83	1995	58	-	-	-	-	-	-	-	-	353,037	
84	1996	57	-	-	-	-	-	-	-	-	353,037	
85	1997	56	-	-	-	-	-	-	-	-	353,037	
86	1998	55	-	-	-	-	-	-	-	-	353,037	

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Initial Date	1933
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 333 Water Wheels, Turbines and Generators

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year Retirements	Additions		Retirements	Additions		
			Balance	Additions							
87	1999	54	-	-	-	-	-	-	-	353,037	
88	2000	53	-	-	-	-	-	-	-	353,037	
89	2001	52	-	-	-	-	-	-	-	353,037	
90	2002	51	-	434,538	-	-	434,538	-	-	787,575	
91	2003	50	-	326,058	(47,896)	-	326,058	(47,896)	-	1,065,737	
92	2004	49	-	-	(23,948)	-	-	(23,948)	-	1,041,789	
93	2005	48	-	352,248	-	-	352,248	-	-	1,394,037	
94	2006	47	-	241,070	(23,948)	-	241,070	(23,948)	-	1,611,159	
95	2007	46	-	8,299	-	-	8,299	-	-	1,619,458	
96	2008	45	-	-	-	-	-	-	-	1,619,458	
97	2009	44	-	-	-	-	-	-	-	1,619,458	
98	2010	43	-	33,100	-	-	33,100	-	-	1,652,558	
99	2011	42	-	-	-	-	-	-	-	1,652,558	
100	2012	41	-	-	-	-	-	-	-	1,652,558	
101	2013	40	-	-	-	49,767	49,767	-	-	1,702,345	
102	2014	39	-	-	(124)	-	1,473,768	1,473,768	(124)	3,175,990	
103	Total		\$ 352,037	\$ 1,395,313	\$ (95,916)	\$ (95,916)	\$ 1,523,556	\$ 3,271,906	\$ (95,916)	\$ 44,210,697	

104	Major Additions/Retirements	
105	2002	\$ 434,538
106	2014	\$ 1,473,768
107	Retiree Activity	\$ 1,010,562
108	Historical Interim Activity	2.29%
109	Forecast Interim Activity	-0.22%

110	2015	38				Major Additions**	72,597	(6,890)		3,241,695
111	2016	37					74,099	(7,033)		3,368,763
112	2017	36					75,632	(7,179)		3,377,216
113	2018	35					77,197	(7,327)		3,447,086
114	2019	34				3,700,000	78,794	(7,479)		7,218,402
115	2020	33					165,000	(15,651)		7,367,741
116	2021	32					168,413	(15,985)		7,520,169
117	2022	31					171,897	(16,315)		7,675,751
118	2023	30					175,454	(16,653)		7,834,552
119	2024	29					179,084	(16,997)		7,996,638
120	2025	28					182,789	(17,349)		8,162,077
121	2026	27					186,570	(17,709)		8,330,940
122	2027	26					190,430	(18,074)		8,503,255
123	2028	25					194,370	(18,448)		8,679,217
124	2029	24					198,391	(18,830)		8,858,778
125	2030	23					202,496	(19,220)		9,042,054
126	2031	22					206,685	(19,617)		9,229,121
127	2032	21					210,961	(20,023)		9,420,059
128	2033	20					215,325	(20,437)		9,614,947
129	2034	19					219,780	(20,850)		9,813,867
130	2035	18					224,327	(21,292)		10,016,903
131	2036	17					228,968	(21,732)		10,224,139
132	2037	16					233,705	(22,182)		10,435,662
133	2038	15					238,540	(22,641)		10,651,562
134	2039	14					243,475	(23,109)		10,871,928
135	2040	13					248,512	(23,587)		11,096,853
136	2041	12					253,654	(24,075)		11,326,432
137	2042	11					258,902	(24,573)		11,560,760
138	2043	10					264,258	(25,092)		11,799,936
139	2044	9					269,725	(25,601)		12,044,091
140	2045	8					275,305	(26,130)		12,293,236
141	2046	7					281,001	(26,671)		12,547,566
142	2047	6					286,814	(27,223)		12,807,158
143	2048	5					292,748	(27,786)		13,072,120
144	2049	4					298,805	(28,361)		13,342,565
145	2050	3					304,987	(28,947)		13,618,604
146	2051	2					311,296	(29,546)		13,900,354
147	2052	1					317,737	(30,158)		14,187,933
148	2053	0							(14,187,933)	-
							\$ 3,700,000	\$ 11,350,630	(\$ 692,697)	\$ 408,650,239

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	3,271,906
Forecast Additions	11,778,725
Total Additions	15,050,630
Gross Salvage Value	709,397
Less Cost of Removal	1,418,793
Net Salvage Value	(709,397)
Total to be Recovered	15,760,027

Forecast Plant Balances 408,650,239

Whole Life Accrual Rate	3.85%
Cost of Removal Accrual Rate	0.35%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.51%

Depreciable Service Life, years 25.9

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/14	3,175,990
Forecast Additions	8,078,725
Gross Salvage Value	709,397
Less Cost of Removal	1,418,793
Net Salvage Value	(709,397)

Depreciation Reserve Balance 12/31/14 (617,071)

Forecast Total Remaining Life Balance	11,347,040
Forecast Plant Balances	364,450,141
Remaining Life Accrual Rate	3.11%



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Instal Date	1931
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 334 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year					Retirements	Additions			Retirements
			Balance	Additions	Retirements							
1	1913	140	-	-	-	-	-	-	-	-		
2	1914	139	-	-	-	-	-	-	-	-		
3	1915	138	-	-	-	-	-	-	-	-		
4	1916	137	-	-	-	-	-	-	-	-		
5	1917	136	-	-	-	-	-	-	-	-		
6	1918	135	-	-	-	-	-	-	-	-		
7	1919	134	-	-	-	-	-	-	-	-		
8	1920	133	-	-	-	-	-	-	-	-		
9	1921	132	-	-	-	-	-	-	-	-		
10	1922	131	-	-	-	-	-	-	-	-		
11	1923	130	-	-	-	-	-	-	-	-		
12	1924	129	-	-	-	-	-	-	-	-		
13	1925	128	-	-	-	-	-	-	-	-		
14	1926	127	-	-	-	-	-	-	-	-		
15	1927	126	-	-	-	-	-	-	-	-		
16	1928	125	-	-	-	-	-	-	-	-		
17	1929	124	-	-	-	-	-	-	-	-		
18	1930	123	-	-	-	-	-	-	-	-		
19	1931	122	63,663	-	-	(34,118)	63,663	-	-	63,663		
20	1932	121	-	-	-	-	-	-	-	63,663		
21	1933	120	-	-	-	-	-	-	-	63,663		
22	1934	119	-	-	-	-	-	-	-	63,663		
23	1935	118	-	-	-	-	-	-	-	63,663		
24	1936	117	-	-	-	-	-	-	-	63,663		
25	1937	116	20,340	-	-	-	20,340	-	-	84,003		
26	1938	115	-	-	-	-	-	-	-	84,003		
27	1939	114	-	-	-	-	-	-	-	84,003		
28	1940	113	22	-	-	(22)	22	-	-	84,025		
29	1941	112	159	-	-	(159)	159	-	-	84,184		
30	1942	111	259	-	-	-	259	-	-	84,443		
31	1943	110	-	-	-	-	-	-	-	84,443		
32	1944	109	-	-	-	-	-	-	-	84,443		
33	1945	108	-	-	-	-	-	-	-	84,443		
34	1946	107	1,161	-	-	(1,161)	1,161	-	-	85,604		
35	1947	106	874	-	-	-	874	-	-	86,478		
36	1948	105	-	-	-	-	-	-	-	86,478		
37	1949	104	-	-	-	-	-	-	-	86,478		
38	1950	103	399	-	-	-	399	-	-	86,877		
39	1951	102	-	-	-	-	-	-	-	85,877		
40	1952	101	-	-	-	-	-	-	-	85,877		
41	1953	100	-	-	-	-	-	-	-	85,877		
42	1954	99	2,342	-	-	-	2,342	-	-	89,219		
43	1955	98	-	-	-	-	-	-	-	89,219		
44	1956	97	-	-	-	-	-	-	-	89,219		
45	1957	96	-	-	-	-	-	-	-	89,219		
46	1958	95	-	-	-	-	-	-	-	89,219		
47	1959	94	-	-	-	-	-	-	-	89,219		
48	1960	93	-	-	-	-	-	-	-	89,219		
49	1961	92	197	-	-	-	197	-	-	89,416		
50	1962	91	-	-	-	-	-	-	-	89,416		
51	1963	90	9,687	-	-	(9,639)	9,687	-	-	99,103		
52	1964	89	-	-	-	-	-	-	-	99,103		
53	1965	88	1,224	-	-	(529)	1,224	-	-	100,327		
54	1966	87	503	-	-	(503)	503	-	-	100,835		
55	1967	86	-	-	-	-	-	-	-	100,835		
56	1968	85	-	-	-	-	-	-	-	100,835		
57	1969	84	-	-	-	-	-	-	-	100,835		
58	1970	83	1,115	-	-	-	1,115	-	-	101,950		
59	1971	82	-	-	-	-	-	-	-	101,950		
60	1972	81	-	-	-	-	-	-	-	101,950		
61	1973	80	-	-	-	-	-	-	-	101,950		
62	1974	79	-	-	-	-	-	-	-	101,950		
63	1975	78	-	-	-	-	-	-	-	101,950		
64	1976	77	-	-	-	-	-	-	-	101,950		
65	1977	76	244	-	-	-	244	-	-	102,194		
66	1978	75	-	-	-	-	-	-	-	102,194		
67	1979	74	-	-	-	-	-	-	-	102,194		
68	1980	73	-	-	-	-	-	-	-	102,194		
69	1981	72	-	-	-	-	-	-	-	102,194		
70	1982	71	-	-	-	-	-	-	-	102,194		
71	1983	70	-	-	-	-	-	-	-	102,194		
72	1984	69	-	-	-	-	-	-	-	102,194		
73	1985	68	-	-	-	-	-	-	-	102,194		
74	1986	67	3,303	-	-	-	3,303	-	-	105,497		
75	1987	66	-	-	-	-	-	-	-	105,497		
76	1988	65	-	-	-	-	-	-	-	105,497		
77	1989	64	-	-	-	-	-	-	-	105,497		
78	1990	63	1,663	-	-	-	1,663	-	-	107,160		
79	1991	62	-	-	-	-	-	-	-	107,160		
80	1992	61	-	-	-	-	-	-	-	107,160		
81	1993	60	-	-	-	-	-	-	-	107,160		
82	1994	59	-	-	-	-	-	-	-	107,160		
83	1995	58	630,185	-	-	(40,494)	630,185	-	-	737,345		
84	1996	57	-	-	-	-	-	-	-	737,345		
85	1997	56	-	-	-	-	-	-	-	737,345		
86	1998	55	-	-	-	-	-	-	-	737,345		

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	5%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-5%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Instal Date	1933
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 334 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year Retirements	Additions		Retirements			
			Balance	Additions							
87	1999	54	-	-	-	-	-	-	-	737,345	
88	2000	53	-	145,459	-	-	-	145,459	-	882,804	
89	2001	52	-	-	-	-	-	-	-	882,804	
90	2002	51	-	-	-	-	-	-	-	882,804	
91	2003	50	-	-	(70,478)	-	-	(70,478)	-	812,326	
92	2004	49	-	-	-	-	-	-	-	812,326	
93	2005	48	-	-	-	-	-	-	-	812,326	
94	2006	47	-	-	-	-	-	-	-	812,326	
95	2007	46	-	-	-	-	-	-	-	812,326	
96	2008	45	-	-	-	-	-	-	393,832	1,206,158	
97	2009	44	-	31,429	-	-	-	31,429	-	1,237,587	
98	2010	43	-	-	-	-	-	-	-	1,237,587	
99	2011	42	-	-	-	-	-	-	-	1,237,587	
100	2012	41	-	-	(9,266)	30,624	30,624	(9,266)	-	1,258,925	
101	2013	40	-	45,234	-	70,765	115,999	-	-	1,374,925	
102	2014	39	-	-	(6,768)	7,576	7,576	(6,768)	-	1,375,234	
103	Total		\$ 737,345	\$ 222,122	\$ (86,530)	\$ (86,530)	\$ 108,955	\$ 1,068,432	\$ (85,530)	\$ 393,832	\$ 25,254,206

104	Major Additions/Retirements		
105			
106			
106	Routine Activity	\$ 331,087	\$ (86,530)
107	Historical Interim Activity	1.31%	-0.34%
108	Forecast Interim Activity	1.31%	-0.34%

Major Additions\*\*

109	2015	38				18,036	(4,714)			1,389,057
110	2016	37				18,211	(4,759)			1,402,568
111	2017	36				18,387	(4,805)			1,416,090
112	2018	35				18,565	(4,852)			1,429,803
113	2019	34				18,745	(4,899)			1,443,649
114	2020	33				18,926	(4,946)			1,457,629
115	2021	32				19,110	(4,994)			1,471,745
116	2022	31				19,295	(5,043)			1,485,997
117	2023	30				19,482	(5,092)			1,500,387
118	2024	29				19,670	(5,141)			1,514,916
119	2025	28				19,851	(5,191)			1,529,586
120	2026	27				20,033	(5,241)			1,544,389
121	2027	26				20,217	(5,292)			1,559,354
122	2028	25				20,403	(5,343)			1,574,455
123	2029	24				20,591	(5,395)			1,589,702
124	2030	23				20,781	(5,447)			1,605,096
125	2031	22				21,043	(5,500)			1,620,640
126	2032	21				21,247	(5,553)			1,636,334
127	2033	20				21,453	(5,607)			1,652,180
128	2034	19				21,660	(5,661)			1,668,179
129	2035	18				21,870	(5,716)			1,684,333
130	2036	17				22,082	(5,771)			1,700,644
131	2037	16				22,296	(5,827)			1,717,113
132	2038	15				22,512	(5,883)			1,733,741
133	2039	14				22,730	(5,940)			1,750,530
134	2040	13				22,950	(5,998)			1,767,482
135	2041	12				23,172	(6,056)			1,784,596
136	2042	11				23,396	(6,115)			1,801,880
137	2043	10				23,623	(6,174)			1,819,329
138	2044	9				23,852	(6,234)			1,836,947
139	2045	8				24,083	(6,294)			1,854,735
140	2046	7				24,316	(6,355)			1,872,697
141	2047	6				24,551	(6,417)			1,890,832
142	2048	5				24,789	(6,479)			1,909,142
143	2049	4				25,029	(6,541)			1,927,630
144	2050	3				25,272	(6,605)			1,946,297
145	2051	2				25,516	(6,669)			1,965,144
146	2052	1				25,763	(6,733)			1,984,175
147	2053	0							(1,984,175)	-
						\$ 1,892,151	\$ (301,609)			\$ 88,693,163

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	1,068,432
Forecast Additions	823,719
Total Additions	1,892,151
Gross Salvage Value	99,209
Less Cost of Removal	158,417
Net Salvage Value	(59,209)
Total to be Recovered	1,991,350

Forecast Plant Balances 88,693,163

Whole Life Accrual Rate	2.25%
Cost of Removal Accrual Rate	0.22%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.02%

Depreciable Service Life, years 44.5

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/14	1,375,234
Forecast Additions	823,719
Gross Salvage Value	99,209
Less Cost of Removal	158,417
Net Salvage Value	(59,209)

Depreciation Reserve Balance 12/31/14 (309,583)

Forecast Total Remaining Life Balance	1,983,079
Forecast Plant Balances	63,428,957
Remaining Life Accrual Rate	3.14%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Hydraulic Production, Ozark Beach Hydro Plant

Gross Salvage 5%  
 Cost of Removal 10%  
 Net Salvage -5%  
 Install Date 1931  
 Retirement Date 2053  
 Service Life, Yrs 122

Historical and Forecast Plant Additions & Balances  
 Account 335 Miscellaneous Power Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1913	140	-	-	-	-	-	-	-	-	
2	1914	139	-	-	-	-	-	-	-	-	
3	1915	138	-	-	-	-	-	-	-	-	
4	1916	137	-	-	-	-	-	-	-	-	
5	1917	136	-	-	-	-	-	-	-	-	
6	1918	135	-	-	-	-	-	-	-	-	
7	1919	134	-	-	-	-	-	-	-	-	
8	1920	133	-	-	-	-	-	-	-	-	
9	1921	132	-	-	-	-	-	-	-	-	
10	1922	131	-	-	-	-	-	-	-	-	
11	1923	130	-	-	-	-	-	-	-	-	
12	1924	129	-	-	-	-	-	-	-	-	
13	1925	128	-	-	-	-	-	-	-	-	
14	1926	127	418	-	-	-	418	-	-	418	
15	1927	126	-	-	-	-	-	-	-	418	
16	1928	125	-	-	-	-	-	-	-	418	
17	1929	124	-	-	-	-	-	-	-	418	
18	1930	123	-	-	-	-	-	-	-	418	
19	1931	122	16,621	-	-	-	16,621	-	-	17,039	
20	1932	121	-	-	-	-	-	-	-	17,039	
21	1933	120	5	-	-	-	5	-	-	17,044	
22	1934	119	-	-	-	-	-	-	-	17,044	
23	1935	118	147	-	-	-	147	-	-	17,191	
24	1936	117	125	-	-	-	125	-	-	17,316	
25	1937	116	-	-	-	-	-	-	-	17,316	
26	1938	115	-	-	-	-	-	-	-	17,316	
27	1939	114	69	-	-	-	69	-	-	17,385	
28	1940	113	2,595	-	-	-	2,595	-	-	19,980	
29	1941	112	-	-	-	-	-	-	-	19,980	
30	1942	111	-	-	-	-	-	-	-	19,980	
31	1943	110	415	-	-	-	415	-	-	20,395	
32	1944	109	8	-	-	-	8	-	-	20,403	
33	1945	108	152	-	-	-	152	-	-	20,555	
34	1946	107	69	-	-	-	69	-	-	20,624	
35	1947	106	153	-	-	-	153	-	-	20,777	
36	1948	105	160	-	-	-	160	-	-	20,937	
37	1949	104	49	-	-	-	49	-	-	20,986	
38	1950	103	93	-	-	-	93	-	-	21,079	
39	1951	102	-	-	-	-	-	-	-	21,079	
40	1952	101	409	-	-	-	409	-	-	21,488	
41	1953	100	-	-	-	-	-	-	-	21,488	
42	1954	99	4,276	-	-	-	4,276	-	-	25,764	
43	1955	98	2,676	-	-	-	2,676	-	-	28,440	
44	1956	97	-	-	-	-	-	-	-	28,440	
45	1957	96	193	-	-	-	193	-	-	28,633	
46	1958	95	-	-	-	-	-	-	-	28,633	
47	1959	94	311	-	-	-	311	-	-	28,944	
48	1960	93	5,213	-	-	-	5,213	-	-	34,157	
49	1961	92	-	-	-	-	-	-	-	34,157	
50	1962	91	744	-	-	-	744	-	-	34,901	
51	1963	90	873	-	-	(591)	873	-	-	35,774	
52	1964	89	271	-	-	-	271	-	-	36,045	
53	1965	88	845	-	-	-	845	-	-	36,890	
54	1966	87	7,279	-	-	-	7,279	-	-	44,169	
55	1967	86	60	-	-	-	60	-	-	44,229	
56	1968	85	160	-	-	-	160	-	-	44,389	
57	1969	84	44	-	-	-	44	-	-	44,433	
58	1970	83	-	-	-	-	-	-	-	44,433	
59	1971	82	-	-	-	-	-	-	-	44,433	
60	1972	81	990	-	-	-	990	-	-	45,423	
61	1973	80	4,585	-	-	-	4,585	-	-	50,008	
62	1974	79	199	-	-	-	199	-	-	50,207	
63	1975	78	6,669	-	-	-	6,669	-	-	56,876	
64	1976	77	3,253	-	-	-	3,253	-	-	60,129	
65	1977	76	902	-	-	-	902	-	-	61,031	
66	1978	75	570	-	-	-	570	-	-	61,601	
67	1979	74	-	-	-	-	-	-	-	61,601	
68	1980	73	-	-	-	-	-	-	-	61,601	
69	1981	72	6,661	-	-	-	6,661	-	-	68,262	
70	1982	71	85	-	-	-	85	-	-	68,347	
71	1983	70	-	-	-	-	-	-	-	68,347	
72	1984	69	922	-	-	-	922	-	-	69,269	
73	1985	68	9,742	-	-	-	9,742	-	-	79,011	
74	1986	67	15,650	-	-	(3,422)	15,650	-	-	94,661	
75	1987	66	31,251	-	-	-	31,251	-	-	125,912	
76	1988	65	6,156	-	-	-	6,156	-	-	132,068	
77	1989	64	6,433	-	-	(4,164)	6,433	-	-	138,501	
78	1990	63	6,068	-	-	-	6,068	-	-	144,569	
79	1991	62	17,260	-	-	-	17,260	-	-	161,829	
80	1992	61	8,291	-	-	-	8,291	-	-	170,140	
81	1993	60	17,109	-	-	-	17,109	-	-	187,249	
82	1994	59	12,311	-	-	-	12,311	-	-	199,560	
83	1995	58	-	-	-	-	-	-	-	199,560	
84	1996	57	2,378	-	-	-	2,378	-	-	201,938	
85	1997	56	18,558	-	-	-	18,558	-	-	220,536	
86	1998	55	11,501	-	-	-	11,501	-	-	232,037	

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	5%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
Unit Property: Hydraulic Production, Ozark Beach Hydro Plant	Net Salvage	-5%
	Initial Date	1931
	Retirement Date	2053
	Service Life, Yrs	122

Historical and Forecast Plant Additions & Balances  
Account 335 Miscellaneous Power Plant Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 105 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*										
			Transaction Year		Vintage Year Retirements		Additions	Retirements												
			Balance	Additions																
87	1999	54	-	12,469	-	(10,450)	-	12,469	-	-	244,526									
88	2000	53	-	37,313	-	-	-	37,313	-	-	281,839									
89	2001	52	-	41,130	-	-	-	41,130	-	-	322,969									
90	2002	51	-	641	-	-	-	641	-	-	323,610									
91	2003	50	-	1,468	-	-	-	1,468	-	-	325,078									
92	2004	49	-	23,777	-	(23,777)	-	23,777	-	-	348,855									
93	2005	48	-	17,792	-	-	-	17,792	-	-	366,647									
94	2006	47	-	-	-	-	-	-	-	-	366,647									
95	2007	46	-	-	-	-	-	-	-	-	366,647									
96	2008	45	-	-	(7,566)	-	-	-	(7,566)	-	359,081									
97	2009	44	-	13,233	-	-	-	13,233	-	-	372,314									
98	2010	43	-	33,581	-	-	-	33,581	-	-	406,276									
99	2011	42	-	5,946	-	-	-	5,946	-	-	412,222									
100	2012	41	-	40,584	-	-	-	40,584	-	-	452,806									
101	2013	40	-	1,500	-	-	16,699	18,199	-	-	470,915									
102	2014	39	-	-	(34,818)	-	16,564	16,564	(24,818)	-	452,661									
103	Total		\$	232,037	\$	229,855	\$	(42,404)	\$	(42,404)	\$	33,173	\$	495,065	\$	(42,404)	\$	-	\$	10,036,740

