



Commissioners

JEFF DAVIS
Chairman

CONNIE MURRAY

STEVE GAW

ROBERT M. CLAYTON III

LINWARD "LIN" APPLING

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

March 9, 2005

Mr. Dale H. Roberts
Secretary Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: Case No. ER-2004-0570 The Empire District Electric Company

Dear Judge Roberts:

Pursuant to the Commission's Order of March 3, 2005, the Staff is filing herewith a Third Updated Reconciliation and the Second Revised Staff Accounting Schedules.

Sincerely,

/s/ Dennis L. Frey

Dennis L. Frey
Attorney for the Staff of the
Missouri Public Service Commission
(573) 751-8700
(573) 751-9285 (Fax)
denny.frey@psc.mo.gov

DF:tv
Enclosure

cc: Regulatory Law Judge Kevin Thompson
All Counsel of Record

**EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2004-0570
THIRD UPDATED RECONCILIATION**

ISSUE	STAFF	OPC
Company Revenue Requirement (Permanent Rates)	\$ 33,339,670	\$ 33,339,670
- Reflects \$125,000,000 Base Fuel Expense per IEC Stip		
- Reflects \$1,400,000 per Stip as to Certain Issues ¹		
<u>Depreciation:</u>		
Mass Property - Difference in Average Service Lives	454,780	0
Production Plant - Average Service Lives vs Life Span	(3,089,159)	(3,020,535)
Production Plant - Terminal Net Salvage	(870,139)	(870,139)
Production Plant - Interim Net Salvage	555,959	555,959
Mass Property - Net Salvage	(5,327,410)	(5,200,812)
<u>Return And Capital Structure:</u>		
Return On Equity ²	(11,581,627)	(10,987,698)
Capital Structure	(289,369)	(76,391)
Cost Of Long Term Debt	(120,412)	(60,204)
Revenue Requirement (Permanent Rates)	\$ 13,072,293	\$ 13,679,850
Settled Interim Energy Charge (Subject to Refund)	\$ 8,249,000	\$ 8,249,000

1. Settled Certain Issues:

Energy Center Units 3 & 4 Construction Cost
Deferred Tax Balances
Payroll O&M Factor
Energy Center Units 3 & 4 O & M
Annual Generator Inspections
Tree Trimming
Rate Case Expense
Enron Legal Fees
Incentive Compensation
Stock Options
Low-Income Customer Weatherization Assistance
Energy Efficiency Programs
Wind Energy Assessment
Pensions

2. At the high end of the Party's return on equity range.

Exhibit No.:
Issue: Second Revised Staff
Accounting Schedules
Witness: MoPSC Auditors
Sponsoring Party: MoPSC Staff
Case No.: ER-2004-0570
Date Prepared: March 9, 2005

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

**SECOND REVISED
STAFF ACCOUNTING SCHEDULES**

EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2004-0570

*Jefferson City, Missouri
March 2005*

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Revenue Requirement

Line	(A)		8.29% Equity Return (B)	8.79% Equity Return (C)	9.29% Equity Return (D)
1	Net Original Cost Rate Base	(From Accounting Schedule 2)	\$ 609,893,448	\$ 609,893,448	\$ 609,893,448
2	Rate of Return		7.84%	8.09%	8.34%
3	Net Operating Income Requirement		\$ 47,815,646	\$ 49,340,380	\$ 50,865,114
4	Net Operating Income Available	(From Accounting Schedule 9)	42,811,123	42,811,123	42,811,123
5	Additional Net Operating Income Requirement		\$ 5,004,523	\$ 6,529,257	\$ 8,053,991
6	Income Tax Requirement:	(From Accounting Schedule 11)			
7	Required Current Income Tax		\$ 9,408,801	\$ 10,358,827	\$ 11,308,854
8	Test Year Current Income Tax		6,290,599	6,290,599	6,290,599
9	Additional Current Income Tax Requirement		\$ 3,118,202	\$ 4,068,228	\$ 5,018,255
10	Additional Revenue Requirement - Base Rates		\$ 8,122,725	\$ 10,597,485	\$ 13,072,246
11	Interim Energy Charge (IEC) - Interim Rates		\$ 8,249,000	\$ 8,249,000	\$ 8,249,000