104 Major Additions/Retirements

105			
106			
107	Routine Activity	\$	263,028
108	Historical Interim Activity		2.62%
109	Forecast Interim Activity		-0.42%

Major Additions\*\*

110	2015	38			11,669	(1,912)		452,611		
111	2016	37			12,123	(1,954)		472,760		
112	2017	36			12,350	(1,997)		453,172		
113	2018	35			12,662	(2,041)		493,739		
114	2019	34			12,941	(2,086)		504,647		
115	2020	33			13,225	(2,132)		515,740		
116	2021	32			13,516	(2,179)		527,077		
117	2022	31			13,813	(2,227)		538,663		
118	2023	30			14,116	(2,276)		550,504		
119	2024	29			14,427	(2,326)		562,605		
120	2025	28			14,744	(2,377)		574,972		
121	2026	27			15,068	(2,429)		587,610		
122	2027	26			15,399	(2,483)		600,527		
123	2028	25			15,738	(2,537)		613,728		
124	2029	24			16,084	(2,593)		627,218		
125	2030	23			16,437	(2,650)		641,006		
126	2031	22			16,799	(2,708)		655,096		
127	2032	21			17,168	(2,768)		669,496		
128	2033	20			17,545	(2,829)		684,212		
129	2034	19			17,931	(2,891)		699,253		
130	2035	18			18,325	(2,954)		714,623		
131	2035	17			18,728	(3,019)		730,332		
132	2037	16			19,139	(3,086)		746,385		
133	2038	15			19,560	(3,153)		762,792		
134	2039	14			19,990	(3,223)		779,560		
135	2040	13			20,430	(3,294)		796,695		
136	2041	12			20,879	(3,366)		814,208		
137	2042	11			21,338	(3,440)		832,105		
138	2043	10			21,807	(3,516)		850,397		
139	2044	9			22,286	(3,593)		869,090		
140	2045	8			22,776	(3,672)		888,194		
141	2046	7			23,276	(3,753)		907,718		
142	2047	6			23,788	(3,835)		927,671		
143	2048	5			24,311	(3,919)		948,063		
144	2049	4			24,845	(4,005)		968,903		
145	2050	3			25,392	(4,094)		990,201		
146	2051	2			25,950	(4,184)		1,011,957		
147	2052	1			26,520	(4,275)		1,034,212		
148	2053	0					(1,034,212)	-		
					\$	1,168,392	\$	(154,180)	\$	37,074,565

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	495,065
Forecast Additions	693,327
Total Additions	1,188,392
Gross Salvage Value	51,711
Less Cost of Removal	103,421
Net Salvage Value	(51,711)
Total to be Recovered	1,240,102

Forecast Plant Balances

Whole Life Accrual Rate	3.34%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.07%

Depreciable Service Life, years 29.9

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/14	452,651
Forecast Additions	693,327
Gross Salvage Value	51,711
Less Cost of Removal	103,421
Net Salvage Value	(51,711)

Depreciation Reserve Balance 12/31/14 (207,839)

Forecast Total Remaining Life Balance	639,799
Forecast Plant Balances	27,037,826
Remaining Life Accrual Rate	3.66%

[THIS PAGE INTENTIONALLY LEFT BLANK]

Summary by Plant  
 The Empire District Electric Company  
 State Line Combined Cycle

Account	Description	Direct Investment 2014\$	Depreciation Rate
341	Structures & Improvements	10,635,060	2.19%
342	Fuel Holders, Producers & Accessories	366,555	0.00%
343	Prime Movers	104,291,940	2.07%
344	Generators	31,250,753	2.50%
345	Accessory Electric Equipment	8,207,163	2.74%
346	Misc Power Equipment	2,910,958	2.46%
<b>Total</b>		157,662,430	2.20% remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 341 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					
1	1995	56	2,052,941	-	-	-	2,052,941	-	0	2,052,941	
2	1996	55	-	-	-	-	-	-	0	2,052,941	
3	1997	54	980,448	-	-	-	980,448	-	0	3,033,389	
4	1998	53	-	-	-	-	-	-	0	3,033,389	
5	1999	52	-	-	-	-	-	-	0	3,033,389	
6	2000	51	-	-	-	-	-	-	0	3,033,389	
7	2001	50	-	5,168,284	-	-	5,168,284	-	0	8,201,673	
8	2002	49	-	2,070,108	-	-	2,070,108	-	0	10,271,781	
9	2003	48	-	84,232	-	-	84,232	-	0	10,356,013	
10	2004	47	-	130,126	-	-	130,126	-	0	10,486,139	
11	2005	46	-	43,991	-	-	43,991	-	0	10,530,130	
12	2006	45	-	-	-	-	-	-	0	10,530,130	
13	2007	44	-	-	-	-	-	-	0	10,530,130	
14	2008	43	-	-	-	-	0	0	0	10,530,130	
15	2009	42	-	-	-	-	(0)	(0)	0	10,530,130	
16	2010	41	-	37,213	-	-	37,213	-	0	10,567,343	
17	2011	40	-	5,384	-	-	44,008	49,392	0	10,616,735	
18	2012	39	-	-	-	-	-	-	0	10,616,735	
19	2013	38	-	-	-	-	18,325	18,325	0	10,635,060	
20	2014	37	-	-	-	-	-	-	0	10,635,060	
21	Total		\$ 3,033,389	\$ 7,539,338	\$ -	\$ -	\$ 62,333	\$ 10,635,060	\$ -	\$ 161,276,627	

22 Major Additions/Retirements

23	2001	\$ 5,168,284	
24	2002	\$ 2,070,108	
25			
26			
27	Routine Activity (excluding Westar advances)	\$ 363,279	\$ -
28	Historical Interim Activity	0.23%	0.00%
29	Forecast Interim Activity	0.23%	0.00%

Major Additions\*\*

Major Retirements

30	2015	36		23,956	-	10,659,016				
31	2016	35		24,010	-	10,683,026				
32	2017	34		24,064	-	10,707,089				
33	2018	33		24,118	-	10,731,207				
34	2019	32		24,172	-	10,755,380				
35	2020	31		24,227	-	10,779,606				
36	2021	30		24,281	-	10,803,888				
37	2022	29		24,336	-	10,828,224				
38	2023	28		24,391	-	10,852,615				
39	2024	27		24,446	-	10,877,060				
40	2025	26		24,501	-	10,901,561				
41	2026	25		24,556	-	10,926,117				
42	2027	24		24,611	-	10,950,728				
43	2028	23		24,667	-	10,975,395				
44	2029	22		24,722	-	11,000,118				
45	2030	21		24,778	-	11,024,896				
46	2031	20		24,834	-	11,049,729				
47	2032	19		24,890	-	11,074,619				
48	2033	18		24,946	-	11,099,565				
49	2034	17		25,002	-	11,124,567				
50	2035	16		25,058	-	11,149,625				
51	2036	15		25,115	-	11,174,740				
52	2037	14		25,171	-	11,199,912				
53	2038	13		25,228	-	11,225,140				
54	2039	12		25,285	-	11,250,424				
55	2040	11		25,342	-	11,275,766				
56	2041	10		25,399	-	11,301,165				
57	2042	9		25,456	-	11,326,621				
58	2043	8		25,513	-	11,352,135				
59	2044	7		25,571	-	11,377,706				
60	2045	6		25,629	-	11,403,334				
61	2046	5		25,686	-	11,429,021				
62	2047	4		25,744	-	11,454,765				
63	2048	3		25,802	-	11,480,567				
64	2049	2		25,860	-	11,506,427				
65	2050	1		25,918	-	11,532,346				
66	2051	0			(11,532,346)	-				
							\$ -	\$ 11,532,346	\$ -	\$ 560,520,727

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
 Account: 341 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements	Advance Additions	Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	10,635,060
Forecast Additions	897,285
Total Additions	11,532,345
Gross Salvage Value	922,588
Less Cost of Removal	1,153,235
Net Salvage Value	(230,647)
Total to be Recovered	11,762,992

Forecast Plant Balances 560,520,727

Whole Life Accrual Rate	2.10%
Cost of Removal Accrual Rate	0.21%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.89%

Depreciable Service Life, years 47.7

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	10,635,060
Forecast Additions	897,285
Gross Salvage Value	922,587.64
Less Cost of Removal	1,153,234.55
Net Salvage Value	(230,647)

Depreciation Reserve Balance 12/31/14 (3,038,448)

Forecast Total Remaining Life Balance	8,724,544
Forecast Plant Balances	399,244,100
Remaining Life Accrual Rate	2.19%





The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 342 Fuel Holders, Producers & Accessories

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	453,606
Forecast Additions	323,741
Total Additions	777,348
Gross Salvage Value	53,848
Less Cost of Removal	67,310
Net Salvage Value	(13,462)
Total to be Recovered	790,810

Forecast Plant Balances 24,755,231

Whole Life Accrual Rate	3.19%
Cost of Removal Accrual Rate	0.27%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.92%

Depreciable Service Life, years 31.3

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	366,555
Forecast Additions	323,741
Gross Salvage Value	53,848
Less Cost of Removal	67,310
Net Salvage Value	(13,462)

Depreciation Reserve Balance 12/31/14 (1,632,929)

Forecast Total Remaining Life Balance	(929,170)
Forecast Plant Balances	18,312,081
Remaining Life Accrual Rate	-5.07%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 343 Prime Movers

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1995	56	-	-	-	-	-	-	0	-	
2	1996	55	-	-	-	-	-	-	0	-	
3	1997	54	12,678,547	6,805	-	(1,209,783)	-	12,685,352	0	12,685,352	
4	1998	53	-	-	-	-	-	-	0	12,685,352	
5	1999	52	-	74,707	-	-	-	74,707	0	12,760,059	
6	2000	51	-	212,156	-	-	-	212,156	0	12,972,215	
7	2001	50	-	86,733,933	-	(1,230,682)	0	86,733,933	0	99,706,148	
8	2002	49	-	1,702,065	-	-	-	1,702,065	0	101,408,213	
9	2003	48	-	-	-	-	-	-	0	101,408,213	
10	2004	47	-	68,742	-	-	-	68,742	0	101,476,955	
11	2005	46	-	-	-	-	-	-	0	101,476,955	
12	2006	45	-	354,505	-	-	-	354,505	0	101,831,460	
13	2007	44	-	106,361	-	-	(175,213)	(68,852)	0	101,762,608	
14	2008	43	-	116,263	(415,707)	-	175,213	291,476	(415,707)	0	101,638,378
15	2009	42	-	7,877,986	(231,721)	(5,594,032)	370	7,878,356	(231,721)	0	109,285,012
16	2010	41	-	154,740	(3,073,470)	-	-	154,740	(3,073,470)	0	106,366,283
17	2011	40	-	76,476	(626,080)	-	8,958	85,434	(626,080)	0	105,825,637
18	2012	39	-	312,088	-	-	31,645	343,734	-	0	106,169,371
19	2013	38	-	1,461,396	(3,683,903)	-	348,692	1,810,088	(3,683,903)	0	104,295,556
20	2014	37	-	-	(3,616)	-	-	-	(3,616)	0	104,291,940
21	Total		\$ 12,678,547	\$ 99,258,224	\$ (8,034,497)	\$ (8,034,497)	\$ 389,666	\$ 112,326,437	\$ (8,034,497)	\$ -	\$ 1,498,045,708
22	Major Additions/Retirements										
23	2001			\$ 86,733,933							
24	2009			\$ 7,877,986							
25	2010				\$ (3,073,470)						
26	2013			\$ 1,810,088	\$ (3,683,903)						
27	Routine Activity (excluding Westar advances) \$ 3,225,883 \$ (1,277,124)										
28	Historical Interim Activity 0.22% -0.09%										
29	Forecast Interim Activity 0.22% -0.09%										
30	2015	36						224,582	(88,912)		104,427,610
31	2016	35						224,874	(89,027)		104,563,457
32	2017	34						225,166	(89,143)		104,699,480
33	2018	33						225,459	(89,259)		104,835,680
34	2019	32						225,753	(89,375)		104,972,057
35	2020	31						226,046	(89,491)		105,108,612
36	2021	30						226,340	(89,608)		105,245,344
37	2022	29						226,635	(89,724)		105,382,255
38	2023	28						226,930	(89,841)		105,519,343
39	2024	27						227,225	(89,958)		105,656,610
40	2025	26						227,520	(90,075)		105,794,055
41	2026	25						227,816	(90,192)		105,931,679
42	2027	24						228,113	(90,310)		106,069,482
43	2028	23						228,409	(90,427)		106,207,464
44	2029	22						228,707	(90,545)		106,345,626
45	2030	21						229,004	(90,662)		106,483,968
46	2031	20						229,302	(90,780)		106,622,489
47	2032	19						229,600	(90,899)		106,761,191
48	2033	18						229,899	(91,017)		106,900,073
49	2034	17						230,198	(91,135)		107,039,136
50	2035	16						230,497	(91,254)		107,178,380
51	2036	15						230,797	(91,372)		107,317,805
52	2037	14						231,098	(91,491)		107,457,411
53	2038	13						231,398	(91,610)		107,597,199
54	2039	12						231,699	(91,729)		107,737,169
55	2040	11						232,001	(91,849)		107,877,320
56	2041	10						232,302	(91,968)		108,017,654
57	2042	9						232,605	(92,088)		108,158,171
58	2043	8						232,907	(92,208)		108,298,871
59	2044	7						233,210	(92,328)		108,439,753
60	2045	6						233,514	(92,448)		108,580,819
61	2046	5						233,817	(92,568)		108,722,068
62	2047	4						234,121	(92,688)		108,863,501
63	2048	3						234,426	(92,809)		109,005,118
64	2049	2						234,731	(92,930)		109,146,919
65	2050	1						235,036	(93,051)		109,288,905
66	2051	0								(109,288,905)	-
								\$ -	\$ 120,598,175	\$ (11,309,270)	\$ 5,344,298,383

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 343 Prime Movers

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Advance	Additions	Retirements		
			Balance	Additions	Retirements	Retirements				

**Whole Life Depreciation Rate Calculation**

Historical Additions	112,326,437
Forecast Additions	8,271,738
Total Additions	120,598,175
Gross Salvage Value	10,928,890
Less Cost of Removal	5,464,445
Net Salvage Value	5,464,445
Total to be Recovered	115,133,730

Forecast Plant Balances 5,344,298,383

Whole Life Accrual Rate	2.15%
Cost of Removal Accrual Rate	0.10%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.05%

Depreciable Service Life, years 46.4

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	104,291,940
Forecast Additions	8,271,738
Gross Salvage Value	10,928,890
Less Cost of Removal	5,464,445
Net Salvage Value	5,464,445

Depreciation Reserve Balance 12/31/14 (27,374,209)

Forecast Total Remaining Life Balance	79,725,024
Forecast Plant Balances	3,846,252,675
Remaining Life Accrual Rate	2.07%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 344 Generators

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1995	56	-	-	-	-	-	-	0	-	
2	1996	55	-	-	-	-	-	-	0	-	
3	1997	54	4,381,640	-	-	-	4,381,640	-	0	4,381,640	
4	1998	53	-	-	-	-	-	-	0	4,381,640	
5	1999	52	-	-	-	-	-	-	0	4,381,640	
6	2000	51	-	-	-	-	-	-	0	4,381,640	
7	2001	50	-	26,044,201	-	(10,886,535)	-	26,044,201	-	30,425,841	
8	2002	49	-	-	-	-	-	-	0	30,425,841	
9	2003	48	-	-	-	-	-	-	0	30,425,841	
10	2004	47	-	-	-	-	-	-	0	30,425,841	
11	2005	46	-	-	-	-	-	-	0	30,425,841	
12	2006	45	-	-	-	-	-	-	0	30,425,841	
13	2007	44	-	-	-	-	-	-	0	30,425,841	
14	2008	43	-	83,966	-	-	(0)	83,966	-	30,509,807	
15	2009	42	-	10,596,758	(8,467,351)	-	-	10,596,758	(8,467,351)	32,639,214	
16	2010	41	-	-	(0)	-	-	-	(0)	32,639,214	
17	2011	40	-	-	(2,419,184)	-	898,784	898,784	(2,419,184)	31,118,814	
18	2012	39	-	-	-	-	131,939	131,939	-	31,250,753	
19	2013	38	-	-	-	-	-	-	-	31,250,753	
20	2014	37	-	-	-	-	-	-	-	31,250,753	
21	Total		\$ 4,381,640	\$ 36,724,926	\$ (10,886,535)	\$ (10,886,535)	\$ 1,030,723	\$ 42,137,289	\$ (10,886,535)	\$ -	\$ 451,166,756
22	Major Additions/Retirements										
23	2001			\$ 26,044,201							
24	2009			\$ 10,596,758	\$ (8,467,351)						
25	2011				\$ (2,419,184)						
26											
27	Routine Activity (excluding Westar advances)			\$ 1,114,689	\$ (0)						
28	Historical Interim Activity			0.25%	0.00%						
29	Forecast Interim Activity			0.25%	0.00%						
30	2015	36						77,211	(0)		31,327,964
31	2016	35						77,401	(0)		31,405,365
32	2017	34					1,500,000	77,593	(0)		32,982,958
33	2018	33						81,490	(0)		33,064,448
34	2019	32					7,300,000	81,692	(0)		40,446,140
35	2020	31						99,930	(0)		40,546,070
36	2021	30						100,176	(0)		40,646,246
37	2022	29						100,424	(0)		40,746,670
38	2023	28						100,672	(0)		40,847,342
39	2024	27						100,921	(0)		40,948,263
40	2025	26						101,170	(0)		41,049,433
41	2026	25						101,420	(0)		41,150,853
42	2027	24						101,671	(0)		41,252,524
43	2028	23						101,922	(0)		41,354,446
44	2029	22						102,174	(0)		41,456,619
45	2030	21						102,426	(0)		41,559,045
46	2031	20						102,679	(0)		41,661,725
47	2032	19						102,933	(0)		41,764,657
48	2033	18						103,187	(0)		41,867,845
49	2034	17						103,442	(0)		41,971,287
50	2035	16						103,698	(0)		42,074,984
51	2036	15						103,954	(0)		42,178,938
52	2037	14						104,211	(0)		42,283,149
53	2038	13						104,468	(0)		42,387,617
54	2039	12						104,726	(0)		42,492,344
55	2040	11						104,985	(0)		42,597,329
56	2041	10						105,244	(0)		42,702,573
57	2042	9						105,504	(0)		42,808,078
58	2043	8						105,765	(0)		42,913,843
59	2044	7						106,026	(0)		43,019,869
60	2045	6						106,288	(0)		43,126,158
61	2046	5						106,551	(0)		43,232,709
62	2047	4						106,814	(0)		43,339,523
63	2048	3						107,078	(0)		43,446,601
64	2049	2						107,343	(0)		43,553,944
65	2050	1						107,608	(0)		43,661,552
66	2051	0								(43,661,552)	-
								\$ 8,800,000	\$ 45,748,087	\$ (10,886,535)	\$ 1,925,035,867

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 344 Generators

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

Whole Life Depreciation Rate Calculation

Historical Additions	42,137,289
Forecast Additions	12,410,798
Total Additions	54,548,087
Gross Salvage Value	4,366,155
Less Cost of Removal	2,183,078
Net Salvage Value	2,183,078
Total to be Recovered	52,365,010

Forecast Plant Balances 1,925,035,867

Whole Life Accrual Rate	2.72%
Cost of Removal Accrual Rate	0.11%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.61%

Depreciable Service Life, years 36.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	31,250,753
Forecast Additions	12,410,798
Gross Salvage Value	4,366,155
Less Cost of Removal	2,183,078
Net Salvage Value	2,183,078

Depreciation Reserve Balance 12/31/14 (4,569,953)