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Rate Base

Line	Description (A)	Amount (B)
1	Plant in Service (From Accounting Schedule 3)	\$ 1,020,651,078
2	Less:	
3	Accumulated Depreciation Reserve (From Accounting Schedule 6)	343,810,985
4	Accumulated Amortization Reserve	3,545,757
5	Net Plant in Service	<u>\$ 673,294,336</u>
6	Add:	
7	Cash Working Capital (From Accounting Schedule 8)	\$ 2,492,049
7	Fuel Stock	6,088,656
8	Materials and Supplies	15,059,442
9	Prepayments	1,477,175
10	Prepaid Pension Asset	13,254,447
11	Total Additions to Net Plant in Service	<u>\$ 38,371,770</u>
12	Deduct:	
13	Interest Offset @ 11.5581%	\$ 2,657,552
14	Federal Income Tax Offset @ 15.1233%	1,229,685
15	State Income Tax Offset @ 6.5479%	83,665
16	Customer Advances For Construction	1,864,392
17	Customer Deposits	4,876,415
18	Injuries and Damages Reserve	1,160,738
19	Deferred Income Taxes	89,900,210
20	Total Deductions from Net Plant in Service	<u>\$ 101,772,657</u>
21	Total Rate Base	<u>\$ 609,893,448</u>

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Plant In Service

Line	Account No. (A)	Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Accg Sch 4 (G)	Adjusted Balance ((C+D)xE)+F (H)
		Intangible Plant						
1	301.000	Organization	\$ 29,940	\$ 0	85.1256%	\$ 0	P-1	\$ 25,487
2	302.000	Franchise & Consents	1,079,798	0	85.1256%	0	P-2	919,185
3	303.000	Miscellaneous Intangible Plant	6,891,958	0	85.1256%	0	P-3	5,866,824
4		Total	\$ 8,001,696	\$ 0		\$ 0		\$ 6,811,496
5		Steam Production Plant - Riverton						
6	310.200	Land/Land Rights	\$ 397,725	\$ 0	81.9500%	\$ 0	P-4	\$ 325,936
7	311.200	Structures & Improvements	8,467,460	0	81.9500%	0	P-5	6,939,083
8	312.200	Boiler Plant Equipment	21,727,092	0	81.9500%	0	P-6	17,805,352
9	314.200	Turbogenerator Units	6,514,048	0	81.9500%	0	P-7	5,338,263
10	315.200	Accessory Electric Equipment	1,299,877	0	81.9500%	0	P-8	1,065,249
11	316.200	Miscellaneous Power Plant Equipment	1,075,367	0	81.9500%	0	P-9	881,263
12		Total	\$ 39,481,568	\$ 0		\$ 0		\$ 32,355,145
13		Steam Production Plant - Asbury						
14	310.300	Land/Land Rights	\$ 387,547	\$ 0	81.9500%	\$ 0	P-10	\$ 317,595
15	311.300	Structures & Improvements	9,169,966	0	81.9500%	0	P-11	7,514,787
16	312.300	Boiler Plant Equipment	66,841,958	0	81.9500%	0	P-12	54,776,984
17	312.700	Unit Train	5,580,296	0	81.9500%	0	P-13	4,573,053
18	314.300	Turbogenerator Units	20,730,452	0	81.9500%	0	P-14	16,988,606
19	315.300	Accessory Electric Equipment	6,348,259	0	81.9500%	0	P-15	5,202,398
20	316.300	Miscellaneous Power Plant Equipment	1,623,435	0	81.9500%	0	P-16	1,330,405
21		Total	\$ 110,681,913	\$ 0		\$ 0		\$ 90,703,828
22		Steam Production Plant - Iatan						
23	310.600	Land/Land Rights	\$ 122,418	\$ 0	81.9500%	\$ 0	P-17	\$ 100,322
24	311.600	Structures & Improvements	3,997,069	0	81.9500%	0	P-18	3,275,598
25	312.600	Boiler Plant Equipment	31,103,431	0	81.9500%	0	P-19	25,489,261
26	312.500	Unit Train	0	0	81.9500%	0	P-20	0
27	314.600	Turbogenerator Units	8,252,043	0	81.9500%	0	P-21	6,762,549

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Plant In Service

Line	Account No. (A)	Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Accg Sch 4 (G)	Adjusted Balance ((C+D)xE)+F (H)
28	315.600	Accessory Electric Equipment	3,689,765	0	81.9500%	0	P-22	3,023,762
29	316.600	Miscellaneous Power Plant Equipment	872,216	0	81.9500%	0	P-23	714,781
30		Total	\$ 48,036,942	\$ 0		\$ 0		\$ 39,366,274
31		Hydraulic Production Plant - Ozark Beach						
32	330.300	Land/Land Rights	\$ 224,480	\$ 0	81.9500%	\$ 0	P-24	\$ 183,961
33	331.300	Structures & Improvements	556,389	0	81.9500%	0	P-25	455,961
34	332.300	Reservoirs	1,461,404	0	81.9500%	0	P-26	1,197,620
35	333.300	Water Wheels/Generators	1,305,038	0	81.9500%	0	P-27	1,069,478
36	334.300	Accessory Electric Equipment	812,324	0	81.9500%	0	P-28	665,699
37	335.300	Miscellaneous Power Plant Equipment	348,853	0	81.9500%	0	P-29	285,885
38		Total	\$ 4,708,487	\$ 0		\$ 0		\$ 3,858,605
39		Combustion Turbine - Riverton						
40	340.200	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	P-30	\$ 0
41	341.200	Structures & Improvements	193,357	0	81.9500%	0	P-31	158,456
42	342.200	Fuel Holders	87,123	0	81.9500%	0	P-32	71,397
43	343.200	Prime Movers	10,147,180	0	81.9500%	0	P-33	8,315,614
44	344.200	Generators	926,850	0	81.9500%	0	P-34	759,554
45	345.200	Accessory Electric Equipment	315,835	0	81.9500%	0	P-35	258,827
46	346.200	Miscellaneous Power Plant Equipment	83,907	0	81.9500%	0	P-36	68,762
47		Total	\$ 11,754,253	\$ 0		\$ 0		\$ 9,632,610
48		Combustion Turbine - Energy Center						
49	340.300	Land/Land Rights	\$ 163,097	\$ 0	81.9500%	\$ 0	P-37	\$ 133,658
50	341.300	Structures & Improvements	2,999,174	(788,839)	81.9500%	0	P-38	1,811,369
51	342.300	Fuel Holders	1,209,362	0	81.9500%	0	P-39	991,072
52	343.300	Prime Movers	25,638,096	0	81.9500%	0	P-40	21,010,419
53	344.300	Generators	44,338,097	(788,839)	81.9500%	0	P-41	35,688,617

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Plant In Service

Line	Account No. (A)	Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acctg Sch 4 (G)	Adjusted Balance ((C-D)xE)+F (H)
54	345.300	Accessory Electric Equipment	2,571,511	0	81.9500%	0	P-42	2,107,353
55	346.300	Miscellaneous Power Plant Equipment	13,530,044	0	81.9500%	0	P-43	11,087,871
56		Total	\$ 90,449,380	\$ (1,577,678)		\$ 0		\$ 72,830,360
57		Aero Units - Energy Center						
58	341.000	Structures & Improvements	\$ 0	\$ 0	81.9500%	\$ 0	P-44	\$ 0
59	344.000	Generators	0	0	81.9500%	0	P-45	0
60	345.000	Accessory Electric Equipment	0	0	81.9500%	0	P-46	0
61	346.000	Miscellaneous Power Plant Equipment	0	0	81.9500%	0	P-47	0
62		Total	\$ 0	\$ 0		\$ 0		\$ 0
63		Combustion Turbine - State Line						
64	340.800	Land/Land Rights	\$ 288,554	\$ 0	81.9500%	\$ 0	P-48	\$ 236,470
65	341.800	Structures & Improvements	4,130,748	0	81.9500%	0	P-49	3,385,148
66	342.800	Fuel Holders	3,380,804	0	81.9500%	0	P-50	2,770,569
67	343.800	Prime Movers	42,664,185	0	81.9500%	0	P-51	34,963,300
68	344.800	Generators	11,268,284	0	81.9500%	0	P-52	9,234,359
69	345.800	Accessory Electric Equipment	3,710,093	0	81.9500%	0	P-53	3,040,421
70	346.800	Miscellaneous Power Plant Equipment	123,435	0	81.9500%	0	P-54	101,155
71		Total	\$ 65,566,103	\$ 0		\$ 0		\$ 53,731,422
72		Combined Cycle - State Line						
73	341.100	Structures & Improvements	7,045,752	0	81.9500%	0	P-55	5,773,993
74	342.100	Fuel Holders	7,971,750	0	81.9500%	0	P-56	6,532,849
75	343.100	Prime Movers	83,979,493	0	81.9500%	0	P-57	68,821,195
76	344.100	Generators	23,328,557	0	81.9500%	0	P-58	19,117,752
77	345.100	Accessory Electric Equipment	7,782,686	0	81.9500%	0	P-59	6,377,911
78	346.100	Miscellaneous Power Plant Equipment	64,665	0	81.9500%	0	P-60	52,993
79		Total	\$ 130,172,902	\$ 0		\$ 0		\$ 106,676,693