Forecast Total Remaining Life Balance	36,908,522
Forecast Plant Balances	1,473,869,111
Remaining Life Accrual Rate	2.50%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 345 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advances	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*		
			Transaction Year				Vintage Year Retirements	Additions			Retirements	
			Balance	Additions	Retirements							
1	1995	56	23,217	-	-	-	23,217	-	23,217			
2	1996	55	-	-	-	-	-	-	23,217			
3	1997	54	1,455,677	830,645	(405,250)	-	2,286,322	-	2,309,539			
4	1998	53	-	-	-	-	-	-	2,309,539			
5	1999	52	-	-	-	-	-	-	2,309,539			
6	2000	51	-	-	-	-	-	-	2,309,539			
7	2001	50	-	5,494,738	(1,022,444)	-	5,494,738	-	7,804,277			
8	2002	49	-	-	-	-	-	-	7,804,277			
9	2003	48	-	-	-	-	-	-	7,804,277			
10	2004	47	-	-	-	-	-	-	7,804,277			
11	2005	46	-	-	-	-	-	-	7,804,277			
12	2006	45	-	68,578	-	-	68,578	-	7,872,855			
13	2007	44	-	-	-	-	-	-	7,872,855			
14	2008	43	-	-	-	-	-	-	7,872,855			
15	2009	42	-	-	-	(1,487)	(1,487)	-	7,871,368			
16	2010	41	-	-	-	-	-	-	7,871,368			
17	2011	40	-	-	-	-	-	-	7,871,368			
18	2012	39	-	1,251,652	-	(4,191)	1,247,461	4,191	9,123,020			
19	2013	38	-	145,438	-	328,859	474,297	-	9,597,317			
20	2014	37	-	-	(1,427,693)	37,540	37,540	(1,427,693)	8,207,163			
21	Total		\$ 1,478,894	\$ 7,791,051	\$ (1,427,693)	\$ (1,427,693)	\$ 360,721	\$ 9,630,665	\$ (1,427,693)	\$ 4,191	\$ 122,466,142	
22	Major Additions/Retirements											
23	2001			\$ 5,494,738								
24	2012			\$ 1,251,652								
25	2014				\$ (1,427,693)							
26												
27	Routine Activity (excluding Westar advances) \$ 1,405,381 \$ -											
28	Historical Interim Activity 1.15% 0.00%											
29	Forecast Interim Activity 1.15% 0.00%											
<u>Major Additions**</u>												
30	2015	36					94,183	-			8,301,346	
31	2016	35					95,264	-			8,396,609	
32	2017	34					96,357	-			8,492,966	
33	2018	33					97,462	-			8,590,428	
34	2019	32					98,581	-			8,689,009	
35	2020	31					99,712	-			8,788,722	
36	2021	30					100,856	-			8,889,578	
37	2022	29					102,014	-			8,991,592	
38	2023	28					103,185	-			9,094,776	
39	2024	27					104,369	-			9,199,145	
40	2025	26					105,566	-			9,304,711	
41	2026	25					106,778	-			9,411,489	
42	2027	24					108,003	-			9,519,492	
43	2028	23					109,243	-			9,628,735	
44	2029	22					110,496	-			9,739,231	
45	2030	21					111,764	-			9,850,995	
46	2031	20					113,047	-			9,964,042	
47	2032	19					114,344	-			10,078,386	
48	2033	18					115,656	-			10,194,043	
49	2034	17					116,983	-			10,311,026	
50	2035	16					118,326	-			10,429,352	
51	2036	15					119,684	-			10,549,036	
52	2037	14					121,057	-			10,670,093	
53	2038	13					122,446	-			10,792,540	
54	2039	12					123,852	-			10,916,391	
55	2040	11					125,273	-			11,041,664	
56	2041	10					126,711	-			11,168,375	
57	2042	9					128,165	-			11,296,539	
58	2043	8					129,635	-			11,426,175	
59	2044	7					131,123	-			11,557,298	
60	2045	6					132,628	-			11,689,925	
61	2046	5					134,150	-			11,824,075	
62	2047	4					135,689	-			11,959,764	
63	2048	3					137,246	-			12,097,011	
64	2049	2					138,821	-			12,235,832	
65	2050	1					140,414	-			12,376,246	
66	2051	0							(12,376,246)		-	
							\$ -	\$ 13,799,749	\$ (1,427,693)			\$ 489,932,782

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 345 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Vintage Year Retirements		Additions	Retirements		
			Balance	Additions						

**Whole Life Depreciation Rate Calculation**

Historical Additions	9,630,665
Forecast Additions	4,169,084
<b>Total Additions</b>	<b>13,799,749</b>
Gross Salvage Value	990,100
Less Cost of Removal	1,237,625
Net Salvage Value	(247,525)
<b>Total to be Recovered</b>	<b>14,047,274</b>

Forecast Plant Balances 489,932,782

Whole Life Accrual Rate	2.87%
Cost of Removal Accrual Rate	0.25%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>2.61%</b>

Depreciable Service Life, years 34.9

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	8,207,163
Forecast Additions	4,169,084
Gross Salvage Value	990,100
Less Cost of Removal	1,237,625
Net Salvage Value	(247,525)

Depreciation Reserve Balance 12/31/14 (2,561,645)

Forecast Total Remaining Life Balance	10,062,126
Forecast Plant Balances	367,466,640
<b>Remaining Life Accrual Rate</b>	<b>2.74%</b>



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1995	56	61,635	-	-	-	61,635	-	0	61,635	
2	1996	55	19,381	-	-	-	19,381	-	0	81,016	
3	1997	54	5,673	-	-	-	5,673	-	0	86,689	
4	1998	53	-	-	-	-	-	-	0	86,689	
5	1999	52	-	-	-	-	-	-	0	86,689	
6	2000	51	-	-	-	-	-	-	0	86,689	
7	2001	50	-	2,703,091	-	-	2,703,091	-	0	2,789,780	
8	2002	49	-	6,360	-	-	6,360	-	0	2,796,140	
9	2003	48	-	13,837	-	-	13,837	-	0	2,809,977	
10	2004	47	-	(14,046)	-	-	(14,046)	-	0	2,795,931	
11	2005	46	-	(19,284)	-	(9,375)	(28,659)	-	0	2,767,273	
12	2006	45	-	(9,464)	-	-	(9,464)	-	0	2,757,809	
13	2007	44	-	23,848	-	(31,987)	(8,139)	-	0	2,749,670	
14	2008	43	-	43,665	-	41,362	85,027	-	0	2,834,697	
15	2009	42	-	31,258	-	(48,718)	(17,461)	-	0	2,817,236	
16	2010	41	-	964	-	-	964	-	0	2,818,201	
17	2011	40	-	3,726	-	-	3,726	-	0	2,821,926	
18	2012	39	-	9,181	-	-	9,181	-	0	2,831,107	
19	2013	38	-	-	-	32,013	32,013	-	0	2,863,120	
20	2014	37	-	-	-	47,838	47,838	-	0	2,910,958	
21	Total		\$ 86,689	\$ 2,793,137	\$ -	\$ -	\$ 31,133	\$ 2,910,958	\$ -	\$ -	\$ 39,853,233
22	Major Additions/Retirements										
23	2001			\$ 2,703,091							
24											
25											
26											
27	Routine Activity (excluding Westar advances) \$ 121,178 \$ -										
28	Historical Interim Activity 0.30% 0.00%										
29	Forecast Interim Activity 0.30% 0.00%										
30	2015	36					8,851	-			2,919,809
31	2016	35					8,878	-			2,928,687
32	2017	34					8,905	-			2,937,592
33	2018	33					8,932	-			2,946,525
34	2019	32					8,959	-			2,955,484
35	2020	31					8,986	-			2,964,470
36	2021	30					9,014	-			2,973,484
37	2022	29					9,041	-			2,982,525
38	2023	28					9,069	-			2,991,594
39	2024	27					9,096	-			3,000,690
40	2025	26					9,124	-			3,009,814
41	2026	25					9,152	-			3,018,966
42	2027	24					9,180	-			3,028,145
43	2028	23					9,207	-			3,037,353
44	2029	22					9,235	-			3,046,588
45	2030	21					9,263	-			3,055,852
46	2031	20					9,292	-			3,065,143
47	2032	19					9,320	-			3,074,463
48	2033	18					9,348	-			3,083,812
49	2034	17					9,377	-			3,093,188
50	2035	16					9,405	-			3,102,593
51	2036	15					9,434	-			3,112,027
52	2037	14					9,462	-			3,121,490
53	2038	13					9,491	-			3,130,981
54	2039	12					9,520	-			3,140,501
55	2040	11					9,549	-			3,150,050
56	2041	10					9,578	-			3,159,628
57	2042	9					9,607	-			3,169,235
58	2043	8					9,636	-			3,178,872
59	2044	7					9,666	-			3,188,538
60	2045	6					9,695	-			3,198,233
61	2046	5					9,725	-			3,207,957
62	2047	4					9,754	-			3,217,711
63	2048	3					9,784	-			3,227,495
64	2049	2					9,814	-			3,237,309
65	2050	1					9,843	-			3,247,152
66	2051	0							(3,247,152)		-
			\$ -	\$ 3,247,152	\$ -		\$ -	\$ 3,247,152	\$ -	\$ -	\$ 150,757,192

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combined Cycle	Install Date	2001
	Retirement Date	2051
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
 Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106		Adjusted Transaction Year		End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements	Advance Additions	Additions	Retirements	Transfers and Adjustments	
			Balance	Additions	Retirements						

**Whole Life Depreciation Rate Calculation**

Historical Additions	2,910,958
Forecast Additions	336,194
Total Additions	3,247,152
Gross Salvage Value	259,772
Less Cost of Removal	324,715
Net Salvage Value	(64,943)
Total to be Recovered	3,312,095

Forecast Plant Balances 150,757,192

Whole Life Accrual Rate	2.20%
Cost of Removal Accrual Rate	0.22%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.98%

Depreciable Service Life, years 45.5

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	2,910,958
Forecast Additions	336,194
Gross Salvage Value	259,772
Less Cost of Removal	324,715
Net Salvage Value	(64,943)

Depreciation Reserve Balance 12/31/14 (586,771)

Forecast Total Remaining Life Balance	2,725,325
Forecast Plant Balances	110,903,959
Remaining Life Accrual Rate	2.46%

[THIS PAGE INTENTIONALLY LEFT BLANK]

## The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Summary by Plant  
 The Empire District Electric Company  
 State Line Combustion Turbine

Account	Description	Direct Investment 2014\$	Depreciation Rate
341	Structures & Improvements	1,103,839	0.00%
342	Fuel Holders, Producers & Accessories	3,230,198	1.59%
343	Prime Movers	27,377,664	2.42%
344	Generators	7,178,571	1.41%
345	Accessory Electric Equipment	2,896,245	1.85%
346	Misc Power Equipment	1,041,157	3.77%
<b>Total</b>		<b>42,827,674</b>	<b>2.12%</b> remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	6%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, State Line Combustion Turbine	Install Date	1995
	Retirement Date	2040
	Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances  
Account: 341 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1995	45	2,072,573	-	-	(1,025,058)	-	2,072,573	-	-	2,072,573
2	1996	44	-	-	-	-	-	-	-	-	2,072,573
3	1997	43	582,614	-	-	(532,856)	-	582,614	-	-	2,655,187
4	1998	42	-	-	-	-	-	-	-	-	2,655,187
5	1999	41	-	-	-	-	-	-	-	-	2,655,187
6	2000	40	-	5,958	-	-	-	5,958	-	-	2,661,145
7	2001	39	-	678	(1,557,829)	-	-	678	(1,557,829)	-	1,103,934
8	2002	38	-	-	-	-	-	-	-	-	1,103,934
9	2003	37	-	-	-	-	-	-	-	-	1,103,934
10	2004	36	-	-	-	-	-	-	-	-	1,103,934
11	2005	35	-	-	-	-	-	-	-	-	1,103,934
12	2006	34	-	-	-	-	-	-	-	-	1,103,934
13	2007	33	-	-	-	-	-	-	-	-	1,103,934
14	2008	32	-	-	-	-	-	-	-	-	1,103,934
15	2009	31	-	-	(155)	-	-	-	(155)	-	1,103,839
16	2010	30	-	-	-	-	-	-	-	-	1,103,839
17	2011	29	-	-	-	-	-	-	-	-	1,103,839
18	2012	28	-	-	-	-	-	-	-	-	1,103,839
19	2013	27	-	-	-	-	-	-	-	-	1,103,839
20	2014	26	-	-	-	-	-	-	-	-	1,103,839
21	Total		\$ 2,655,187	\$ 6,636	\$ (1,557,984)	\$ (1,557,984)	\$ -	\$ 2,661,823	\$ (1,557,984)	\$ -	\$ 30,226,838

22	Major Additions/Retirements			
23	2001		\$ (1,557,829)	
24				
25				
26				
27	Routine Activity	\$ 6,636	\$ (155)	
28	Historical Interim Activity	0.02%	0.00%	
29	Forecast Interim Activity	0.00%	0.00%	

30	2015	25									1,103,839
31	2016	24									1,103,839
32	2017	23									1,103,839
33	2018	22									1,103,839
34	2019	21									1,103,839
35	2020	20									1,103,839
36	2021	19									1,103,839
37	2022	18									1,103,839
38	2023	17									1,103,839
39	2024	16									1,103,839
40	2025	15									1,103,839
41	2026	14									1,103,839
42	2027	13									1,103,839
43	2028	12									1,103,839
44	2029	11									1,103,839
45	2030	10									1,103,839
46	2031	9									1,103,839
47	2032	8									1,103,839
48	2033	7									1,103,839
49	2034	6									1,103,839
50	2035	5									1,103,839
51	2036	4									1,103,839
52	2037	3									1,103,839
53	2038	2									1,103,839
54	2039	1									1,103,839
55	2040	0									1,103,839
										(1,103,839)	-
			\$ -	\$ 2,661,823	\$ (1,557,984)						\$ 57,822,813

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

<b>Whole Life Depreciation Rate Calculation</b>	
Historical Additions	2,661,823
Forecast Additions	-
Total Additions	2,661,823
Gross Salvage Value	88,307
Less Cost of Removal	110,384
Net Salvage Value	(22,077)
Total to be Recovered	2,639,900
Forecast Plant Balances	57,822,813
Whole Life Accrual Rate	4.64%
Cost of Removal Accrual Rate	0.19%
Whole Life Accrual Rate (Excluding Cost of Removal)	4.45%
Depreciable Service Life, years	21.5
<b>Remaining Life Depreciation Rate Calculation</b>	
Account Balance 12/31/14	1,103,839
Forecast Additions	-
Gross Salvage Value	88,307
Less Cost of Removal	110,384
Net Salvage Value	(22,077)
Depreciation Reserve Balance 12/31/14	(1,190,550)
Forecast Total Remaining Life Balance	(64,634)
Forecast Remaining Plant Balances	27,595,975
Remaining Life Accrual Rate	-0.23%





The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	10%
Unit Property Depreciation Rate Analysis	Cost of Removal	5%
Unit Property: Other Production, State Line Combustion Turbine	Net Salvage	5%
	Install Date	1985
	Retirement Date	2040
	Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances  
Account: 344 Generators

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Balance	Transaction Year			Vintage Year Retirements	Additions			Retirements
				Additions	Retirements						
1	1955	45	6,716,153	-	-	-	6,716,153	-	6,716,153		
2	1996	44	-	-	-	-	-	-	6,716,153		
3	1997	43	3,145,772	-	-	(2,812,721)	3,145,772	-	9,861,925		
4	1998	42	-	-	-	-	-	-	9,861,925		
5	1999	41	-	-	-	-	-	-	9,861,925		
6	2000	40	-	-	-	-	-	-	9,861,925		
7	2001	39	-	-	(2,812,721)	-	-	(2,812,721)	7,049,204		
8	2002	38	-	-	-	-	-	-	7,049,204		
9	2003	37	-	-	-	-	-	-	7,049,204		
10	2004	36	-	-	-	-	-	-	7,049,204		
11	2005	35	-	-	-	-	-	-	7,049,204		
12	2006	34	-	-	-	-	-	-	7,049,204		
13	2007	33	-	-	-	-	-	-	7,049,204		
14	2008	32	-	-	-	-	-	-	7,049,204		
15	2009	31	-	-	-	129,367	129,367	-	7,178,571		
16	2010	30	-	-	-	-	-	-	7,178,571		
17	2011	29	-	-	-	-	-	-	7,178,571		
18	2012	28	-	-	-	-	-	-	7,178,571		
19	2013	27	-	-	-	-	-	-	7,178,571		
20	2014	26	-	-	-	-	-	-	7,178,571		
21	Total		\$ 9,861,925	\$ -	\$ (2,812,721)	\$ (2,812,721)	\$ 129,367	\$ 9,991,292	\$ (2,812,721)	\$ -	\$ 152,345,064
22	Major Additions/Retirements										
23	2001				\$ (2,812,721)						
24											
25											
26											
27	Routine Activity		\$ -	\$ -							
28	Historical Interim Activity		0.00%	0.00%							
29	Forecast Interim Activity		0.00%	0.00%							
						Major Additions**					
30	2015	25									7,178,571
31	2016	24									7,178,571
32	2017	23									7,178,571
33	2018	22									7,178,571
34	2019	21									7,178,571
35	2020	20									7,178,571
36	2021	19									7,178,571
37	2022	18									7,178,571
38	2023	17									7,178,571
39	2024	16									7,178,571
40	2025	15									7,178,571
41	2026	14									7,178,571
42	2027	13									7,178,571
43	2028	12									7,178,571
44	2029	11									7,178,571
45	2030	10									7,178,571
46	2031	9									7,178,571
47	2032	8									7,178,571
48	2033	7									7,178,571
49	2034	6									7,178,571
50	2035	5									7,178,571
51	2036	4									7,178,571
52	2037	3									7,178,571
53	2038	2									7,178,571
54	2039	1									7,178,571
55	2040	0									-
									(7,178,571)		
							\$ -	\$ 9,991,292	\$ (2,812,721)		\$ 331,809,339

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

<b>Whole Life Depreciation Rate Calculation</b>	
Historical Additions	9,991,292
Forecast Additions	-
<b>Total Additions</b>	<b>9,991,292</b>
Gross Salvage Value	717,857
Less Cost of Removal	358,929
Net Salvage Value	358,929
<b>Total to be Recovered</b>	<b>9,632,363</b>
Forecast Plant Balances	331,809,339
Whole Life Accrual Rate	2.90%
Cost of Removal Accrual Rate	0.11%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>2.79%</b>
Depreciable Service Life, years	34.4
<b>Remaining Life Depreciation Rate Calculation</b>	
Account Balance 12/31/14	7,178,571
Forecast Additions	-
Gross Salvage Value	717,857
Less Cost of Removal	358,929
Net Salvage Value	358,929
Depreciation Reserve Balance 12/31/14	(4,282,803)
Forecast Total Remaining Life Balance	2,536,839
Forecast Remaining Plant Balances	179,464,275
Remaining Life Accrual Rate	1.41%





The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
Unit Property: Other Production, State Line Combustion Turbine	Net Salvage	-2%
	Install Date	1995
	Retirement Date	2040
	Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1995	45	34,968	-	-	(30,771)	-	34,968	-	-	34,968
2	1996	44	9,676	-	-	(9,676)	-	9,676	-	-	44,644
3	1997	43	35,383	-	-	(2,832)	-	35,383	-	-	80,027
4	1998	42	-	-	-	-	-	-	-	-	80,027
5	1999	41	-	-	-	-	-	-	-	-	80,027
6	2000	40	-	2,001	-	-	-	2,001	-	-	82,028
7	2001	39	-	666,782	(43,279)	(8,880)	-	666,782	(43,279)	-	705,531
8	2002	38	-	-	-	-	-	-	-	-	705,531
9	2003	37	-	-	-	-	-	-	-	-	705,531
10	2004	36	-	17,476	-	-	-	17,476	-	-	723,007
11	2005	35	-	33,490	-	-	-	33,490	-	-	756,497
12	2006	34	-	39,554	-	(9,069)	(2,168)	37,385	-	-	793,833
13	2007	33	-	10,815	-	(5,471)	-	10,815	-	-	804,648
14	2008	32	-	205,238	-	-	2,168	207,406	-	-	1,012,104
15	2009	31	-	1,274	(18,969)	-	48,719	49,993	(18,969)	-	1,043,128
16	2010	30	-	3,500	-	-	-	3,500	-	-	1,046,628
17	2011	29	-	-	(5,471)	-	-	-	(5,471)	-	1,041,157
18	2012	28	-	-	-	-	-	-	-	-	1,041,157
19	2013	27	-	-	-	-	-	-	-	-	1,041,157
20	2014	26	-	-	-	-	-	-	-	-	1,041,157
21	Total		\$ 80,027	\$ 950,130	\$ (67,719)	\$ (67,719)	\$ 48,719	\$ 1,108,876	\$ (67,719)	\$ -	\$ 12,862,858

22	Major Additions/Retirements			
23	2001	\$ 666,782	\$ (43,279)	
24	2008	\$ 205,238		
25				
26				
27	Routine Activity	\$ 156,829	\$ (24,440)	
28	Historical Interim Activity	1.22%	-0.19%	
29	Forecast Interim Activity	1.22%	-0.19%	

Major Additions\*\*

30	2015	25				12,694	(1,978)		1,051,873		
31	2016	24				12,825	(1,999)		1,062,659		
32	2017	23				12,957	(2,019)		1,073,637		
33	2018	22				13,090	(2,040)		1,084,687		
34	2019	21				13,225	(2,061)		1,095,851		
35	2020	20				13,351	(2,082)		1,107,130		
36	2021	19				13,499	(2,104)		1,118,525		
37	2022	18				13,637	(2,125)		1,130,037		
38	2023	17				13,778	(2,147)		1,141,668		
39	2024	16				13,920	(2,169)		1,153,419		
40	2025	15				14,063	(2,192)		1,165,290		
41	2026	14				14,208	(2,214)		1,177,284		
42	2027	13				14,354	(2,237)		1,189,401		
43	2028	12				14,502	(2,260)		1,201,642		
44	2029	11				14,651	(2,283)		1,214,010		
45	2030	10				14,802	(2,307)		1,226,505		
46	2031	9				14,954	(2,330)		1,239,129		
47	2032	8				15,108	(2,354)		1,251,882		
48	2033	7				15,263	(2,379)		1,264,767		
49	2034	6				15,420	(2,403)		1,277,784		
50	2035	5				15,579	(2,428)		1,290,935		
51	2036	4				15,740	(2,453)		1,304,223		
52	2037	3				15,902	(2,478)		1,317,646		
53	2038	2				16,065	(2,504)		1,331,208		
54	2039	1				16,231	(2,529)		1,344,909		
55	2040	0									
									(1,344,909)		\$ 42,679,032

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	1,108,876
Forecast Additions	359,826
Total Additions	1,468,702
Gross Salvage Value	107,593
Less Cost of Removal	134,491
Net Salvage Value	(26,898)
Total to be Recovered	1,495,600

Forecast Plant Balances 42,679,032

Who's Life Accrual Rate	3.50%
Cost of Removal Accrual Rate	0.32%
Who's Life Accrual Rate (Excluding Cost of Removal)	3.18%

Depreciable Service Life, years 28.5

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	1,041,157
Forecast Additions	359,826
Gross Salvage Value	107,593
Less Cost of Removal	134,491
Net Salvage Value	(26,898)

Depreciation Reserve Balance 12/31/14 (803,610)

Forecast Total Remaining Life Balance	1,124,271
Forecast Remaining Plant Balances	23,816,144
Remaining Life Accrual Rate	3.77%

[THIS PAGE INTENTIONALLY LEFT BLANK]

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Summary by Plant  
 The Empire District Electric Company  
 Energy Center Combustion Turbine

Account	Description	Direct Investment 2014\$	Depreciation Rate
341	Structures & Improvements	2,134,901	1.61%
342	Fuel Holders, Producers & Accessories	1,290,086	0.00%
343	Prime Movers	27,798,738	2.93%
344	Generators	4,737,701	0.00%
345	Accessory Electric Equipment	2,248,690	5.55%
346	Misc Power Equipment	1,813,312	0.00%
<b>Total</b>		40,023,428	<b>2.43%</b> remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 341 Structures & Improvements

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G]	[H] [I]		[J]	[K]
			Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year	Advance	Additions	Retirements		
			Balance	Additions	Retirements	Retirements	Additions	Additions	Retirements		
1	1977	49	763	-	-	-	-	763	-	-	763
2	1978	48	1,453,319	-	-	(13,921)	-	1,453,319	-	-	1,454,082
3	1979	47	-	-	-	-	-	-	-	-	1,454,082
4	1980	46	-	-	-	-	-	-	-	-	1,454,082
5	1981	45	227,761	-	-	(11,365)	-	227,761	-	-	1,681,843
6	1982	44	1,369	-	-	-	-	1,369	-	-	1,683,212
7	1983	43	-	-	-	-	-	-	-	-	1,683,212
8	1984	42	-	-	-	-	-	-	-	-	1,683,212
9	1985	41	-	-	-	-	-	-	-	-	1,683,212
10	1986	40	-	-	-	-	-	-	-	-	1,683,212
11	1987	39	-	-	-	-	-	-	-	-	1,683,212
12	1988	38	-	-	-	-	-	-	-	-	1,683,212
13	1989	37	-	-	-	-	-	-	-	-	1,683,212
14	1990	36	-	-	-	-	-	-	-	-	1,683,212
15	1991	35	-	-	-	-	-	-	-	-	1,683,212
16	1992	34	-	-	-	-	-	-	-	-	1,683,212
17	1993	33	-	-	-	-	-	-	-	-	1,683,212
18	1994	32	1,786	-	-	-	-	1,786	-	-	1,684,998
19	1995	31	-	-	-	-	-	-	-	-	1,684,998
20	1996	30	-	-	-	-	-	-	-	-	1,684,998
21	1997	29	11,045	-	-	-	-	11,045	-	-	1,696,043
22	1998	28	39,665	-	-	-	-	39,665	-	-	1,735,708
23	1999	27	-	113,958	-	-	-	113,958	-	-	1,849,666
24	2000	26	-	35,111	-	-	-	35,111	-	-	1,884,777
25	2001	25	-	-	-	-	-	-	-	-	1,884,777
26	2002	24	-	-	-	-	-	-	-	-	1,884,777
27	2003	23	-	-	(1,657)	-	-	-	(1,657)	-	1,883,120
28	2004	22	-	50,612	-	-	-	50,612	-	-	1,933,732
29	2005	21	-	-	-	-	-	-	-	-	1,933,732
30	2006	20	-	-	-	-	-	-	-	-	1,933,732
31	2007	19	-	8,819	-	-	-	8,819	-	-	1,942,551
31	2008	18	-	5,705	-	-	-	5,705	-	-	1,948,256
32	2009	17	-	-	-	-	-	-	-	-	1,948,256
33	2010	16	-	11,345	-	-	-	11,345	-	-	1,959,601
34	2011	15	-	5,095	(23,057)	-	-	5,095	(23,057)	-	1,941,639
35	2012	14	-	10,381	-	-	-	10,381	-	-	1,952,020
36	2013	13	-	-	-	-	176,966	176,966	-	-	2,128,986
37	2014	12	-	-	(572)	-	6,487	6,487	(572)	-	2,134,901
38	Total		\$ 1,735,708	\$ 241,026	\$ (25,286)	\$ (25,286)	\$ 183,453	\$ 2,160,187	\$ (25,286)	\$ -	\$ 65,874,664
39	Major Additions/Retirements										
40											
41											
42											
43											
44	Routine Activity			\$ 424,479	\$ (25,286)						
45	Historical Interim Activity			0.64%	-0.04%						
46	Forecast Interim Activity			0.64%	-0.04%						
47	2015	11						13,757	(819)		2,147,838
48	2016	10						13,840	(824)		2,160,854
49	2017	9						13,924	(829)		2,173,948
50	2018	8						14,008	(834)		2,187,122
51	2019	7						14,093	(840)		2,200,376
52	2020	6						14,179	(845)		2,213,710
53	2021	5						14,265	(850)		2,227,125
54	2022	4						14,351	(855)		2,240,621
55	2023	3	UNIT 1 RETIRES 2023					14,438	(860)		2,254,199
56	2024	2						14,525	(865)		2,267,859
57	2025	1						14,613	(871)		2,281,602
58	2026	0								(2,281,602)	-
								\$ 2,316,180	\$ (34,579)		\$ 90,229,916

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 341 Structures & Improvements

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E]			[F] Vintage Year Retirements	[G] Account 106 Advance Additions	[H] [I]		[J] Transfers and Adjustments	[K] End of Year Plant Balance*
			Reported Per Books					Adjusted Transaction Year			
			Transaction Year					Additions	Retirements		

Whole Life Depreciation Rate Calculation

Historical Additions	2,160,187
Forecast Additions	155,993
Total Additions	2,316,180
Gross Salvage Value	182,528
Less Cost of Removal	228,160
Net Salvage Value	(45,632)
Total to be Recovered	2,361,812

Forecast Plant Balances 90,229,916

Whole Life Accrual Rate	2.62%
Cost of Removal Accrual Rate	0.25%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.36%

Depreciable Service Life, years 38.2

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	2,134,901
Forecast Additions	155,993
Gross Salvage Value	182,528
Less Cost of Removal	228,160
Net Salvage Value	(45,632)

Depreciation Reserve Balance 12/31/14 (1,945,178)

Forecast Total Remaining Life Balance	391,348
Forecast Plant Balances	24,355,252
Remaining Life Accrual Rate	1.61%



The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
 Account: 342 Fuel Holders, Producers & Accessories

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E]			[F]	[G]	[H]	[I]	[J]	[K]
			Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Balance	Additions	Retirements		Retirements	Additions			Retirements

Whole Life Depreciation Rate Calculation

Historical Additions	1,387,447
Forecast Additions	77,199
<b>Total Additions</b>	<b>1,464,645</b>
Gross Salvage Value	106,674
Less Cost of Removal	133,343
<b>Net Salvage Value</b>	<b>(26,669)</b>
<b>Total to be Recovered</b>	<b>1,491,314</b>

Forecast Plant Balances 55,874,776

Whole Life Accrual Rate	2.67%
Cost of Removal Accrual Rate	0.24%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>2.43%</b>

Depreciable Service Life, years 37.5

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	1,290,086
Forecast Additions	77,199
Gross Salvage Value	106,674
Less Cost of Removal	133,343
<b>Net Salvage Value</b>	<b>(26,669)</b>

Depreciation Reserve Balance 12/31/14 (1,565,630)

Forecast Total Remaining Life Balance	(171,677)
Forecast Plant Balances	14,449,680
<b>Remaining Life Accrual Rate</b>	<b>-1.19%</b>





The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 343 Prime Movers

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year Retirements	Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Advance		Additions	Retirements			
			Balance	Additions	Retirements	Additions					

Whole Life Depreciation Rate Calculation

Historical Additions	31,118,335
Forecast Additions	1,119,668
Total Additions	32,238,003
Gross Salvage Value	3,899,991
Less Cost of Removal	1,949,996
Net Salvage Value	1,949,996
Total to be Recovered	30,288,008

Forecast Plant Balances 1,116,066,912

Whole Life Accrual Rate	2.71%
Cost of Removal Accrual Rate	0.17%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.54%

Depreciable Service Life, years 36.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	27,798,738
Forecast Additions	1,119,668
Gross Salvage Value	3,899,991
Less Cost of Removal	1,949,996
Net Salvage Value	1,949,996

Depreciation Reserve Balance 12/31/14 (16,468,237)

Forecast Total Remaining Life Balance	10,500,174
Forecast Plant Balances	358,763,339
Remaining Life Accrual Rate	2.93%



The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 344 Generators

Line	[A]	[B]	[C]			[D]	[E]	[F]	[G]	[H]		[I]	[J]	[K]
	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Advance Additions	Account 106 Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*		
			Balance	Additions	Retirements				Additions	Retirements				

Whole Life Depreciation Rate Calculation

Historical Additions	4,652,757
Forecast Additions	184,496
Total Additions	4,837,253
Gross Salvage Value	680,172
Less Cost of Removal	340,086
Net Salvage Value	340,086
Total to be Recovered	4,497,167

Forecast Plant Balances 210,168,671

Whole Life Accrual Rate	2.14%
Cost of Removal Accrual Rate	0.16%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.98%

Depreciable Service Life, years 46.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	4,737,701
Forecast Additions	184,496
Gross Salvage Value	680,172
Less Cost of Removal	340,086
Net Salvage Value	340,086

Depreciation Reserve Balance 12/31/14 (6,737,484)

Forecast Total Remaining Life Balance	(2,155,373)
Forecast Plant Balances	58,787,544
Remaining Life Accrual Rate	-3.67%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 345 Accessory Electric Equipment

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G]	[H] [I]		[J]	[K]
			Reported Per Books			Vintage Year Retirements	Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Balance	Additions	Retirements			Additions	Retirements		
1	1977	49	-	-	-	-	-	-	-	-	-
2	1978	48	258,607	-	-	-	-	258,607	-	-	258,607
3	1979	47	-	-	-	-	-	-	-	-	258,607
4	1980	46	-	-	-	-	-	-	-	-	258,607
5	1981	45	63,365	-	-	-	-	63,365	-	-	321,972
6	1982	44	-	-	-	-	-	-	-	-	321,972
7	1983	43	-	-	-	-	-	-	-	-	321,972
8	1984	42	-	-	-	-	-	-	-	-	321,972
9	1985	41	-	-	-	-	-	-	-	-	321,972
10	1986	40	-	-	-	-	-	-	-	-	321,972
11	1987	39	-	-	-	-	-	-	-	-	321,972
12	1988	38	-	-	-	-	-	-	-	-	321,972
13	1989	37	-	-	-	-	-	-	-	-	321,972
14	1990	36	-	-	-	-	-	-	-	-	321,972
15	1991	35	-	-	-	-	-	-	-	-	321,972
16	1992	34	-	-	-	-	-	-	-	-	321,972
17	1993	33	-	-	-	-	-	-	-	-	321,972
18	1994	32	-	-	-	-	-	-	-	-	321,972
19	1995	31	-	-	-	-	-	-	-	-	321,972
20	1996	30	-	-	-	-	-	-	-	-	321,972
21	1997	29	-	-	-	-	-	-	-	-	321,972
22	1998	28	-	-	-	-	-	-	-	-	321,972
23	1999	27	-	-	-	-	-	-	-	-	321,972
24	2000	26	-	-	-	-	-	-	-	-	321,972
25	2001	25	-	-	-	-	-	-	-	-	321,972
26	2002	24	-	17,443	-	-	-	17,443	-	-	339,415
27	2003	23	-	-	-	-	-	-	-	-	339,415
28	2004	22	-	-	-	-	-	-	-	-	339,415
29	2005	21	-	43,425	-	-	-	43,425	-	-	382,840
30	2006	20	-	16,545	-	-	-	16,545	-	-	399,385
31	2007	19	-	-	-	-	-	-	-	-	399,385
31	2008	18	-	5,342	-	-	-	5,342	-	1,687,137	2,091,864
32	2009	17	-	-	-	-	-	-	-	-	2,091,864
33	2010	16	-	-	-	-	-	-	-	-	2,091,864
34	2011	15	-	-	-	-	-	-	-	-	2,091,864
35	2012	14	-	-	-	-	-	-	-	-	2,091,864
36	2013	13	-	-	-	-	-	-	-	-	2,091,864
37	2014	12	-	-	-	-	200,251	200,251	-	(43,425)	2,248,690
38	Total		\$ 321,972	\$ 82,755	\$ -	\$ -	\$ 200,251	\$ 604,978	\$ -	\$ 1,643,712	\$ 24,536,962
39	Major Additions/Retirements										
40											
41											
42											
43											
44	Routine Activity		\$ 283,006	\$ -							
45	Historical Interim Activity		1.15%	0.00%							
46	Forecast Interim Activity		1.15%	0.00%							
47	2015	11						25,936	-		2,274,626
48	2016	10						26,235	-		2,300,861
49	2017	9						26,538	-		2,327,399
50	2018	8						26,844	-		2,354,243
51	2019	7						27,153	-		2,381,396
52	2020	6						27,467	-		2,408,863
53	2021	5						27,783	-		2,436,647
54	2022	4						28,104	-		2,464,751
55	2023	3	UNIT 1 RETIRES 2023					28,428	-		2,493,179
56	2024	2						28,756	-		2,521,935
57	2025	1						29,088	-		2,551,022
58	2026	0								(2,551,022)	-
			\$ 907,310	\$ -							\$ 51,051,884

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 345 Accessory Electric Equipment

Line	[A]	[B]	[C]				[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*			
			Balance	Additions	Retirements	Retirements		Additions	Retirements					

Whole Life Depreciation Rate Calculation

Historical Additions	604,978
Forecast Additions	302,332
<b>Total Additions</b>	<b>907,310</b>
Gross Salvage Value	204,082
Less Cost of Removal	255,102
<b>Net Salvage Value</b>	<b>(51,020)</b>
<b>Total to be Recovered</b>	<b>958,330</b>

Forecast Plant Balances 51,051,884

Whole Life Accrual Rate	1.88%
Cost of Removal Accrual Rate	0.50%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>1.38%</b>

Depreciable Service Life, years 53.3

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	2,248,690
Forecast Additions	302,332
Gross Salvage Value	204,082
Less Cost of Removal	255,102
<b>Net Salvage Value</b>	<b>(51,020)</b>

Depreciation Reserve Balance 12/31/14 (1,129,918)

Forecast Total Remaining Life Balance	1,472,125
Forecast Plant Balances	26,514,922
<b>Remaining Life Accrual Rate</b>	<b>5.55%</b>

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					
1	1977	49	-	-	-	-	-	-	-	-	
2	1978	48	47,757	-	-	(13,623)	-	47,757	-	47,757	
3	1979	47	-	-	-	-	-	-	-	47,757	
4	1980	46	356	-	-	(356)	-	356	-	48,113	
5	1981	45	990,166	-	-	(4,965)	-	990,166	-	1,038,279	
6	1982	44	8,388	-	-	(1,311)	-	8,388	-	1,046,667	
7	1983	43	16,388	-	-	-	-	16,388	-	1,063,055	
8	1984	42	-	-	-	-	-	-	-	1,063,055	
9	1985	41	4,078	-	-	(811)	-	4,078	-	1,067,133	
10	1986	40	2,024	-	-	-	-	2,024	-	1,069,157	
11	1987	39	6,465	-	-	(3,657)	-	6,465	-	1,075,622	
12	1988	38	7,375	-	-	(536)	-	7,375	-	1,082,997	
13	1989	37	18,665	-	-	(15,682)	-	18,665	-	1,101,662	
14	1990	36	-	-	-	-	-	-	-	1,101,662	
15	1991	35	1,587	-	-	-	-	1,587	-	1,103,249	
16	1992	34	-	-	-	-	-	-	-	1,103,249	
17	1993	33	-	-	-	-	-	-	-	1,103,249	
18	1994	32	1,899	-	-	-	-	1,899	-	1,105,148	
19	1995	31	-	-	-	-	-	-	-	1,105,148	
20	1996	30	10,526	-	-	(4,796)	-	10,526	-	1,115,674	
21	1997	29	3,913	-	-	-	-	3,913	-	1,119,587	
22	1998	28	9,903	-	-	-	-	9,903	-	1,129,490	
23	1999	27	-	8,711	-	(8,170)	-	8,711	-	1,138,201	
24	2000	26	-	35,181	-	(1,251)	-	35,181	-	1,173,382	
25	2001	25	-	-	-	-	-	-	-	1,173,382	
26	2002	24	-	48,967	-	(8,379)	-	48,967	-	1,222,349	
27	2003	23	-	48,373	(17,157)	(45,877)	-	48,373	(17,157)	1,253,565	
28	2004	22	-	14,909	-	-	-	14,909	-	1,268,474	
29	2005	21	-	52,126	-	-	-	52,126	-	1,320,600	
30	2006	20	-	20,484	-	-	-	20,484	-	1,341,084	
31	2007	19	-	15,414	-	-	0	15,414	-	1,356,498	
31	2008	18	-	9,926	-	-	-	9,926	-	1,366,424	
32	2009	17	-	357,787	(6,112)	-	(0)	357,787	(6,112)	1,718,099	
33	2010	16	-	47,179	(4,796)	-	-	47,179	(4,796)	1,760,483	
34	2011	15	-	8,545	(77,268)	-	-	8,545	(77,268)	1,691,759	
35	2012	14	-	6,138	-	-	-	6,138	-	1,697,897	
36	2013	13	-	-	-	-	21,970	21,970	-	1,719,867	
37	2014	12	-	-	(4,080)	-	97,524	97,524	(4,080)	1,813,312	
38	Total		\$ 1,129,490	\$ 673,741	\$ (109,413)	\$ (109,413)	\$ 119,494	\$ 1,922,725	\$ (109,413)	\$ 42,753,086	
39	Major Additions/Retirements										
40	2009			\$ 357,787							
41	2011				(77,268)						
42	2014			\$ 97,524							
43											
44	Routine Activity			\$ 337,923	\$ (32,144)						
45	Historical Interim Activity			0.79%	-0.08%						
46	Forecast Interim Activity			0.79%	-0.08%						
47	2015	11					Major Additions**	14,333	(1,363)	1,826,281	
48	2016	10						14,435	(1,373)	1,839,343	
49	2017	9						14,538	(1,383)	1,852,498	
50	2018	8						14,642	(1,393)	1,865,748	
51	2019	7						14,747	(1,403)	1,879,092	
52	2020	6						14,852	(1,413)	1,892,532	
53	2021	5						14,959	(1,423)	1,906,067	
54	2022	4						15,066	(1,433)	1,919,700	
55	2023	3	UNIT 1 RETIRES 2023					15,173	(1,443)	1,981,187	
56	2024	2						15,659	(1,490)	1,995,357	
57	2025	1						15,771	(1,500)	2,009,628	
58	2026	0								-	
								\$ 2,086,901	\$ (125,030)	\$ 63,720,518	

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Energy Center Combustion Turbine	Install Date	1978
	Retirement Date	2026
	Service Life, Yrs	48

Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	[A]	[B]	[C]			[D]	[E]	[F]	[G]	[H]		[I]	[J]	[K]
	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Advance	Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*		
			Balance	Additions	Retirements				Additions	Retirements				

**Whole Life Depreciation Rate Calculation**

Historical Additions	1,922,725
Forecast Additions	164,176
<b>Total Additions</b>	<b>2,086,901</b>
Gross Salvage Value	160,770
Less Cost of Removal	200,963
<b>Net Salvage Value</b>	<b>(40,193)</b>
<b>Total to be Recovered</b>	<b>2,127,093</b>

Forecast Plant Balances 63,720,518

Whole Life Accrual Rate	3.34%
Cost of Removal Accrual Rate	0.32%
<b>Whole Life Accrual Rate (Excluding Cost of Removal)</b>	<b>3.02%</b>

Depreciable Service Life, years 30.0

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	1,813,312
Forecast Additions	164,176
Gross Salvage Value	160,770
Less Cost of Removal	200,963
<b>Net Salvage Value</b>	<b>(40,193)</b>

Depreciation Reserve Balance 12/31/14 (3,163,476)

<b>Forecast Total Remaining Life Balance</b>	<b>(1,145,795)</b>
Forecast Plant Balances	20,967,432
<b>Remaining Life Accrual Rate</b>	<b>-5.46%</b>



[THIS PAGE INTENTIONALLY LEFT BLANK]

Summary by Plant  
 The Empire District Electric Company  
 Energy Center FT8s

Account	Description	Direct Investment 2014\$	Depreciation Rate
341	Structures & Improvements	1,147,718	3.27%
342	Fuel Holders, Producers & Accessories	1,467,461	2.99%
343	Prime Movers	48,234,546	3.26%
344	Generators	519,289	3.20%
345	Accessory Electric Equipment	3,298,748	3.15%
346	Misc Power Equipment	1,105,378	3.12%
<b>Total</b>		55,773,139	3.24% remaining life weighted average rate

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Energy Center FT&S

Gross Salvage 8%  
 Cost of Removal 10%  
 Net Salvage -2%  
 Install Date 2003  
 Retirement Date 2043  
 Service Life, Yrs 40

Historical and Forecast Plant Additions & Balances  
 Account: 341 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year				Vintage Year Retirements	Additions			Retirements
			Balance	Additions	Retirements						
1	2003	40	-	1,106,408	-	-	1,106,408	-	1,106,408		
2	2004	39	-	-	-	-	-	-	1,106,408		
3	2005	38	-	-	-	-	-	-	1,106,408		
4	2006	37	-	-	-	-	-	-	1,106,408		
5	2007	36	-	-	-	-	-	-	1,106,408		
6	2008	35	-	-	-	-	-	-	1,106,408		
7	2009	34	-	-	-	-	-	-	1,106,408		
8	2010	33	-	-	-	-	-	-	1,106,408		
9	2011	32	-	27,476	-	-	27,476	-	1,133,884		
10	2012	31	-	-	-	-	-	-	1,133,884		
11	2013	30	-	-	-	13,834	13,834	-	1,147,718		
12	2014	29	-	-	-	-	-	-	1,147,718		
13	Total		\$ -	\$ 1,133,884	\$ -	\$ -	\$ 13,834	\$ 1,147,718	\$ -	\$ 13,414,467	
14	Major Additions/Retirements										
15	2003			\$ 1,106,408							
16											
17	Routine Activity										
18	Historical Interim Activity			\$ 27,476	\$ -						
19	Forecast Interim Activity			0.20%	0.00%						
Major Additions**											
20	2015	28				2,351	-			1,150,069	
21	2016	27				2,356	-			1,152,424	
22	2017	26				2,360	-			1,154,785	
23	2018	25				2,365	-			1,157,150	
24	2019	24				2,370	-			1,159,520	
25	2020	23				2,375	-			1,161,895	
26	2021	22				2,380	-			1,164,275	
27	2022	21				2,385	-			1,166,659	
28	2023	20				2,390	-			1,169,049	
29	2024	19				2,394	-			1,171,443	
30	2025	18				2,399	-			1,173,843	
31	2026	17				2,404	-			1,176,247	
32	2027	16				2,409	-			1,178,656	
33	2028	15				2,414	-			1,181,070	
34	2029	14				2,419	-			1,183,489	
35	2030	13				2,424	-			1,185,913	
36	2031	12				2,429	-			1,188,342	
37	2032	11				2,434	-			1,190,776	
38	2033	10				2,439	-			1,193,215	
39	2034	9				2,444	-			1,195,659	
40	2035	8				2,449	-			1,198,108	
41	2036	7				2,454	-			1,200,562	
42	2037	6				2,459	-			1,203,021	
43	2038	5				2,464	-			1,205,485	
44	2039	4				2,469	-			1,207,954	
45	2040	3				2,474	-			1,210,429	
46	2041	2				2,479	-			1,212,908	
47	2042	1				2,484	-			1,215,392	
48	2043	0						(1,215,392)		-	
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,522,808	