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Plant In Service

Line	Account No. (A)	Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acctg Sch 4 (G)	Adjusted Balance ((C+D)+F) (H)
80		Transmission Plant						
81	350.000	Land/Land Rights	\$ 8,680,615	\$ 0	81.9500%	\$ 0	P-61	\$ 7,113,764
82	352.000	Structures & Improvements	2,312,601	0	81.9500%	0	P-62	1,895,177
83	352.100	Structures & Improvements - Iatan	23,013	0	81.9500%	0	P-63	18,859
84	353.000	Station Equipment	80,408,254	0	81.9500%	0	P-64	65,894,564
85	353.100	Station Equipment - Iatan	694,385	0	81.9500%	0	P-65	569,049
86	354.000	Towers & Fixtures	777,080	0	81.9500%	0	P-66	636,817
87	355.000	Poles & Fixtures	26,709,864	(30,215)	81.9500%	0	P-67	21,863,972
88	356.000	Overhead Conductors	50,847,710	(167,409)	81.9500%	0	P-68	41,532,507
89		Total	\$ 170,453,522	\$ (197,624)		\$ 0		\$ 139,524,708
90		Distribution Plant						
91		Missouri						
92	360.000	Land/Land Rights	\$ 1,519,210	\$ 0	100.0000%	\$ 0	P-69	\$ 1,519,210
93	361.000	Structures & Improvements	8,415,331	0	100.0000%	0	P-70	8,415,331
94	362.000	Station Equipment	54,447,597	0	100.0000%	(2,498,452)	P-71	51,949,145
95	364.000	Poles, Towers & Fixtures	75,481,042	0	100.0000%	(103,120)	P-72	75,377,922
96	365.000	Overhead Conductors	94,509,876	0	100.0000%	(155,948)	P-73	94,353,928
97	366.000	Underground Conduit	16,005,260	0	100.0000%	0	P-74	16,005,260
98	367.000	Underground Conductors	33,575,290	0	100.0000%	0	P-75	33,575,290
99	368.000	Transformers	61,194,572	0	100.0000%	(30,391)	P-76	61,164,181
100	369.000	Services	42,710,443	0	100.0000%	0	P-77	42,710,443
101	370.000	Meters	14,177,845	0	100.0000%	0	P-78	14,177,845
102	371.000	Meter Installations	10,523,506	0	100.0000%	(43,006)	P-79	10,480,500
103	373.000	Street Lighting	9,520,690	0	100.0000%	0	P-80	9,520,690
104		Other Jurisdictions Distribution Plant	48,280,120	0	0.0000%	0	P-81	0
105		Total	\$ 470,360,784	\$ 0		\$ (2,830,917)		\$ 419,249,746

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Plant In Service

Line	Account No. (A)	Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Accg Sch 4 (G)	Adjusted Balance ((C+D)xE)+F (H)
106		General Plant						
107	389.000	Land/Land Rights	\$ 691,217	\$ 0	85.1256%	\$ 0	P-82	\$ 588,403
108	390.000	Structures & Improvements	9,234,589	0	85.1256%	0	P-83	7,861,004
109	391.000	Office Furniture and Equipment	3,271,691	0	85.1256%	0	P-84	2,785,048
110	391.000	Computer Equipment	8,804,676	0	85.1256%	0	P-85	7,495,037
111	391.000	Computer Furniture - Capital Leases	180,876	0	85.1256%	0	P-86	153,972
112	392.000	Transportation Equipment	6,528,679	0	85.1256%	0	P-87	5,557,580
113	393.000	Stores Equipment	343,778	0	85.1256%	0	P-88	292,643
114	394.000	Tools, Shop & Garage Equipment	2,950,039	0	85.1256%	0	P-89	2,511,239
115	395.000	Laboratory Equipment	886,386	0	85.1256%	0	P-90	754,541
116	396.000	Power Operated Equipment	10,036,913	0	85.1256%	0	P-91	8,543,987
117	397.000	Communication Equipment	10,137,347	0	85.1256%	0	P-92	8,629,482
118	397.000	Communication Equipment - Capital Leases	634,205	0	85.1256%	0	P-93	539,871
119	398.000	Miscellaneous Equipment	231,871	0	85.1256%	0	P-94	197,381
120		Total	\$ 53,932,264	\$ 0		\$ 0		\$ 45,910,190
121		Total Plant In Service	\$ 1,203,599,815	\$ (1,775,302)		(2,830,917)		\$ 1,020,651,078