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
 \*\* From 2015 capital budget

<b>Whole Life Depreciation Rate Calculation</b>	
Historical Additions	1,147,718
Forecast Additions	67,674
<u>Total Additions</u>	1,215,392
Gross Salvage Value	97,231
<u>Less Cost of Removal</u>	121,539
Net Salvage Value	(24,308)
<u>Total to be Recovered</u>	1,239,700
Forecast Plant Balances	46,522,808
Whole Life Accrual Rate	2.66%
Cost of Removal Accrual Rate	0.26%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.40%
Depreciable Service Life, years	37.5
<b>Remaining Life Depreciation Rate Calculation</b>	
Account Balance 12/31/14	1,147,718
Forecast Additions	67,674
Gross Salvage Value	97,231
<u>Less Cost of Removal</u>	121,539
Net Salvage Value	(24,308)
Depreciation Reserve Balance 12/31/14	(157,634)
Forecast Total Remaining Life Balance	1,082,066
Forecast Plant Balances	33,108,341
Remaining Life Accrual Rate	3.27%

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
Unit Property: Other Production, Energy Center FTBs	Net Salvage	-2%
	Install Date	2003
	Retirement Date	2043
	Service Life, Yrs	40

Historical and Forecast Plant Additions & Balances  
Account: 342 Fuel Holders, Producers & Accessories

Line	Vintage Year	Vintage Age	Reported Per Books				Account 105 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2003	40	-	1,390,887	-	(23,725)	-	1,390,887	-	-	1,390,887
2	2004	39	-	-	-	-	-	-	-	-	1,390,887
3	2005	38	-	-	-	-	-	-	-	-	1,390,887
4	2006	37	-	-	-	-	-	-	-	-	1,390,887
5	2007	36	-	-	-	-	-	-	-	-	1,390,887
6	2008	35	-	-	-	-	-	-	-	-	1,390,887
7	2009	34	-	32,501	-	-	-	32,501	-	-	1,423,388
8	2010	33	-	-	-	-	-	-	-	-	1,423,388
9	2011	32	-	-	(23,725)	-	-	-	(23,725)	-	1,399,663
10	2012	31	-	-	-	-	-	-	-	-	1,399,663
11	2013	30	-	-	-	-	-	-	-	-	1,399,663
12	2014	29	-	-	-	-	67,798	67,798	-	-	1,467,461
13	Total		\$ -	\$ 1,423,388	\$ (23,725)	\$ (23,725)	\$ 67,798	\$ 1,491,186	\$ (23,725)	\$ -	\$ 16,858,546
14	Major Additions/Retirements										
15	2003			\$ 1,390,887							
16											
17	Routine Activity			\$ 32,501	\$ (23,725)						
18	Historical Interim Activity			0.19%	-0.14%						
19	Forecast Interim Activity			0.19%	-0.14%						
							Major Additions**				
20	2015	28					2,829	(2,065)			1,468,225
21	2016	27					2,830	(2,066)			1,468,959
22	2017	26					2,832	(2,067)			1,469,754
23	2018	25					2,833	(2,068)			1,470,519
24	2019	24					2,835	(2,069)			1,471,285
25	2020	23					2,836	(2,071)			1,472,050
26	2021	22					2,838	(2,072)			1,472,817
27	2022	21					2,839	(2,073)			1,473,583
28	2023	20					2,841	(2,074)			1,474,350
29	2024	19					2,842	(2,075)			1,475,118
30	2025	18					2,844	(2,076)			1,475,886
31	2026	17					2,845	(2,077)			1,476,654
32	2027	16					2,847	(2,078)			1,477,423
33	2028	15					2,848	(2,079)			1,478,192
34	2029	14					2,850	(2,080)			1,478,961
35	2030	13					2,851	(2,081)			1,479,731
36	2031	12					2,853	(2,082)			1,480,501
37	2032	11					2,854	(2,083)			1,481,272
38	2033	10					2,856	(2,085)			1,482,043
39	2034	9					2,857	(2,086)			1,482,815
40	2035	8					2,859	(2,087)			1,483,587
41	2036	7					2,860	(2,088)			1,484,359
42	2037	6					2,862	(2,089)			1,485,132
43	2038	5					2,863	(2,090)			1,485,905
44	2039	4					2,865	(2,091)			1,486,678
45	2040	3					2,866	(2,092)			1,487,452
46	2041	2					2,868	(2,093)			1,488,226
47	2042	1					2,869	(2,094)			1,489,001
48	2043	0							(1,489,001)		58,259,055
			\$ -	\$ 1,570,958	\$ (81,957)						\$ 58,259,055

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	1,491,186
Forecast Additions	79,772
<b>Total Additions</b>	<b>1,570,958</b>
Gross Salvage Value	119,120
Less Cost of Removal	148,900
<b>Net Salvage Value</b>	<b>(29,780)</b>
<b>Total to be Recovered</b>	<b>1,600,738</b>

Forecast Plant Balances 58,259,055

Who's Life Accrual Rate	2.75%
Cost of Removal Accrual Rate	0.26%
<b>Who's Life Accrual Rate (Excluding Cost of Removal)</b>	<b>2.49%</b>
Depreciable Service Life, years	36.4

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	1,467,461
Forecast Additions	79,772
Gross Salvage Value	119,120
Less Cost of Removal	148,900
<b>Net Salvage Value</b>	<b>(29,780)</b>

Depreciation Reserve Balance 12/31/14 (337,597)

Forecast Total Remaining Life Balance	1,239,417
Forecast Plant Balances	41,400,508
<b>Remaining Life Accrual Rate</b>	<b>2.99%</b>

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Energy Center FT&S

Gross Salvage 10%  
 Cost of Removal 5%  
 Net Salvage 5%  
 Install Date 2003  
 Retirement Date 2043  
 Service Life, Yrs 40

Historical and Forecast Plant Additions & Balances  
 Account: 343 Prime Movers

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2003	40	-	47,703,864	-	(1,082,775)	-	47,703,864	-	-	47,703,864
2	2004	39	-	-	-	-	-	-	-	-	47,703,864
3	2005	38	-	5,738	-	-	-	5,738	-	-	47,709,602
4	2006	37	-	-	-	-	-	-	-	-	47,709,602
5	2007	36	-	-	-	-	-	-	-	-	47,709,602
6	2008	35	-	-	-	-	-	-	-	-	47,709,602
7	2009	34	-	1,536,672	(1,024,044)	-	-	1,536,672	(1,024,044)	-	48,222,231
8	2010	33	-	71,046	(0)	-	-	71,046	(0)	-	48,293,277
9	2011	32	-	-	(58,731)	-	-	-	(58,731)	-	48,234,546
10	2012	31	-	-	-	-	-	-	-	-	48,234,546
11	2013	30	-	-	-	-	-	-	-	-	48,234,546
12	2014	29	-	-	-	-	-	-	-	-	48,234,546
13	Total		\$ -	\$ 49,317,321	\$ (1,082,775)	\$ (1,082,775)	\$ -	\$ 49,317,321	\$ (1,082,775)	\$ -	\$ 575,699,829

14	Major Additions/Retirements			
15	2003		\$ 47,703,864	
16	2009		\$ (1,024,044)	
17	Routine Activity		\$ 1,613,456	\$ (58,731)
18	Historical Interim Activity		0.28%	-0.01%
19	Forecast Interim Activity		0.28%	-0.01%

Line	Vintage Year	Vintage Age	Major Additions**		End of Year Plant Balance*	
			Additions	Retirements		
20	2015	28	135,182	(4,921)	48,364,807	
21	2016	27	135,547	(4,934)	48,495,420	
22	2017	26	135,913	(4,947)	48,626,366	
23	2018	25	136,280	(4,961)	48,757,706	
24	2019	24	136,648	(4,974)	48,889,380	
25	2020	23	137,017	(4,988)	49,021,410	
26	2021	22	137,387	(5,001)	49,153,796	
27	2022	21	137,758	(5,015)	49,286,540	
28	2023	20	138,130	(5,028)	49,419,642	
29	2024	19	138,503	(5,042)	49,553,104	
30	2025	18	138,878	(5,055)	49,686,926	
31	2026	17	139,253	(5,069)	49,821,110	
32	2027	16	139,629	(5,083)	49,955,656	
33	2028	15	140,006	(5,096)	50,090,565	
34	2029	14	140,384	(5,110)	50,225,839	
35	2030	13	140,763	(5,124)	50,361,478	
36	2031	12	141,143	(5,138)	50,497,483	
37	2032	11	141,524	(5,152)	50,633,856	
38	2033	10	141,906	(5,166)	50,770,597	
39	2034	9	142,290	(5,179)	50,907,707	
40	2035	8	142,674	(5,193)	51,045,188	
41	2036	7	143,059	(5,207)	51,183,039	
42	2037	6	143,446	(5,222)	51,321,263	
43	2038	5	143,833	(5,236)	51,459,861	
44	2039	4	144,221	(5,250)	51,598,832	
45	2040	3	144,611	(5,264)	51,738,179	
46	2041	2	145,001	(5,278)	51,877,903	
47	2042	1	145,393	(5,292)	52,018,003	
48	2043	0			(52,018,003)	
			\$ 3,050,000	\$ 53,243,702	\$ (1,225,699)	\$ 1,980,461,506

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
 \*\* From 2015 capital budget

**Whole Life Depreciation Rate Calculation**

Historical Additions	49,317,321
Forecast Additions	6,976,382
Total Additions	56,293,702
Gross Salvage Value	5,201,800
Less Cost of Removal	2,600,900
Net Salvage Value	2,600,900
Total to be Recovered	53,692,802

Forecast Plant Balances 1,980,461,506

Whole Life Accrual Rate 2.71%  
 Cost of Removal Accrual Rate 0.13%  
 Whole Life Accrual Rate (Excluding Cost of Removal) 2.58%

Depreciable Service Life, years 36.9

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	48,234,546
Forecast Additions	6,976,382
Gross Salvage Value	5,201,800
Less Cost of Removal	2,600,900
Net Salvage Value	2,600,900
Depreciation Reserve Balance 12/31/14	(6,756,732)

Forecast Total Remaining Life Balance 45,853,295  
 Forecast Plant Balances 1,404,761,677  
 Remaining Life Accrual Rate 3.26%

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, Energy Center FTBs	Install Date	2003
	Retirement Date	2043
	Service Life, Yrs	40

Historical and Forecast Plant Additions & Balances  
Account: 344 Generators

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2003	40	-	508,989	-	(43,688)	-	508,989	-	508,989	
2	2004	39	-	-	-	-	-	-	-	508,989	
3	2005	38	-	-	-	-	-	-	-	508,989	
4	2006	37	-	11,382	-	-	-	11,382	-	520,371	
5	2007	36	-	-	-	-	-	-	-	520,371	
6	2008	35	-	11,382	-	-	-	11,382	-	531,753	
7	2009	34	-	-	-	-	-	-	-	531,753	
8	2010	33	-	31,224	-	-	-	31,224	-	562,977	
9	2011	32	-	-	(43,688)	-	-	-	(43,688)	519,289	
10	2012	31	-	-	-	-	-	-	-	519,289	
11	2013	30	-	-	-	-	-	-	-	519,289	
12	2014	29	-	-	-	-	-	-	-	519,289	
13	Total		\$ -	\$ 562,977	\$ (43,688)	\$ (43,688)	\$ -	\$ 562,977	\$ (43,688)	\$ 6,271,346	
14	Major Additions/Retirements										
15	2003			\$ 508,989							
16											
17	Routine Activity										
18	Historical Interim Activity			\$ 53,988	\$ (43,688)						
19	Forecast Interim Activity			0.86%	-0.70%						
							Major Additions**				
20	2015	28						-	-		519,289
21	2016	27						-	-		519,289
22	2017	26						-	-		519,289
23	2018	25						-	-		519,289
24	2019	24						-	-		519,289
25	2020	23						-	-		519,289
26	2021	22						-	-		519,289
27	2022	21						-	-		519,289
28	2023	20						-	-		519,289
29	2024	19						-	-		519,289
30	2025	18						-	-		519,289
31	2026	17						-	-		519,289
32	2027	16						-	-		519,289
33	2028	15						-	-		519,289
34	2029	14						-	-		519,289
35	2030	13						-	-		519,289
36	2031	12						-	-		519,289
37	2032	11						-	-		519,289
38	2033	10						-	-		519,289
39	2034	9						-	-		519,289
40	2035	8						-	-		519,289
41	2036	7						-	-		519,289
42	2037	6						-	-		519,289
43	2038	5						-	-		519,289
44	2039	4						-	-		519,289
45	2040	3						-	-		519,289
46	2041	2						-	-		519,289
47	2042	1						-	-		519,289
48	2043	0							(519,289)		-
				\$ -	\$ 562,977	\$ (43,688)		\$ -	\$ (43,688)		\$ 20,811,426

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	562,977
Forecast Additions	-
<u>Total Additions</u>	<u>562,977</u>
Gross Salvage Value	51,929
Less Cost of Removal	25,964
<u>Net Salvage Value</u>	<u>25,964</u>
Total to be Recovered	537,012

Forecast Plant Balances 20,811,426

Whole Life Accrual Rate	2.58%
Cost of Removal Accrual Rate	0.12%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.46%

Depreciable Service Life, years 38.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	519,289
Forecast Additions	-
Gross Salvage Value	51,929
Less Cost of Removal	25,964
<u>Net Salvage Value</u>	<u>25,964</u>

Depreciation Reserve Balance 12/31/14 (27,820)

Forecast Total Remaining Life Balance	465,504
Forecast Plant Balances	14,540,031
Remaining Life Accrual Rate	3.20%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Energy Center FT8s

Gross Salvage 8%  
 Cost of Removal 10%  
 Net Salvage -2%  
 Install Date 2003  
 Retirement Date 2043  
 Service Life, Yrs 40

Historical and Forecast Plant Additions & Balances  
 Account: 345 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2003	40	-	3,351,545	-	(156,431)	-	3,351,545	-	-	3,351,545
2	2004	39	-	-	-	-	-	-	-	-	3,351,545
3	2005	38	-	-	-	-	-	-	-	-	3,351,545
4	2006	37	-	-	-	-	-	-	-	-	3,351,545
5	2007	36	-	-	-	-	-	-	-	-	3,351,545
6	2008	35	-	-	-	-	-	-	-	-	3,351,545
7	2009	34	-	88,172	-	-	0	88,172	-	-	3,439,717
8	2010	33	-	-	(62,247)	-	-	-	(62,247)	-	3,377,470
9	2011	32	-	15,461	(85,884)	-	-	15,461	(66,884)	-	3,306,048
10	2012	31	-	-	-	-	-	-	-	-	3,306,048
11	2013	30	-	-	-	-	-	-	-	-	3,306,048
12	2014	29	-	-	(7,300)	-	-	-	(7,300)	-	3,298,748
13	Total		\$ -	\$ 3,455,179	\$ (156,431)	\$ (156,431)	\$ 0	\$ 3,455,179	\$ (156,431)	\$ -	\$ 40,143,351

14	Major Additions/Retirements				
15	2003		\$ 3,351,545		
16	2011			\$ (66,884)	
17	Routine Activity		\$ 103,633	\$ (69,547)	
18	Historical Interim Activity		0.26%	-0.17%	
19	Forecast Interim Activity		0.26%	-0.17%	

Major Additions\*\*

20	2015	28					8,516	(5,715)			3,301,549
21	2016	27					8,523	(5,720)			3,304,352
22	2017	26					8,530	(5,725)			3,307,158
23	2018	25					8,538	(5,730)			3,309,966
24	2019	24					8,545	(5,734)			3,312,777
25	2020	23					8,552	(5,739)			3,315,589
26	2021	22					8,559	(5,744)			3,318,405
27	2022	21					8,567	(5,749)			3,321,222
28	2023	20					8,574	(5,754)			3,324,042
29	2024	19					8,581	(5,759)			3,326,865
30	2025	18					8,589	(5,764)			3,329,690
31	2026	17					8,596	(5,769)			3,332,517
32	2027	16					8,603	(5,773)			3,335,347
33	2028	15					8,610	(5,778)			3,338,179
34	2029	14					8,618	(5,783)			3,341,013
35	2030	13					8,625	(5,788)			3,343,850
36	2031	12					8,632	(5,793)			3,346,689
37	2032	11					8,640	(5,798)			3,349,531
38	2033	10					8,647	(5,803)			3,352,375
39	2034	9					8,654	(5,808)			3,355,222
40	2035	8					8,662	(5,813)			3,358,071
41	2036	7					8,669	(5,818)			3,360,922
42	2037	6					8,676	(5,823)			3,363,776
43	2038	5					8,684	(5,828)			3,366,632
44	2039	4					8,691	(5,833)			3,369,491
45	2040	3					8,699	(5,838)			3,372,352
46	2041	2					8,706	(5,842)			3,375,215
47	2042	1					8,713	(5,847)			3,378,081
48	2043	0								(3,378,081)	-
			\$ -	\$ 3,696,379	\$ (318,298)						\$ 133,654,227

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
 \*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	3,455,179
Forecast Additions	241,201
Total Additions	3,696,379
Gross Salvage Value	270,246
Less Cost of Removal	337,808
Net Salvage Value	(67,562)
Total to be Recovered	3,763,941

Forecast Plant Balances 133,654,227

Whole Life Accrual Rate 2.82%  
 Cost of Removal Accrual Rate 0.25%  
 Whole Life Accrual Rate (Excluding Cost of Removal) 2.56%

Depreciable Service Life, years 35.5

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	3,298,748
Forecast Additions	241,201
Gross Salvage Value	270,246
Less Cost of Removal	337,808
Net Salvage Value	(67,562)

Depreciation Reserve Balance 12/31/14 (658,318)

Forecast Total Remaining Life Balance 2,949,192  
 Forecast Plant Balances 93,510,876  
 Remaining Life Accrual Rate 3.15%

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
Unit Property: Other Production, Energy Center FT8s	Net Salvage	-2%
	Install Date	2003
	Retirement Date	2043
	Service Life, Yrs	40

Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 105 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2003	40	-	1,034,531	-	(5,168)	-	1,034,531	-	-	1,034,531
2	2004	39	-	14,906	-	-	-	14,906	-	-	1,049,437
3	2005	38	-	-	-	-	-	-	-	-	1,049,437
4	2006	37	-	-	-	-	-	-	-	-	1,049,437
5	2007	36	-	-	-	-	-	-	-	-	1,049,437
6	2008	35	-	-	-	-	-	-	-	-	1,049,437
7	2009	34	-	-	-	-	-	-	-	-	1,049,437
8	2010	33	-	61,110	-	-	-	61,110	-	-	1,110,547
9	2011	32	-	-	(5,168)	-	-	-	(5,168)	-	1,105,378
10	2012	31	-	-	-	-	-	-	-	-	1,105,378
11	2013	30	-	-	-	-	-	-	-	-	1,105,378
12	2014	29	-	-	-	-	-	-	-	-	1,105,378
13	Total		\$ -	\$ 1,110,547	\$ (5,168)	\$ (5,168)	\$ -	\$ 1,110,547	\$ (5,168)	\$ -	\$ 12,863,213

14	Major Additions/Retirements			
15	2003	\$	1,034,531	
16				
17	Routine Activity	\$	76,016	\$ (5,168)
18	Historical Interim Activity		0.59%	-0.04%
19	Forecast Interim Activity		0.59%	-0.04%

Major Additions\*\*

20	2015	28			6,532	(444)	1,111,466				
21	2016	27			6,568	(447)	1,117,568				
22	2017	26			6,604	(449)	1,123,743				
23	2018	25			6,641	(452)	1,129,933				
24	2019	24			6,677	(454)	1,136,156				
25	2020	23			6,714	(457)	1,142,414				
26	2021	22			6,751	(459)	1,148,706				
27	2022	21			6,788	(462)	1,155,033				
28	2023	20			6,826	(464)	1,161,394				
29	2024	19			6,863	(467)	1,167,791				
30	2025	18			6,901	(469)	1,174,223				
31	2026	17			6,939	(472)	1,180,690				
32	2027	16			6,977	(474)	1,187,193				
33	2028	15			7,016	(477)	1,193,732				
34	2029	14			7,054	(480)	1,200,307				
35	2030	13			7,093	(482)	1,206,917				
36	2031	12			7,132	(485)	1,213,565				
37	2032	11			7,172	(488)	1,220,249				
38	2033	10			7,211	(490)	1,226,970				
39	2034	9			7,251	(493)	1,233,727				
40	2035	8			7,291	(496)	1,240,523				
41	2036	7			7,331	(498)	1,247,355				
42	2037	6			7,371	(501)	1,254,225				
43	2038	5			7,412	(504)	1,261,133				
44	2039	4			7,453	(507)	1,268,079				
45	2040	3			7,494	(510)	1,275,063				
46	2041	2			7,535	(512)	1,282,085				
47	2042	1			7,577	(515)	1,289,147				
48	2043	0									
							(1,289,147)				\$ 46,412,620
											\$ 1,307,722
											\$ (18,575)

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	1,110,547
Forecast Additions	197,176
Total Additions	1,307,722
Gross Salvage Value	103,132
Less Cost of Removal	128,915
Net Salvage Value	(25,783)
Total to be Recovered	1,333,505

Forecast Plant Balances 46,412,620

Whole Life Accrual Rate	2.87%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.60%

Depreciable Service Life, years 34.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	1,105,378
Forecast Additions	197,176
Gross Salvage Value	103,132
Less Cost of Removal	128,915
Net Salvage Value	(25,783)

Depreciation Reserve Balance 12/31/14 (282,393)

Forecast Total Remaining Life Balance	1,045,944
Forecast Plant Balances	33,549,408
Remaining Life Accrual Rate	3.12%



[THIS PAGE INTENTIONALLY LEFT BLANK]

Summary by Plant  
 The Empire District Electric Company  
 Riverton CTs - Units 9, 10, 11

Account	Description	Direct Investment 2014\$	Depreciation Rate
341	Structures & Improvements	1,256,593	4.51%
342	Fuel Holders, Producers & Accessories	474,674	2.87%
343	Prime Movers	7,721,713	1.85%
344	Generators	2,020,924	2.36%
345	Accessory Electric Equipment	1,651,026	3.13%
346	Misc Power Equipment	215,291	4.00%
<b>Total</b>		<b>13,340,220</b>	<b>2.41%</b> remaining life weighted average rate

Schedule TJS-2  
**REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company**

The Empire District Electric Company

Gross Salvage	8%		
Cost of Removal	10%		
Net Salvage	-2%		
Install Date	1964 Unit 9	1988 Units 10, 11	
Retirement Date	2015 Unit 9	2033 Units 10, 11	
Service Life, Yrs	51 Unit 9	45 Units 10, 11	

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Riverton CTS - Units 9, 10, 11

Historical and Forecast Plant Additions & Balances

Account: 341 Structures & Improvements

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					
1	1964	69	45,386	-	-	-	45,386	-	-	45,386	
2	1965	68	-	-	-	-	-	-	-	45,386	
3	1966	67	-	-	-	-	-	-	-	45,386	
4	1967	66	-	-	-	-	-	-	-	45,386	
5	1968	65	-	-	-	-	-	-	-	45,386	
6	1969	64	-	-	-	-	-	-	-	45,386	
7	1970	63	-	-	-	-	-	-	-	45,386	
8	1971	62	-	-	-	-	-	-	-	45,386	
9	1972	61	-	-	-	-	-	-	-	45,386	
10	1973	60	-	-	-	-	-	-	-	45,386	
11	1974	59	-	-	-	-	-	-	-	45,386	
12	1975	58	-	-	-	-	-	-	-	45,386	
13	1976	57	-	-	-	-	-	-	-	45,386	
14	1977	56	-	-	-	-	-	-	-	45,386	
15	1978	55	-	-	-	-	-	-	-	45,386	
16	1979	54	-	-	-	-	-	-	-	45,386	
17	1980	53	-	-	-	-	-	-	-	45,386	
18	1981	52	-	-	-	-	-	-	-	45,386	
19	1982	51	-	-	-	-	-	-	-	45,386	
20	1983	50	-	-	-	-	-	-	-	45,386	
21	1984	49	-	-	-	-	-	-	-	45,386	
22	1985	48	-	-	-	-	-	-	-	45,386	
23	1986	47	-	-	-	-	-	-	-	45,386	
24	1987	46	-	-	-	-	-	-	-	45,386	
25	1988	45	513,310	-	-	-	513,310	-	-	558,696	
26	1989	44	-	-	-	-	-	-	-	558,696	
27	1990	43	11,784	-	-	-	11,784	-	-	570,480	
28	1991	42	-	-	-	-	-	-	-	570,480	
29	1992	41	-	-	-	-	-	-	-	570,480	
30	1993	40	-	-	-	-	-	-	-	570,480	
31	1994	39	-	-	-	-	-	-	-	570,480	
32	1995	38	12,726	-	-	-	12,726	-	-	583,206	
33	1996	37	-	-	-	-	-	-	-	583,206	
34	1997	36	-	-	-	-	-	-	-	583,206	
35	1998	35	-	-	-	-	-	-	-	583,206	
36	1999	34	-	-	-	-	-	-	-	583,206	
37	2000	33	-	-	-	-	-	-	-	583,206	
38	2001	32	-	-	-	-	-	-	-	583,206	
39	2002	31	-	-	-	-	-	-	-	583,206	
40	2003	30	-	-	-	-	-	-	-	583,206	
41	2004	29	-	-	-	-	-	-	-	583,206	
42	2005	28	-	-	-	-	-	-	-	583,206	
43	2006	27	-	-	-	-	-	-	-	583,206	
44	2007	26	-	-	-	-	-	-	-	583,206	
45	2008	25	-	-	-	-	-	-	162,004	745,210	
46	2009	24	-	-	-	-	-	-	-	745,210	
47	2010	23	-	-	-	-	-	-	-	745,210	
48	2011	22	-	-	-	-	-	-	-	745,210	
49	2012	21	-	-	-	-	-	-	-	745,210	
50	2013	20	-	-	-	464,761	464,761	-	-	1,209,971	
51	2014	19	-	-	-	46,621	46,621	-	-	1,256,593	
52	Total		\$ 583,206	\$ -	\$ -	\$ -	\$ 511,383	\$ 1,094,589	\$ -	\$ 162,004	\$ 18,833,348
53	Major Additions/Retirements										
54	2013			\$ 464,761							
55											
56	Routine Activity			\$ 46,621	\$ -						
57	Historical Interim Activity				0.25%	0.00%					
58	Forecast Interim Activity				0.25%	0.00%					

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

<b>The Empire District Electric Company</b>	Gross Salvage	8%	
	Cost of Removal	10%	
<b>Unit Property Depreciation Rate Analysis</b>	Net Salvage	-2%	
<b>Unit Property: Other Production, Riverton CTs - Units 9, 10, 11</b>	Install Date	1964 Unit 9	1988 Units 10, 11
	Retirement Date	2015 Unit 9	2033 Units 10, 11
	Service Life, Yrs	51 Unit 9	45 Units 10, 11

Historical and Forecast Plant Additions & Balances  
Account: 341 Structures & Improvements

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G] Account 106 Advance Additions	[H] [I]		[J] Transfers and Adjustments	[K] End of Year Plant Balance*	
			Reported Per Books					Adjusted Transaction Year				
			Transaction Year		Vintage Year			Additions	Retirements			
Balance	Additions	Retirements	Retirements	Additions	Retirements	Major Retirements						
59	2015	18	UNIT 9 RETIRES IN 2015								1,201,590	
60	2016	17					3,111	-	(58,113)		1,204,565	
61	2017	16					2,974	-			1,207,547	
62	2018	15					2,982	-			1,210,536	
63	2019	14					2,989	-			1,213,533	
64	2020	13					2,997	-			1,216,537	
65	2021	12					3,004	-			1,219,548	
66	2022	11					3,011	-			1,222,567	
67	2023	10					3,019	-			1,225,594	
68	2024	9					3,026	-			1,228,628	
69	2025	8					3,034	-			1,231,669	
70	2026	7					3,041	-			1,234,718	
71	2027	6					3,049	-			1,237,774	
72	2028	5					3,057	-			1,240,839	
73	2029	4					3,064	-			1,243,910	
74	2030	3					3,072	-			1,246,989	
75	2031	2					3,079	-			1,250,076	
76	2032	1					3,087	-			1,253,171	
77	2033	0					3,095	-		(1,253,171)	-	
							\$	-	\$	1,149,280	\$	40,923,139

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

**Whole Life Depreciation Rate Calculation**

Historical Additions	1,094,589
Forecast Additions	54,691
Total Additions	1,149,280
Gross Salvage Value	100,254
Less Cost of Removal	125,317
Net Salvage Value	(25,063)
Total to be Recovered	1,174,343

Forecast Plant Balances 40,923,139

Whole Life Accrual Rate	2.87%
Cost of Removal Accrual Rate	0.31%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.56%

Depreciable Service Life, years 34.8

**Remaining Life Depreciation Rate Calculation**

Account Balance 12/31/14	1,256,593
Forecast Additions	54,691
Gross Salvage Value	100,254
Less Cost of Removal	125,317
Net Salvage Value	(25,063)

Depreciation Reserve Balance 12/31/14 (339,512)

(Includes adjustment to remove Unit 9 reserve from remaining life calculation)

Forecast Total Remaining Life Balance	996,835
Forecast Plant Balances	22,089,791
Remaining Life Accrual Rate	4.51%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

<b>The Empire District Electric Company</b>	Gross Salvage	8%	
	Cost of Removal	10%	
<b>Unit Property Depreciation Rate Analysis</b>	Net Salvage	-2%	
<b>Unit Property: Other Production, Riverton CTS - Units 9, 10, 11</b>	Install Date	1964 Unit 9	1988 Units 10, 11
	Retirement Date	2015 Unit 9	2033 Units 10, 11
	Service Life, Yrs	51 Unit 9	45 Units 10, 11

Historical and Forecast Plant Additions & Balances  
Account: 342 Fuel Holders, Producers & Accessories

Line	Vintage Year	Vintage Age	Reported Per Books				Account 105 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	1964	69	1,641	-	-	-	-	1,641	-	-	1,641
2	1965	68	-	-	-	-	-	-	-	-	1,641
3	1966	67	-	-	-	-	-	-	-	-	1,641
4	1967	66	-	-	-	-	-	-	-	-	1,641
5	1968	65	-	-	-	-	-	-	-	-	1,641
6	1969	64	-	-	-	-	-	-	-	-	1,641
7	1970	63	-	-	-	-	-	-	-	-	1,641
8	1971	62	-	-	-	-	-	-	-	-	1,641
9	1972	61	-	-	-	-	-	-	-	-	1,641
10	1973	60	-	-	-	-	-	-	-	-	1,641
11	1974	59	190	-	-	-	-	190	-	-	1,831
12	1975	58	-	-	-	-	-	-	-	-	1,831
13	1976	57	-	-	-	-	-	-	-	-	1,831
14	1977	56	-	-	-	-	-	-	-	-	1,831
15	1978	55	-	-	-	-	-	-	-	-	1,831
16	1979	54	-	-	-	-	-	-	-	-	1,831
17	1980	53	-	-	-	-	-	-	-	-	1,831
18	1981	52	-	-	-	-	-	-	-	-	1,831
19	1982	51	-	-	-	-	-	-	-	-	1,831
20	1983	50	-	-	-	-	-	-	-	-	1,831
21	1984	49	-	-	-	-	-	-	-	-	1,831
22	1985	48	-	-	-	-	-	-	-	-	1,831
23	1986	47	-	-	-	-	-	-	-	-	1,831
24	1987	46	-	-	-	-	-	-	-	-	1,831
25	1988	45	449,148	-	-	-	-	449,148	-	-	450,979
26	1989	44	-	-	-	-	-	-	-	-	450,979
27	1990	43	8,882	-	-	-	-	8,882	-	-	459,861
28	1991	42	-	-	-	-	-	-	-	-	459,861
29	1992	41	-	-	-	-	-	-	-	-	459,861
30	1993	40	891	-	-	-	-	891	-	-	460,752
31	1994	39	7,426	-	-	-	-	7,426	-	-	468,178
32	1995	38	-	-	-	-	-	-	-	-	468,178
33	1996	37	-	-	-	-	-	-	-	-	468,178
34	1997	36	-	-	-	-	-	-	-	-	468,178
35	1998	35	-	-	-	-	-	-	-	-	468,178
36	1999	34	-	-	-	-	-	-	-	-	468,178
37	2000	33	-	-	-	-	-	-	-	-	468,178
38	2001	32	-	-	-	-	-	-	-	-	468,178
39	2002	31	-	-	-	-	-	-	-	-	468,178
40	2003	30	-	-	-	-	-	-	-	-	468,178
41	2004	29	-	-	-	-	-	-	-	-	468,178
42	2005	28	-	-	-	-	-	-	-	-	468,178
43	2006	27	-	-	-	-	-	-	-	-	468,178
44	2007	26	-	-	-	-	-	-	-	-	468,178
45	2008	25	-	-	-	-	-	-	-	-	468,178
46	2009	24	-	-	-	-	-	-	-	-	468,178
47	2010	23	-	-	-	-	-	-	-	-	468,178
48	2011	22	-	-	-	-	-	-	-	-	468,178
49	2012	21	-	-	-	-	-	-	-	-	468,178
50	2013	20	-	-	-	-	6,496	6,496	-	-	474,674
51	2014	19	-	-	-	-	-	-	-	-	474,674
52	Total		\$ 468,178	\$ -	\$ -	\$ -	\$ 6,496	\$ 474,674	\$ -	\$ -	\$ 12,629,068

53 Major Additions/Retirements

54

55

56 Routine Activity	\$ 6,496	\$ -
57 Historical Interim Activity	0.05%	0.00%
58 Forecast Interim Activity	0.05%	0.00%

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%	
	Cost of Removal	10%	
Unit Property Depreciation Rate Analysis	Net Salvage	-2%	
Unit Property: Other Production, Riverton CTS - Units 9, 10, 11	Install Date	1964 Unit 9	1988 Units 10, 11
	Retirement Date	2015 Unit 9	2033 Units 10, 11
	Service Life, Yrs	51 Unit 9	45 Units 10, 11

Historical and Forecast Plant Additions & Balances  
Account: 342 Fuel Holders, Producers & Accessories

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year				Additions	Retirements		
			Balance	Additions	Retirements					
						Major Additions**		Major Retirements		
59	2015	18	UNIT 9 RETIRES IN 2015				244	(11,604)	463,314	
60	2016	17					238	-	463,553	
61	2017	16					238	-	463,791	
62	2018	15					239	-	464,030	
63	2019	14					239	-	464,268	
64	2020	13					239	-	464,507	
65	2021	12					239	-	464,746	
66	2022	11					239	-	464,985	
67	2023	10					239	-	465,224	
68	2024	9					239	-	465,464	
69	2025	8					239	-	465,703	
70	2026	7					240	-	465,943	
71	2027	6					240	-	466,182	
72	2028	5					240	-	466,422	
73	2029	4					240	-	466,662	
74	2030	3					240	-	466,902	
75	2031	2					240	-	467,142	
76	2032	1					240	-	467,382	
77	2033	0						(467,382)	-	
							\$ -	\$ 478,987	\$ -	\$ 21,005,287

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	474,674
Forecast Additions	4,312
Total Additions	478,987
Gross Salvage Value	37,391
Less Cost of Removal	46,738
Net Salvage Value	(9,348)
Total to be Recovered	468,334

Forecast Plant Balances 21,005,287

Whole Life Accrual Rate	2.32%
Cost of Removal Accrual Rate	0.22%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.10%
Depreciable Service Life, years	43.0

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	474,674
Forecast Additions	4,312
Gross Salvage Value	37,391
Less Cost of Removal	46,738
Net Salvage Value	(9,348)

Depreciation Reserve Balance 12/31/14 (247,937)

(includes adjustment to remove Unit 9 reserve from remaining life calculation)

Forecast Total Remaining Life Balance	240,397
Forecast Plant Balances	8,376,220
Remaining Life Accrual Rate	2.87%

Schedule TJS-2

REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Riverton CTS - Units 9, 10, 11

Gross Salvage 10%  
 Cost of Removal 5%  
 Net Salvage 5%  
 Install Date 1964 Unit 9 1988 Units 10, 11  
 Retirement Date 2015 Unit 9 2033 Units 10, 11  
 Service Life, Yrs 51 Unit 9 45 Units 10, 11

Historical and Forecast Plant Additions & Balances  
 Account: 343 Prime Movers

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					
1	1964	69	661,755	-	-	(85,300)	-	661,755	-	661,755	
2	1965	68	-	-	-	-	-	-	-	661,755	
3	1966	67	-	-	-	-	-	-	-	661,755	
4	1967	66	7,215	-	-	-	-	7,215	-	668,970	
5	1968	65	-	-	-	-	-	-	-	668,970	
6	1969	64	40,983	-	-	-	-	40,983	-	709,953	
7	1970	63	-	-	-	-	-	-	-	709,953	
8	1971	62	72,731	-	-	-	-	72,731	-	782,684	
9	1972	61	-	-	-	-	-	-	-	782,684	
10	1973	60	115,319	-	-	-	-	115,319	-	898,003	
11	1974	59	38,131	-	-	-	-	38,131	-	936,134	
12	1975	58	-	-	-	-	-	-	-	936,134	
13	1976	57	2,454	-	-	-	-	2,454	-	938,588	
14	1977	56	-	-	-	-	-	-	-	938,588	
15	1978	55	-	-	-	-	-	-	-	938,588	
16	1979	54	304,302	-	-	-	-	304,302	-	1,242,890	
17	1980	53	-	-	-	-	-	-	-	1,242,890	
18	1981	52	-	-	-	-	-	-	-	1,242,890	
19	1982	51	-	-	-	-	-	-	-	1,242,890	
20	1983	50	90,968	-	-	(10,988)	-	90,968	-	1,333,858	
21	1984	49	-	-	-	-	-	-	-	1,333,858	
22	1985	48	-	-	-	-	-	-	-	1,333,858	
23	1986	47	-	-	-	-	-	-	-	1,333,858	
24	1987	46	-	-	-	-	-	-	-	1,333,858	
25	1988	45	3,785,653	-	-	(72,286)	-	3,785,653	-	5,119,511	
26	1989	44	968,268	-	-	-	-	968,268	-	6,087,779	
27	1990	43	24,597	-	-	-	-	24,597	-	6,112,376	
28	1991	42	-	-	-	-	-	-	-	6,112,376	
29	1992	41	128,552	-	-	-	-	128,552	-	6,240,928	
30	1993	40	-	-	-	-	-	-	-	6,240,928	
31	1994	39	10,260	-	-	-	-	10,260	-	6,251,188	
32	1995	38	1,077,981	-	-	(887,079)	-	1,077,981	-	7,329,169	
33	1996	37	33,474	-	-	-	-	33,474	-	7,362,643	
34	1997	36	32,883	-	-	-	-	32,883	-	7,395,526	
35	1998	35	521,983	-	-	-	-	521,983	-	7,917,509	
36	1999	34	-	20,678	-	(10,751)	-	20,678	-	7,938,187	
37	2000	33	-	-	(96,288)	-	-	-	(96,288)	7,841,899	
38	2001	32	-	-	-	-	-	-	-	7,841,899	
39	2002	31	-	-	-	-	-	-	-	7,841,899	
40	2003	30	-	-	-	-	-	-	-	7,841,899	
41	2004	29	-	12,495	-	-	-	12,495	-	7,854,394	
42	2005	28	-	-	-	-	-	-	-	7,854,394	
43	2006	27	-	-	(72,286)	-	-	-	(72,286)	7,782,108	
44	2007	26	-	-	-	-	-	-	-	7,782,108	
45	2008	25	-	-	-	-	-	-	-	7,782,108	
46	2009	24	-	-	-	-	-	-	-	7,782,108	
47	2010	23	-	-	-	-	-	-	-	7,782,108	
48	2011	22	-	35,000	-	-	-	35,000	-	7,817,108	
49	2012	21	-	798,871	(10,751)	-	-	798,871	(10,751)	8,605,228	
50	2013	20	-	-	(887,079)	-	3,564	3,564	(887,079)	7,721,713	
51	2014	19	-	-	-	-	-	-	-	7,721,713	
52	Total		\$ 7,917,509	\$ 867,044	\$ (1,066,404)	\$ (1,066,404)	\$ 3,564	\$ 8,788,117	\$ (1,066,404)	\$ 221,496,170	
53	Major Additions/Retirements										
54	2012			\$ 798,871							
55	2013				\$ (887,079)						
56	Routine Activity			\$ 71,737	\$ (179,325)						
57	Historical Interim Activity			0.03%	-0.08%						
58	Forecast Interim Activity			0.00%	0.00%						

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

<b>The Empire District Electric Company</b>	Gross Salvage	10%		
	Cost of Removal	5%		
<b>Unit Property Depreciation Rate Analysis</b>	Net Salvage	5%		
<b>Unit Property: Other Production, Riverton CTs - Units 9, 10, 11</b>	Install Date	1964 Unit 9	1988 Units 10, 11	
	Retirement Date	2015 Unit 9	2033 Units 10, 11	
	Service Life, Yrs	51 Unit 9	45 Units 10, 11	

Historical and Forecast Plant Additions & Balances  
Account: 343 Prime Movers

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G]	[H] [I]		[J]	[K]
			Reported Per Books				Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year		Retirements	Retirements	Advance	Additions	Retirements		
Balance	Additions	Retirements	Retirements	Additions			Additions			Retirements	
59	2015	18	UNIT 9 RETIRES IN 2015				Major Additions**		Major Retirements		5,573,906
60	2016	17						(2,147,807)		5,573,906	
61	2017	16								5,573,906	
62	2018	15								5,573,906	
63	2019	14								5,573,906	
64	2020	13								5,573,906	
65	2021	12								5,573,906	
66	2022	11								5,573,906	
67	2023	10								5,573,906	
68	2024	9								5,573,906	
69	2025	8								5,573,906	
70	2026	7								5,573,906	
71	2027	6								5,573,906	
72	2028	5								5,573,906	
73	2029	4								5,573,906	
74	2030	3								5,573,906	
75	2031	2								5,573,906	
76	2032	1								5,573,906	
77	2033	0							(5,573,906)	-	
						\$ -	\$ 8,788,117	\$ (1,066,404)		\$ 321,826,483	

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	8,788,117
Forecast Additions	-
Total Additions	8,788,117
Gross Salvage Value	557,391
Less Cost of Removal	278,695
Net Salvage Value	278,695
Total to be Recovered	8,509,422

Forecast Plant Balances 321,826,483

Whole Life Accrual Rate	2.64%
Cost of Removal Accrual Rate	0.03%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.56%

Depreciable Service Life, years 37.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	7,721,713
Forecast Additions	-
Gross Salvage Value	557,391
Less Cost of Removal	278,695
Net Salvage Value	278,695

Depreciation Reserve Balance 12/31/14 (5,590,330)

(Includes adjustment to remove Unit 9 reserve from remaining life calculation)

Forecast Total Remaining Life Balance	1,852,688
Forecast Plant Balances	100,330,313
Remaining Life Accrual Rate	1.85%



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Riverton CTs - Units 9, 10, 11

Gross Salvage	10%		
Cost of Removal	5%		
Net Salvage	5%		
Install Date	1964 Unit 9	1988 Units 10, 11	
Retirement Date	2015 Unit 9	2033 Units 10, 11	
Service Life, Yrs	51 Unit 9	45 Units 10, 11	