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Plant In Service

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
A/C 341.300	Structures & Improvements P-38	\$ (788,839)	\$ 0
1	To record a partial disallowance of Energy Center Units 3 and 4. (McKiddy)	\$ (788,839)	\$
A/C 344.300	Generators P-41	\$ (788,839)	\$ 0
1	To record a partial disallowance of Energy Center Units 3 and 4. (McKiddy)	\$ (788,839)	\$
A/C 355.000	Poles & Fixtures P-67	\$ (30,215)	\$ 0
1	To record the retirement of plant related to the May 2003 tornado. (McKiddy)	\$ (30,215)	\$
A/C 356.000	Overhead Conductors P-68	\$ (167,409)	\$ 0
1	To record the retirement of plant related to the May 2003 tornado. (McKiddy)	\$ (167,409)	\$
A/C 362.000	Station Equipment P-71	\$ 0	\$ (2,498,452)
1	To adjust plant for insurance recovery. (McKiddy)	\$	\$ (2,263,091)
2	To record the retirement of plant related to the May 2003 tornado. (McKiddy)		(235,361)
A/C 364.000	Poles, Towers & Fixtures P-72	\$ 0	\$ (103,120)
1	To record the retirement of plant related to the May 2003 tornado. (McKiddy)	\$	\$ (103,120)
A/C 365.000	Overhead Conductors P-73	\$ 0	\$ (155,948)
1	To record the retirement of plant related to the May 2003 tornado. (McKiddy)	\$	\$ (155,948)
A/C 368.000	Transformers P-76	\$ 0	\$ (30,391)
1	To adjust plant for insurance recovery. (McKiddy)	\$	\$ (22,616)
2	To record the retirement of plant related to the May 2003 tornado. (McKiddy)		(7,775)
A/C 371.000	Meter Installations P-79	\$ 0	\$ (43,006)
1	To record the retirement of plant related to the May 2003 tornado. (McKiddy)	\$	\$ (43,006)