Historical and Forecast Plant Additions & Balances  
 Account: 344 Generators

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year				Additions	Retirements		
			Balance	Additions	Retirements					
1	1964	69	177,827	-	-	-	177,827	-	177,827	
2	1965	68	-	-	-	-	-	-	177,827	
3	1966	67	-	-	-	-	-	-	177,827	
4	1967	66	-	-	-	-	-	-	177,827	
5	1968	65	-	-	-	-	-	-	177,827	
6	1969	64	-	-	-	-	-	-	177,827	
7	1970	63	-	-	-	-	-	-	177,827	
8	1971	62	-	-	-	-	-	-	177,827	
9	1972	61	-	-	-	-	-	-	177,827	
10	1973	60	-	-	-	-	-	-	177,827	
11	1974	59	-	-	-	-	-	-	177,827	
12	1975	58	-	-	-	-	-	-	177,827	
13	1976	57	-	-	-	-	-	-	177,827	
14	1977	56	-	-	-	-	-	-	177,827	
15	1978	55	-	-	-	-	-	-	177,827	
16	1979	54	-	-	-	-	-	-	177,827	
17	1980	53	-	-	-	-	-	-	177,827	
18	1981	52	-	-	-	-	-	-	177,827	
19	1982	51	-	-	-	-	-	-	177,827	
20	1983	50	-	-	-	-	-	-	177,827	
21	1984	49	-	-	-	-	-	-	177,827	
22	1985	48	-	-	-	-	-	-	177,827	
23	1986	47	-	-	-	-	-	-	177,827	
24	1987	46	-	-	-	-	-	-	177,827	
25	1988	45	1,764,496	-	-	-	1,764,496	-	1,942,323	
26	1989	44	-	-	-	-	-	-	1,942,323	
27	1990	43	-	-	-	-	-	-	1,942,323	
28	1991	42	-	-	-	-	-	-	1,942,323	
29	1992	41	-	-	-	-	-	-	1,942,323	
30	1993	40	-	-	-	-	-	-	1,942,323	
31	1994	39	-	-	-	-	-	-	1,942,323	
32	1995	38	78,601	-	-	-	78,601	-	2,020,924	
33	1996	37	-	-	-	-	-	-	2,020,924	
34	1997	36	-	-	-	-	-	-	2,020,924	
35	1998	35	-	-	-	-	-	-	2,020,924	
36	1999	34	-	-	-	-	-	-	2,020,924	
37	2000	33	-	-	-	-	-	-	2,020,924	
38	2001	32	-	-	-	-	-	-	2,020,924	
39	2002	31	-	-	-	-	-	-	2,020,924	
40	2003	30	-	-	-	-	-	-	2,020,924	
41	2004	29	-	-	-	-	-	-	2,020,924	
42	2005	28	-	-	-	-	-	-	2,020,924	
43	2006	27	-	-	-	-	-	-	2,020,924	
44	2007	26	-	-	-	-	-	-	2,020,924	
45	2008	25	-	-	-	-	-	-	2,020,924	
46	2009	24	-	-	-	-	-	-	2,020,924	
47	2010	23	-	-	-	-	-	-	2,020,924	
48	2011	22	-	-	-	-	-	-	2,020,924	
49	2012	21	-	-	-	-	-	-	2,020,924	
50	2013	20	-	-	-	-	-	-	2,020,924	
51	2014	19	-	-	-	-	-	-	2,020,924	
52	Total		\$ 2,020,924	\$ -	\$ -	\$ -	\$ 2,020,924	\$ -	\$ 58,282,569	
53	Major Additions/Retirements									
54			\$ -							
55										
56	Routine Activity		\$ -	\$ -						
57	Historical Interim Activity			0.00%	0.00%					
58	Forecast Interim Activity			0.00%	0.00%					

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company		Gross Salvage	10%	
		Cost of Removal	5%	
Unit Property Depreciation Rate Analysis		Net Salvage	5%	
Unit Property: Other Production, Rlverton CTs - Units 9, 10, 11		Install Date	1964 Unit 9	1988 Units 10, 11
		Retirement Date	2015 Unit 9	2033 Units 10, 11
		Service Life, Yrs	51 Unit 9	45 Units 10, 11

Historical and Forecast Plant Additions & Balances  
Account: 344 Generators

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
59	2015	18	UNIT 9 RETIRES IN 2015				Major Additions**		Major Retirements		
60	2016	17							(256,429)	1,764,495	
61	2017	16								1,764,495	
62	2018	15								1,764,495	
63	2019	14								1,764,495	
64	2020	13								1,764,495	
65	2021	12								1,764,495	
66	2022	11								1,764,495	
67	2023	10								1,764,495	
68	2024	9								1,764,495	
69	2025	8								1,764,495	
70	2026	7								1,764,495	
71	2027	6								1,764,495	
72	2028	5								1,764,495	
73	2029	4								1,764,495	
74	2030	3								1,764,495	
75	2031	2								1,764,495	
76	2032	1								1,764,495	
77	2033	0							(1,764,495)	-	
							\$ -	\$ 2,020,924	\$ -		\$ 90,043,491

\* Through vintage year 1999 the balances are 1999 remaining plant balances.  
\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	2,020,924
Forecast Additions	-
Total Additions	2,020,924
Gross Salvage Value	176,449
Less Cost of Removal	88,225
Net Salvage Value	88,225
Total to be Recovered	1,932,699

Forecast Plant Balances 90,043,491

Whole Life Accrual Rate	2.15%
Cost of Removal Accrual Rate	0.10%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.05%

Depreciable Service Life, years 46.6

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	2,020,924
Forecast Additions	-
Gross Salvage Value	176,449
Less Cost of Removal	88,225
Net Salvage Value	88,225

Depreciation Reserve Balance 12/31/14 (1,181,750)

(Includes adjustment to remove Unit 9 reserve from remaining life calculation)

Forecast Total Remaining Life Balance	750,949
Forecast Plant Balances	31,760,902
Remaining Life Accrual Rate	2.36%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Rlverton CTs - Units 9, 10, 11

Gross Salvage 8%  
 Cost of Removal 10%  
 Net Salvage -2%  
 Install Date 1964 Unit 9 1988 Units 10, 11  
 Retirement Date 2015 Unit 9 2033 Units 10, 11  
 Service Life, Yrs 51 Unit 9 45 Units 10, 11

Historical and Forecast Plant Additions & Balances  
 Account: 345 Accessory Electric Equipment

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E]			[F]	[G]	[H] [I]		[J]	[K]
			Reported Per Books			Account 106 Advance	Adjusted Transaction Year	Transfers and		End of Year Plant Balance*	
			Transaction Year	Vintage Year	Retirements			Retirements	Additions		
			Balance	Additions	Retirements	Retirements	Additions	Retirements	Adjustments		
1	1964	69	45,121	-	-	-	-	45,121	-	-	45,121
2	1965	68	-	-	-	-	-	-	-	-	45,121
3	1966	67	-	-	-	-	-	-	-	-	45,121
4	1967	66	-	-	-	-	-	-	-	-	45,121
5	1968	65	-	-	-	-	-	-	-	-	45,121
6	1969	64	-	-	-	-	-	-	-	-	45,121
7	1970	63	-	-	-	-	-	-	-	-	45,121
8	1971	62	-	-	-	-	-	-	-	-	45,121
9	1972	61	-	-	-	-	-	-	-	-	45,121
10	1973	60	-	-	-	-	-	-	-	-	45,121
11	1974	59	-	-	-	-	-	-	-	-	45,121
12	1975	58	-	-	-	-	-	-	-	-	45,121
13	1976	57	-	-	-	-	-	-	-	-	45,121
14	1977	56	-	-	-	-	-	-	-	-	45,121
15	1978	55	-	-	-	-	-	-	-	-	45,121
16	1979	54	-	-	-	-	-	-	-	-	45,121
17	1980	53	-	-	-	-	-	-	-	-	45,121
18	1981	52	-	-	-	-	-	-	-	-	45,121
19	1982	51	-	-	-	-	-	-	-	-	45,121
20	1983	50	-	-	-	-	-	-	-	-	45,121
21	1984	49	-	-	-	-	-	-	-	-	45,121
22	1985	48	-	-	-	-	-	-	-	-	45,121
23	1986	47	-	-	-	-	-	-	-	-	45,121
24	1987	46	-	-	-	-	-	-	-	-	45,121
25	1988	45	203,186	-	-	(32,082)	-	203,186	-	-	248,307
26	1989	44	-	-	-	-	-	-	-	-	248,307
27	1990	43	-	-	-	-	-	-	-	-	248,307
28	1991	42	38,826	-	-	-	-	38,826	-	-	287,133
29	1992	41	-	-	-	-	-	-	-	-	287,133
30	1993	40	-	-	-	-	-	-	-	-	287,133
31	1994	39	-	-	-	-	-	-	-	-	287,133
32	1995	38	674,923	-	-	-	-	674,923	-	-	962,056
33	1996	37	-	-	-	-	-	-	-	-	962,056
34	1997	36	-	-	-	-	-	-	-	-	962,056
35	1998	35	-	-	-	-	-	-	-	-	962,056
36	1999	34	-	-	-	-	-	-	-	-	962,056
37	2000	33	-	-	-	-	-	-	-	-	962,056
38	2001	32	-	-	-	-	-	-	-	-	962,056
39	2002	31	-	27,610	-	-	-	27,610	-	-	989,666
40	2003	30	-	-	-	-	-	-	-	-	989,666
41	2004	29	-	3,580	-	-	-	3,580	-	-	993,246
42	2005	28	-	-	-	-	-	-	-	-	993,246
43	2006	27	-	-	-	-	-	-	-	-	993,246
44	2007	26	-	741	-	-	-	741	-	-	993,987
45	2008	25	-	-	-	-	-	-	639,599	-	1,633,586
46	2009	24	-	628	-	-	-	628	-	-	1,634,214
47	2010	23	-	-	-	-	-	-	-	-	1,634,214
48	2011	22	-	-	-	-	-	-	-	-	1,634,214
49	2012	21	-	-	-	-	-	-	-	-	1,634,214
50	2013	20	-	-	-	-	16,812	16,812	-	-	1,651,026
51	2014	19	-	-	-	-	-	-	-	-	1,651,026
52	Total		\$ 962,056	\$ 32,559	\$ -	\$ (32,082)	\$ 16,812	\$ 1,011,427	\$ -	\$ 639,599	\$ 27,136,296

53 Major Additions/Retirements  
 54  
 55  
 56 Routine Activity \$ 49,371 \$ -  
 57 Historical Interim Activity 0.18% 0.00%  
 58 Forecast Interim Activity 0.00% 0.00%

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%		
	Cost of Removal	10%		
Unit Property Depreciation Rate Analysis	Net Salvage	-2%		
Unit Property: Other Production, Riverton CTs - Units 9, 10, 11	Install Date	1964 Unit 9	1988 Units 10, 11	
	Retirement Date	2015 Unit 9	2033 Units 10, 11	
	Service Life, Yrs	51 Unit 9	45 Units 10, 11	

Historical and Forecast Plant Additions & Balances  
Account: 345 Accessory Electric Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*
			Balance	Transaction Year		Retirements		Additions	Retirements		
				Additions	Retirements		Retirements				
			UNIT 9 RETIRES IN 2015				Major Additions**		Major Retirements		
59	2015	18							(225,494)	1,425,532	
60	2016	17								1,425,532	
61	2017	16								1,425,532	
62	2018	15								1,425,532	
63	2019	14								1,425,532	
64	2020	13								1,425,532	
65	2021	12								1,425,532	
66	2022	11								1,425,532	
67	2023	10								1,425,532	
68	2024	9								1,425,532	
69	2025	8								1,425,532	
70	2026	7								1,425,532	
71	2027	6								1,425,532	
72	2028	5								1,425,532	
73	2029	4								1,425,532	
74	2030	3								1,425,532	
75	2031	2								1,425,532	
76	2032	1								1,425,532	
77	2033	0							(1,425,532)	-	
							\$ -	\$ 1,011,427	\$ -		\$ 52,795,872

\* Through vintage year 1999 the balances are 1999 remaining plant balances.

\*\* From 2015 capital budget

Whole Life Depreciation Rate Calculation

Historical Additions	1,011,427
Forecast Additions	-
Total Additions	1,011,427
Gross Salvage Value	114,043
Less Cost of Removal	142,553
Net Salvage Value	(28,511)
Total to be Recovered	1,039,937

Forecast Plant Balances 52,795,872

Whole Life Accrual Rate 1.97%

Cost of Removal Accrual Rate 0.27%

Whole Life Accrual Rate (Excluding Cost of Removal) 1.70%

Depreciable Service Life, years 50.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	1,651,026
Forecast Additions	-
Gross Salvage Value	114,043
Less Cost of Removal	142,553
Net Salvage Value	(28,511)

Depreciation Reserve Balance 12/31/14 (875,658)

(includes adjustment to remove Unit 9 reserve from remaining life calculation)

Forecast Total Remaining Life Balance 803,878

Forecast Plant Balances 25,659,576

Remaining Life Accrual Rate 3.13%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company

Gross Salvage	8%		
Cost of Removal	10%		
Net Salvage	-2%		
Install Date	1964 Unit 9	1988 Units 10, 11	
Retirement Date	2015 Unit 9	2033 Units 10, 11	
Service Life, Yrs	51 Unit 9	45 Units 10, 11	

Unit Property Depreciation Rate Analysis  
Unit Property: Other Production, Riverton CTS - Units 9, 10, 11  
Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books			Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance*	
			Transaction Year				Vintage Year Retirements	Additions			Retirements
			Balance	Additions	Retirements						
1	1964	69	-	-	-	-	-	-	-		
2	1965	68	-	-	-	-	-	-	-		
3	1966	67	-	-	-	-	-	-	-		
4	1967	66	15,348	-	-	-	15,348	-	15,348		
5	1968	65	-	-	-	-	-	-	15,348		
6	1969	64	-	-	-	-	-	-	15,348		
7	1970	63	-	-	-	-	-	-	15,348		
8	1971	62	-	-	-	-	-	-	15,348		
9	1972	61	-	-	-	-	-	-	15,348		
10	1973	60	466	-	-	-	466	-	15,814		
11	1974	59	-	-	-	-	-	-	15,814		
12	1975	58	-	-	-	-	-	-	15,814		
13	1976	57	-	-	-	-	-	-	15,814		
14	1977	56	-	-	-	-	-	-	15,814		
15	1978	55	-	-	-	-	-	-	15,814		
16	1979	54	-	-	-	-	-	-	15,814		
17	1980	53	-	-	-	-	-	-	15,814		
18	1981	52	-	-	-	-	-	-	15,814		
19	1982	51	-	-	-	-	-	-	15,814		
20	1983	50	-	-	-	-	-	-	15,814		
21	1984	49	-	-	-	-	-	-	15,814		
22	1985	48	-	-	-	-	-	-	15,814		
23	1986	47	-	-	-	-	-	-	15,814		
24	1987	46	-	-	-	-	-	-	15,814		
25	1988	45	69,511	-	-	-	69,511	-	85,325		
26	1989	44	-	-	-	-	-	-	85,325		
27	1990	43	-	-	-	-	-	-	85,325		
28	1991	42	-	-	-	-	-	-	85,325		
29	1992	41	-	-	-	-	-	-	85,325		
30	1993	40	-	-	-	-	-	-	85,325		
31	1994	39	-	-	-	-	-	-	85,325		
32	1995	38	-	-	-	-	-	-	85,325		
33	1996	37	-	-	-	-	-	-	85,325		
34	1997	36	-	-	-	-	-	-	85,325		
35	1998	35	-	-	-	-	-	-	85,325		
36	1999	34	-	-	-	-	-	-	85,325		
37	2000	33	-	-	-	-	-	-	85,325		
38	2001	32	-	-	-	-	-	-	85,325		
39	2002	31	-	-	-	-	-	-	85,325		
40	2003	30	-	-	-	-	-	-	85,325		
41	2004	29	-	-	-	-	-	-	85,325		
42	2005	28	-	-	-	-	-	-	85,325		
43	2006	27	-	-	-	-	-	-	85,325		
44	2007	26	-	-	-	-	-	-	85,325		
45	2008	25	-	-	-	-	-	-	85,325		
46	2009	24	-	-	-	1	1	-	85,326		
47	2010	23	-	-	-	-	-	-	85,326		
48	2011	22	-	-	-	-	-	-	85,326		
49	2012	21	-	15,217	-	-	15,217	-	100,542		
50	2013	20	-	-	-	72,224	72,224	-	172,766		
51	2014	19	-	-	-	42,525	42,525	-	215,291		
52	Total		\$ 85,325	\$ 15,217	\$ -	\$ -	\$ 114,749	\$ 215,291	\$ -	\$ 2,865,699	

53 Major Additions/Retirements

54	2013	\$ 72,224	
55	2014	\$ 42,525	
56	Routine Activity	\$ 15,217	\$ -
57	Historical Interim Activity	0.53%	0.00%
58	Forecast Interim Activity	0.00%	0.00%



[THIS PAGE INTENTIONALLY LEFT BLANK]

Summary by Plant  
 The Empire District Electric Company  
 Riverton CC - Unit 12

Account	Description	Direct Investment 2014\$	Depreciation Rate
341	Structures & Improvements	553,801	2.42%
342	Fuel Holders, Producers & Accessories	945,602	3.22%
343	Prime Movers	16,494,326	2.01%
344	Generators	11,548,070	2.05%
345	Accessory Electric Equipment	9,514,852	2.64%
346	Misc Power Equipment	1,484,186	2.11%
<b>Total</b>		40,540,836	2.21% remaining life weighted average rate



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 341 Structures & Improvements 0

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2007	50	-	232,337	-	-	232,337	-	-	232,337	
2	2008	49	-	-	-	-	-	-	-	232,337	
3	2009	48	-	-	-	-	-	-	-	232,337	
4	2010	47	-	-	-	-	-	-	-	232,337	
5	2011	46	-	-	-	-	-	-	-	232,337	
6	2012	45	-	-	-	-	-	-	-	232,337	
7	2013	44	-	-	-	321,464	321,464	-	-	553,801	
8	2014	43	-	-	-	-	-	-	-	553,801	
9	Total		\$ -	\$ 232,337	\$ -	\$ -	\$ 321,464	\$ 553,801	\$ -	\$ -	\$ 2,501,624

10 Major Additions/Retirements

11	2007		\$ 232,337		
12	2013		\$ 321,464		
13	Routine Activity		\$ -	\$ -	
14	Historical Interim Activity		0.00%	0.00%	
15	Forecast Interim Activity		0.23%	0.00% (used State Line CC as a guide)	

		Major Additions**		Major Retirements		
16	2015	42	1,247	-	-	555,049
17	2016	41	1,250	-	-	556,299
18	2017	40	1,253	-	-	557,552
19	2018	39	1,256	-	-	558,808
20	2019	38	1,259	-	-	560,067
21	2020	37	1,262	-	-	561,328
22	2021	36	1,264	-	-	562,593
23	2022	35	1,267	-	-	563,860
24	2023	34	1,270	-	-	565,130
25	2024	33	1,273	-	-	566,403
26	2025	32	1,276	-	-	567,679
27	2026	31	1,279	-	-	568,957
28	2027	30	1,282	-	-	570,239
29	2028	29	1,284	-	-	571,524
30	2029	28	1,287	-	-	572,811
31	2030	27	1,290	-	-	574,101
32	2031	26	1,293	-	-	575,394
33	2032	25	1,296	-	-	576,690
34	2033	24	1,299	-	-	577,989
35	2034	23	1,302	-	-	579,291
36	2035	22	1,305	-	-	580,596
37	2036	21	1,308	-	-	581,904
38	2037	20	1,311	-	-	583,215
39	2038	19	1,314	-	-	584,528
40	2039	18	1,317	-	-	585,845
41	2040	17	1,320	-	-	587,165
42	2041	16	1,323	-	-	588,487
43	2042	15	1,326	-	-	589,813
44	2043	14	1,329	-	-	591,142
45	2044	13	1,332	-	-	592,473
46	2045	12	1,335	-	-	593,808
47	2046	11	1,338	-	-	595,145
48	2047	10	1,341	-	-	596,486
49	2048	9	1,344	-	-	597,829
50	2049	8	1,347	-	-	599,176
51	2050	7	1,350	-	-	600,526
52	2051	6	1,353	-	-	601,878
53	2052	5	1,356	-	-	603,234
54	2053	4	1,359	-	-	604,593
55	2054	3	1,362	-	-	605,955
56	2055	2	1,365	-	-	607,320
57	2056	1	1,368	-	-	608,688
58	2057	0			(608,688)	-
			\$ -	\$ 608,688	\$ -	\$ 26,923,194

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 341 Structures & Improvements		0

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						

Whole Life Depreciation Rate Calculation

Historical Additions	553,801
Forecast Additions	54,887
Total Additions	608,688
Gross Salvage Value	48,695
Less Cost of Removal	60,869
Net Salvage Value	(12,174)
Total to be Recovered	620,861

Forecast Plant Balances 26,923,194

Whole Life Accrual Rate	2.31%
Cost of Removal Accrual Rate	0.23%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.08%

Depreciable Service Life, years 43.4

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	553,801
Forecast Additions	54,887
Gross Salvage Value	48,695
Less Cost of Removal	60,869
Net Salvage Value	(12,174)

Depreciation Reserve Balance 12/31/14 (29,934)

Forecast Total Remaining Life Balance	590,927
Forecast Plant Balances	24,421,569
Remaining Life Accrual Rate	2.42%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
Unit Property Depreciation Rate Analysis	Cost of Removal	10%
Unit Property: Other Production, Riverton CC - Unit 12	Net Salvage	-2%
	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 342 Fuel Holders, Producers & Accessories		0

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2007	50	-	945,602	-	-	945,602	-	-	945,602	
2	2008	49	-	-	-	-	-	-	-	945,602	
3	2009	48	-	-	-	-	-	-	-	945,602	
4	2010	47	-	-	-	-	-	-	-	945,602	
5	2011	46	-	-	-	-	-	-	-	945,602	
6	2012	45	-	-	-	-	-	-	-	945,602	
7	2013	44	-	-	-	-	-	-	-	945,602	
8	2014	43	-	-	-	-	-	-	-	945,602	
9	Total		\$ -	\$ 945,602	\$ -	\$ -	\$ 945,602	\$ -	\$ -	\$ 7,564,816	
10	Major Additions/Retirements										
11	2007		\$	945,602							
12											
13	Routine Activity										
14	Historical Interim Activity			0.00%		0.00%					
15	Forecast Interim Activity			1.80%		-0.10% (used State Line CC as a guide)					
						<u>Major Additions**</u>			<u>Major Retirements</u>		
16	2015	42				17,002	(903)			961,701	
17	2016	41				17,291	(918)			978,074	
18	2017	40				17,586	(934)			994,726	
19	2018	39				17,885	(950)			1,011,662	
20	2019	38				18,190	(966)			1,028,886	
21	2020	37				18,499	(982)			1,046,403	
22	2021	36				18,814	(999)			1,064,218	
23	2022	35				19,135	(1,016)			1,082,337	
24	2023	34				19,461	(1,033)			1,100,764	
25	2024	33				19,792	(1,051)			1,119,505	
26	2025	32				20,129	(1,069)			1,138,564	
27	2026	31				20,471	(1,087)			1,157,949	
28	2027	30				20,820	(1,106)			1,177,663	
29	2028	29				21,174	(1,124)			1,197,713	
30	2029	28				21,535	(1,144)			1,218,105	
31	2030	27				21,902	(1,163)			1,238,843	
32	2031	26				22,275	(1,183)			1,259,935	
33	2032	25				22,654	(1,203)			1,281,386	
34	2033	24				23,039	(1,223)			1,303,202	
35	2034	23				23,432	(1,244)			1,325,389	
36	2035	22				23,831	(1,265)			1,347,954	
37	2036	21				24,236	(1,287)			1,370,903	
38	2037	20				24,649	(1,309)			1,394,243	
39	2038	19				25,069	(1,331)			1,417,981	
40	2039	18				25,495	(1,354)			1,442,122	
41	2040	17				25,929	(1,377)			1,466,675	
42	2041	16				26,371	(1,400)			1,491,645	
43	2042	15				26,820	(1,424)			1,517,041	
44	2043	14				27,277	(1,448)			1,542,869	
45	2044	13				27,741	(1,473)			1,569,137	
46	2045	12				28,213	(1,498)			1,595,852	
47	2046	11				28,694	(1,524)			1,623,022	
48	2047	10				29,182	(1,550)			1,650,654	
49	2048	9				29,679	(1,576)			1,678,757	
50	2049	8				30,184	(1,603)			1,707,338	
51	2050	7				30,698	(1,630)			1,736,406	
52	2051	6				31,221	(1,658)			1,765,969	
53	2052	5				31,752	(1,686)			1,796,035	
54	2053	4				32,293	(1,715)			1,826,613	
55	2054	3				32,843	(1,744)			1,857,712	
56	2055	2				33,402	(1,774)			1,889,340	
57	2056	1				33,971	(1,804)			1,921,506	
58	2057	0							(1,921,506)	-	
			\$	-	\$	1,976,237	\$	(54,731)		\$	65,861,614

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

Schedule TJS-2

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 342 Fuel Holders, Producers & Accessories		0

Line	[A]	[B]	[C]			[D]	[E]	[F]	[G]	[H]		[I]	[J]	[K]
	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Advance	Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance		
			Balance	Additions	Retirements				Additions	Retirements				

Whole Life Depreciation Rate Calculation

Historical Additions	945,602
Forecast Additions	1,030,635
Total Additions	1,976,237
Gross Salvage Value	153,720
Less Cost of Removal	192,151
Net Salvage Value	(38,430)
Total to be Recovered	2,014,667

Forecast Plant Balances 65,861,614

Whole Life Accrual Rate	3.06%
Cost of Removal Accrual Rate	0.29%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.77%

Depreciable Service Life, years 32.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	945,602
Forecast Additions	1,030,635
Gross Salvage Value	153,720
Less Cost of Removal	192,151
Net Salvage Value	(38,430)
Depreciation Reserve Balance 12/31/14	(139,901)
Forecast Total Remaining Life Balance	1,874,766
Forecast Plant Balances	58,296,798
Remaining Life Accrual Rate	3.22%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 343 Prime Movers 0

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E] [F]				[G]	[H] [I]		[J]	[K]
			Reported Per Books			Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance	
			Balance	Transaction Year Additions	Retirements	Vintage Year Retirements	Advance Additions	Additions			Retirements
1	2007	50	-	14,865,865	-	-	-	14,865,865	-	-	14,865,865
2	2008	49	-	-	-	-	-	-	-	-	14,865,865
3	2009	48	-	13,815	-	-	-	13,815	-	-	14,879,680
4	2010	47	-	-	-	-	-	-	-	-	14,879,680
5	2011	46	-	-	-	-	-	-	-	-	14,879,680
6	2012	45	-	-	-	-	-	-	-	-	14,879,680
7	2013	44	-	-	-	-	-	-	-	-	14,879,680
8	2014	43	-	-	-	-	1,614,646	1,614,646	-	-	16,494,326
9	Total		\$ -	\$ 14,879,680	\$ -	\$ -	\$ 1,614,646	\$ 16,494,326	\$ -	\$ -	\$ 120,624,454

10 Major Additions/Retirements

11	2007	\$ 14,865,865	
12	2014	\$ 1,614,646	
13	Routine Activity	\$ 13,815	\$ -
14	Historical Interim Activity	0.01%	0.00%
15	Forecast Interim Activity	0.22%	-0.09% (used State Line CC as a guide)

Major Additions\*\*

Major Retirements

16	2015	42			35,519	(14,062)	16,515,783	
17	2016	41			35,565	(14,080)	16,537,267	
18	2017	40			35,611	(14,098)	16,558,780	
19	2018	39			35,658	(14,117)	16,580,321	
20	2019	38			35,704	(14,135)	16,601,890	
21	2020	37			35,750	(14,154)	16,623,487	
22	2021	36			35,797	(14,172)	16,645,112	
23	2022	35			35,843	(14,190)	16,666,765	
24	2023	34			35,890	(14,209)	16,688,446	
25	2024	33			35,937	(14,227)	16,710,155	
26	2025	32			35,984	(14,246)	16,731,893	
27	2026	31			36,030	(14,264)	16,753,659	
28	2027	30			36,077	(14,283)	16,775,453	
29	2028	29			36,124	(14,302)	16,797,276	
30	2029	28			36,171	(14,320)	16,819,127	
31	2030	27			36,218	(14,339)	16,841,006	
32	2031	26			36,265	(14,357)	16,862,914	
33	2032	25			36,313	(14,376)	16,884,851	
34	2033	24			36,360	(14,395)	16,906,816	
35	2034	23			36,407	(14,414)	16,928,809	
36	2035	22			36,454	(14,432)	16,950,831	
37	2036	21			36,502	(14,451)	16,972,882	
38	2037	20			36,549	(14,470)	16,994,962	
39	2038	19			36,597	(14,489)	17,017,070	
40	2039	18			36,644	(14,508)	17,039,207	
41	2040	17			36,692	(14,526)	17,061,373	
42	2041	16			36,740	(14,545)	17,083,567	
43	2042	15			36,788	(14,564)	17,105,791	
44	2043	14			36,836	(14,583)	17,128,043	
45	2044	13			36,883	(14,602)	17,150,324	
46	2045	12			36,931	(14,621)	17,172,635	
47	2046	11			36,979	(14,640)	17,194,974	
48	2047	10			37,028	(14,659)	17,217,342	
49	2048	9			37,076	(14,678)	17,239,740	
50	2049	8			37,124	(14,697)	17,262,166	
51	2050	7			37,172	(14,716)	17,284,622	
52	2051	6			37,221	(14,736)	17,307,107	
53	2052	5			37,269	(14,755)	17,329,621	
54	2053	4			37,318	(14,774)	17,352,165	
55	2054	3			37,366	(14,793)	17,374,738	
56	2055	2			37,415	(14,812)	17,397,340	
57	2056	1			37,463	(14,832)	17,419,972	
58	2057	0				(17,419,972)	-	
					\$ -	\$ 18,026,596	\$ (606,624)	\$ 833,110,737

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 343 Prime Movers		0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year Retirements	Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year		Advance		Additions	Retirements			
			Balance	Additions	Retirements	Additions					

Whole Life Depreciation Rate Calculation

Historical Additions	16,494,326
Forecast Additions	1,532,271
Total Additions	18,026,596
Gross Salvage Value	1,741,997
Less Cost of Removal	870,999
Net Salvage Value	870,999
Total to be Recovered	17,155,598

Forecast Plant Balances 833,110,737

Whole Life Accrual Rate	2.06%
Cost of Removal Accrual Rate	0.10%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.95%

Depreciable Service Life, years 48.6

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	16,494,326
Forecast Additions	1,532,271
Gross Salvage Value	1,741,997
Less Cost of Removal	870,999
Net Salvage Value	870,999
Depreciation Reserve Balance 12/31/14	(2,857,695)
Forecast Total Remaining Life Balance	14,297,902
Forecast Plant Balances	712,486,283
Remaining Life Accrual Rate	2.01%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company  
 Unit Property Depreciation Rate Analysis  
 Unit Property: Other Production, Riverton CC - Unit 12

Gross Salvage 10%  
 Cost of Removal 5%  
 Net Salvage 5%  
 Install Date 2007  
 Retirement Date 2057  
 Service Life, Yrs 50

Historical and Forecast Plant Additions & Balances  
 Account: 344 Generators 0

Line	[A] Vintage Year	[B] Vintage Age	[C] [D] [E]			[F] Vintage Year Retirements	[G] [H]		[I] Retirements	[J] Transfers and Adjustments	[K] End of Year Plant Balance	
			Reported Per Books				Account 106	Adjusted Transaction Year				
			Balance	Additions	Retirements		Advance Additions	Additions				Retirements
1	2007	50	-	11,445,708	-	-	-	11,445,708	-	-	11,445,708	
2	2008	49	-	-	-	-	-	-	-	-	11,445,708	
3	2009	48	-	-	-	-	-	-	-	-	11,445,708	
4	2010	47	-	91,356	-	-	-	91,356	-	-	11,537,064	
5	2011	46	-	-	-	-	-	-	-	-	11,537,064	
6	2012	45	-	-	-	-	-	-	-	-	11,537,064	
7	2013	44	-	-	-	-	11,006	11,006	-	-	11,548,070	
8	2014	43	-	-	-	-	-	-	-	-	11,548,070	
9	Total		\$ -	\$ 11,537,064	\$ -	\$ -	\$ 11,006	\$ 11,548,070	\$ -	\$ -	\$ 92,044,456	
10	Major Additions/Retirements											
11	2007			\$ 11,445,708								
12												
13	Routine Activity											
14	Historical Interim Activity			\$ 102,362	\$ -	0.11%	0.00%					
15	Forecast Interim Activity					0.25%	0.00% (used State Line CC as a guide)					
							Major Additions**			Major Retirements		
16	2015	42						28,532	(0)		11,576,601	
17	2016	41						28,602	(0)		11,605,203	
18	2017	40						28,673	(0)		11,633,876	
19	2018	39						28,744	(0)		11,662,620	
20	2019	38						28,815	(0)		11,691,434	
21	2020	37						28,886	(0)		11,720,320	
22	2021	36						28,957	(0)		11,749,277	
23	2022	35						29,029	(0)		11,778,306	
24	2023	34						29,100	(0)		11,807,407	
25	2024	33						29,172	(0)		11,836,579	
26	2025	32						29,244	(0)		11,865,823	
27	2026	31						29,317	(0)		11,895,140	
28	2027	30						29,389	(0)		11,924,529	
29	2028	29						29,462	(0)		11,953,991	
30	2029	28						29,535	(0)		11,983,525	
31	2030	27						29,607	(0)		12,013,133	
32	2031	26						29,681	(0)		12,042,813	
33	2032	25						29,754	(0)		12,072,567	
34	2033	24						29,827	(0)		12,102,395	
35	2034	23						29,901	(0)		12,132,296	
36	2035	22						29,975	(0)		12,162,271	
37	2036	21						30,049	(0)		12,192,320	
38	2037	20						30,123	(0)		12,222,444	
39	2038	19						30,198	(0)		12,252,641	
40	2039	18						30,272	(0)		12,282,914	
41	2040	17						30,347	(0)		12,313,261	
42	2041	16						30,422	(0)		12,343,683	
43	2042	15						30,497	(0)		12,374,180	
44	2043	14						30,573	(0)		12,404,753	
45	2044	13						30,648	(0)		12,435,401	
46	2045	12						30,724	(0)		12,466,125	
47	2046	11						30,800	(0)		12,496,925	
48	2047	10						30,876	(0)		12,527,801	
49	2048	9						30,952	(0)		12,558,753	
50	2049	8						31,029	(0)		12,589,782	
51	2050	7						31,105	(0)		12,620,887	
52	2051	6						31,182	(0)		12,652,069	
53	2052	5						31,259	(0)		12,683,328	
54	2053	4						31,336	(0)		12,714,665	
55	2054	3						31,414	(0)		12,746,079	
56	2055	2						31,492	(0)		12,777,570	
57	2056	1						31,569	(0)		12,809,140	
58	2057	0							(12,809,140)		-	
			\$ -	\$ 12,809,140	\$ (0)						\$ 603,719,286	

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	10%
	Cost of Removal	5%
Unit Property Depreciation Rate Analysis	Net Salvage	5%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 344 Generators		0

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year			Vintage Year		Additions	Retirements		
			Balance	Additions	Retirements	Retirements					

Whole Life Depreciation Rate Calculation

Historical Additions	11,548,070
Forecast Additions	1,261,070
Total Additions	12,809,140
Gross Salvage Value	1,280,914
Less Cost of Removal	640,457
Net Salvage Value	640,457
Total to be Recovered	12,168,683

Forecast Plant Balances 603,719,286

Whole Life Accrual Rate	2.02%
Cost of Removal Accrual Rate	0.11%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.91%

Depreciable Service Life, years 49.6

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	11,548,070
Forecast Additions	1,261,070
Gross Salvage Value	1,280,914
Less Cost of Removal	640,457
Net Salvage Value	640,457
Depreciation Reserve Balance 12/31/14	(1,673,752)
Forecast Total Remaining Life Balance	10,494,931
Forecast Plant Balances	511,674,830
Remaining Life Accrual Rate	2.05%



Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 345 Accessory Electric Equipment 0

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106		Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year			Vintage Year Retirements	Advance Additions	Additions	Retirements			
			Balance	Additions	Retirements							
1	2007	50	-	9,546,934	(32,082)	-	-	9,546,934	(32,082)	-	9,514,852	
2	2008	49	-	-	-	-	-	-	-	-	9,514,852	
3	2009	48	-	-	-	-	-	-	-	-	9,514,852	
4	2010	47	-	-	-	-	-	-	-	-	9,514,852	
5	2011	46	-	-	-	-	-	-	-	-	9,514,852	
6	2012	45	-	-	-	-	-	-	-	-	9,514,852	
7	2013	44	-	-	-	-	-	-	-	-	9,514,852	
8	2014	43	-	-	-	-	-	-	-	-	9,514,852	
9	Total		\$ -	\$ 9,546,934	\$ (32,082)	\$ -	\$ -	\$ 9,546,934	\$ (32,082)	\$ -	\$ 76,118,815	
10	Major Additions/Retirements											
11	2007		\$ -	\$ 9,546,934	(32,082)							
12												
13	Routine Activity		\$ -	\$ -								
14	Historical Interim Activity			0.00%	0.00%							
15	Forecast Interim Activity			1.15%	0.00% (used State Line CC as a guide)							
						Major Additions**				Major Retirements		
16	2015	42						109,189	-		9,624,041	
17	2016	41						110,442	-		9,734,484	
18	2017	40						111,710	-		9,846,193	
19	2018	39						112,992	-		9,959,185	
20	2019	38						114,288	-		10,073,473	
21	2020	37						115,600	-		10,189,073	
22	2021	36						116,926	-		10,306,000	
23	2022	35						118,268	-		10,424,268	
24	2023	34						119,625	-		10,543,893	
25	2024	33						120,998	-		10,664,892	
26	2025	32						122,387	-		10,787,278	
27	2026	31						123,791	-		10,911,070	
28	2027	30						125,212	-		11,036,282	
29	2028	29						126,649	-		11,162,930	
30	2029	28						128,102	-		11,291,032	
31	2030	27						129,572	-		11,420,605	
32	2031	26						131,059	-		11,551,664	
33	2032	25						132,563	-		11,684,227	
34	2033	24						134,084	-		11,818,311	
35	2034	23						135,623	-		11,953,934	
36	2035	22						137,179	-		12,091,114	
37	2036	21						138,754	-		12,229,867	
38	2037	20						140,346	-		12,370,213	
39	2038	19						141,957	-		12,512,170	
40	2039	18						143,586	-		12,655,755	
41	2040	17						145,233	-		12,800,989	
42	2041	16						146,900	-		12,947,889	
43	2042	15						148,586	-		13,096,474	
44	2043	14						150,291	-		13,246,765	
45	2044	13						152,016	-		13,398,781	
46	2045	12						153,760	-		13,552,541	
47	2046	11						155,525	-		13,708,065	
48	2047	10						157,309	-		13,865,375	
49	2048	9						159,114	-		14,024,489	
50	2049	8						160,940	-		14,185,429	
51	2050	7						162,787	-		14,348,217	
52	2051	6						164,655	-		14,512,872	
53	2052	5						166,545	-		14,679,417	
54	2053	4						168,456	-		14,847,873	
55	2054	3						170,389	-		15,018,263	
56	2055	2						172,345	-		15,190,607	
57	2056	1						174,322	-		15,364,930	
58	2057	0								(15,364,930)	-	
								\$ -	\$ 15,397,012	\$ (32,082)	\$ 591,749,747	

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 345 Accessory Electric Equipment		0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Line	Vintage Year	Vintage Age	Reported Per Books			Vintage Year Retirements	Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year		Advance		Additions	Retirements			
			Balance	Additions	Retirements	Additions					

Whole Life Depreciation Rate Calculation

Historical Additions	9,546,934
Forecast Additions	5,850,078
Total Additions	15,397,012
Gross Salvage Value	1,229,194
Less Cost of Removal	1,536,493
Net Salvage Value	(307,299)
Total to be Recovered	15,704,310

Forecast Plant Balances 591,749,747

Whole Life Accrual Rate	2.65%
Cost of Removal Accrual Rate	0.26%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.39%

Depreciable Service Life, years 37.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	9,514,852
Forecast Additions	5,850,078
Gross Salvage Value	1,229,194
Less Cost of Removal	1,536,493
Net Salvage Value	(307,299)
Depreciation Reserve Balance 12/31/14	(2,066,927)
Forecast Total Remaining Life Balance	13,605,302
Forecast Plant Balances	515,630,932
Remaining Life Accrual Rate	2.64%

Schedule TJS-2  
REPORT ON DEPRECIATION ACCRUAL RATES | The Empire District Electric Company

<b>The Empire District Electric Company</b>	Gross Salvage	8%
	Cost of Removal	10%
<b>Unit Property Depreciation Rate Analysis</b>	Net Salvage	-2%
<b>Unit Property: Other Production, Riverton CC - Unit 12</b>	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50

Historical and Forecast Plant Additions & Balances  
Account: 346 Misc Power Equipment

Line	Vintage Year	Vintage Age	Reported Per Books				Account 106 Advance Additions	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Transaction Year			Vintage Year Retirements		Additions	Retirements		
			Balance	Additions	Retirements						
1	2007	50	-	1,484,186	-	-	1,484,186	-	-	1,484,186	
2	2008	49	-	-	-	-	-	-	-	1,484,186	
3	2009	48	-	-	-	-	-	-	-	1,484,186	
4	2010	47	-	-	-	-	-	-	-	1,484,186	
5	2011	46	-	-	-	-	-	-	-	1,484,186	
6	2012	45	-	-	-	-	-	-	-	1,484,186	
7	2013	44	-	-	-	-	-	-	-	1,484,186	
8	2014	43	-	-	-	-	-	-	-	1,484,186	
9	Total		\$ -	\$ 1,484,186	\$ -	\$ -	\$ 1,484,186	\$ -	\$ -	\$ 11,873,488	
10	Major Additions/Retirements										
11	2007		\$ -	\$ 1,484,186							
12											
13	Routine Activity		\$ -	\$ -							
14	Historical Interim Activity			0.00%	0.00%						
15	Forecast Interim Activity			0.30%	0.00% (used State Line CC as a guide)						
						Major Additions**		Major Retirements			
16	2015	42					4,513	-		1,488,699	
17	2016	41					4,527	-		1,493,225	
18	2017	40					4,540	-		1,497,766	
19	2018	39					4,554	-		1,502,320	
20	2019	38					4,568	-		1,506,888	
21	2020	37					4,582	-		1,511,470	
22	2021	36					4,596	-		1,516,065	
23	2022	35					4,610	-		1,520,675	
24	2023	34					4,624	-		1,525,299	
25	2024	33					4,638	-		1,529,937	
26	2025	32					4,652	-		1,534,589	
27	2026	31					4,666	-		1,539,255	
28	2027	30					4,680	-		1,543,935	
29	2028	29					4,695	-		1,548,630	
30	2029	28					4,709	-		1,553,338	
31	2030	27					4,723	-		1,558,062	
32	2031	26					4,737	-		1,562,799	
33	2032	25					4,752	-		1,567,551	
34	2033	24					4,766	-		1,572,317	
35	2034	23					4,781	-		1,577,098	
36	2035	22					4,795	-		1,581,893	
37	2036	21					4,810	-		1,586,703	
38	2037	20					4,825	-		1,591,528	
39	2038	19					4,839	-		1,596,367	
40	2039	18					4,854	-		1,601,221	
41	2040	17					4,869	-		1,606,090	
42	2041	16					4,883	-		1,610,973	
43	2042	15					4,898	-		1,615,872	
44	2043	14					4,913	-		1,620,785	
45	2044	13					4,928	-		1,625,713	
46	2045	12					4,943	-		1,630,656	
47	2046	11					4,958	-		1,635,614	
48	2047	10					4,973	-		1,640,588	
49	2048	9					4,988	-		1,645,576	
50	2049	8					5,004	-		1,650,580	
51	2050	7					5,019	-		1,655,598	
52	2051	6					5,034	-		1,660,632	
53	2052	5					5,049	-		1,665,682	
54	2053	4					5,065	-		1,670,746	
55	2054	3					5,080	-		1,675,826	
56	2055	2					5,096	-		1,680,922	
57	2056	1					5,111	-		1,686,033	
58	2057	0							(1,686,033)	-	
			\$ -	\$ 1,686,033	\$ -		\$ -	\$ -		\$ 78,459,005	

\*\* From 2015 capital budget

The Empire District Electric Company | REPORT ON DEPRECIATION ACCRUAL RATES

The Empire District Electric Company	Gross Salvage	8%
	Cost of Removal	10%
Unit Property Depreciation Rate Analysis	Net Salvage	-2%
Unit Property: Other Production, Riverton CC - Unit 12	Install Date	2007
	Retirement Date	2057
	Service Life, Yrs	50
Historical and Forecast Plant Additions & Balances		
Account: 346 Misc Power Equipment		0

Line	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	Vintage Year	Vintage Age	Reported Per Books			Vintage Year	Account 106	Adjusted Transaction Year		Transfers and Adjustments	End of Year Plant Balance
			Balance	Additions	Retirements		Retirements	Advance Additions	Additions		

Whole Life Depreciation Rate Calculation

Historical Additions	1,484,186
Forecast Additions	201,847
Total Additions	1,686,033
Gross Salvage Value	134,883
Less Cost of Removal	168,603
Net Salvage Value	(33,721)
Total to be Recovered	1,719,754

Forecast Plant Balances 78,459,005

Whole Life Accrual Rate	2.19%
Cost of Removal Accrual Rate	0.21%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.98%

Depreciable Service Life, years 45.6

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/14	1,484,186
Forecast Additions	201,847
Gross Salvage Value	134,883
Less Cost of Removal	168,603
Net Salvage Value	(33,721)

Depreciation Reserve Balance 12/31/14 (317,227)

Forecast Total Remaining Life Balance	1,402,527
Forecast Plant Balances	66,585,517
Remaining Life Accrual Rate	2.11%