Empire District Electric Company

Case No. ER-2004-0570

Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Expense

Line	Account No. (A)	Plant Description (B)	Adjusted Jurisdictional (C)	Depr Rate (D)	Depreciation Expense CxD (E)
		Intangible Plant			
1	301.000	Organization	\$ 25,487	0.0000%	\$ 0
2	302.000	Franchise & Consents	919,185	0.0000%	0
3	303.000	Miscellaneous Intangible Plant	5,866,824	0.0000%	0
4		Total	\$ 6,811,496		\$ 0
5		Steam Production Plant - Riverton			
6	310.200	Land/Land Rights	\$ 325,936	0.0000%	\$ 0
7	311.200	Structures & Improvements	6,939,083	1.0500%	72,860
8	312.200	Boiler Plant Equipment	17,805,352	1.8500%	329,399
9	314.200	Turbogenerator Units	5,338,263	1.5900%	84,878
10	315.200	Accessory Electric Equipment	1,065,249	0.0000%	0
11	316.200	Miscellaneous Power Plant Equipment	881,263	1.9600%	17,273
12		Total	\$ 32,355,145		\$ 504,411
13		Steam Production Plant - Asbury			
14	310.300	Land/Land Rights	\$ 317,595	0.0000%	\$ 0
15	311.300	Structures & Improvements	7,514,787	1.0500%	78,905
16	312.300	Boiler Plant Equipment	54,776,984	1.8500%	1,013,374
17	312.700	Unit Train	4,573,053	6.6700%	305,023
18	314.300	Turbogenerator Units	16,988,606	1.5900%	270,119
19	315.300	Accessory Electric Equipment	5,202,398	1.7900%	93,123
20	316.300	Miscellaneous Power Plant Equipment	1,330,405	1.9600%	26,076
21		Total	\$ 90,703,828		\$ 1,786,620
22		Steam Production Plant - Iatan			
23	310.600	Land/Land Rights	\$ 100,322	0.0000%	\$ 0
24	311.600	Structures & Improvements	3,275,598	1.0500%	34,394
25	312.600	Boiler Plant Equipment	25,489,261	1.8500%	471,551
26	312.500	Unit Train	0	0.0000%	0
27	314.600	Turbogenerator Units	6,762,549	1.5900%	107,525
28	315.600	Accessory Electric Equipment	3,023,762	1.7900%	54,125
29	316.600	Miscellaneous Power Plant Equipment	714,781	1.9600%	14,010
30		Total	\$ 39,366,274		\$ 681,605
31		Hydraulic Production Plant - Ozark Beach			
32	330.300	Land/Land Rights	\$ 183,961	0.0000%	\$ 0
33	331.300	Structures & Improvements	455,961	1.6400%	7,478
34	332.300	Reservoirs	1,197,620	1.6700%	20,000
35	333.300	Water Wheels/Generators	1,069,478	1.4700%	15,721
36	334.300	Accessory Electric Equipment	665,699	1.4300%	9,520
37	335.300	Miscellaneous Power Plant Equipment	285,885	2.4400%	6,976
38		Total	\$ 3,858,605		\$ 59,694

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Expense

Line	Account No. (A)	Plant Description (B)	Adjusted Jurisdictional (C)	Depr Rate (D)	Depreciation Expense CxD (E)
39		Combustion Turbine - Riverton			
40	340.200	Land/Land Rights	\$ 0	0.0000%	\$ 0
41	341.200	Structures & Improvements	158,456	1.8200%	2,884
42	342.200	Fuel Holders	71,397	3.8500%	2,749
43	343.200	Prime Movers	8,315,614	1.9200%	159,660
44	344.200	Generators	759,554	1.8200%	13,824
45	345.200	Accessory Electric Equipment	258,827	3.5700%	9,240
46	346.200	Miscellaneous Power Plant Equipment	68,762	4.0000%	2,750
47		Total	\$ 9,632,610		\$ 191,107
48		Combustion Turbine - Energy Center			
49	340.300	Land/Land Rights	\$ 133,658	0.0000%	\$ 0
50	341.300	Structures & Improvements	1,811,369	1.8200%	32,967
51	342.300	Fuel Holders	991,072	0.0000%	0
52	343.300	Prime Movers	21,010,419	1.9200%	403,400
53	344.300	Generators	35,688,617	1.8200%	649,533
54	345.300	Accessory Electric Equipment	2,107,353	3.5700%	75,233
55	346.300	Miscellaneous Power Plant Equipment	11,087,871	4.0000%	443,515
56		Total	\$ 72,830,360		\$ 1,604,647
57		Aero Units - Energy Center			
58	341.000	Structures & Improvements	\$ 0	1.8200%	\$ 0
59	344.000	Generators	0	1.8200%	0
60	345.000	Accessory Electric Equipment	0	3.5700%	0
61	346.000	Miscellaneous Power Plant Equipment	0	4.0000%	0
62		Total	\$ 0		\$ 0
63		Combustion Turbine - State Line			
64	340.800	Land/Land Rights	\$ 236,470	0.0000%	\$ 0
65	341.800	Structures & Improvements	3,385,148	1.8200%	61,610
66	342.800	Fuel Holders	2,770,569	3.8500%	106,667
67	343.800	Prime Movers	34,963,300	1.9200%	671,295
68	344.800	Generators	9,234,359	1.8200%	168,065
69	345.800	Accessory Electric Equipment	3,040,421	3.5700%	108,543
70	346.800	Miscellaneous Power Plant Equipment	101,155	0.0000%	0
71		Total	\$ 53,731,422		\$ 1,116,180
72		Combined Cycle - State Line			
73	341.100	Structures & Improvements	5,773,993	2.8600%	165,136
74	342.100	Fuel Holders	6,532,849	2.8600%	186,839
75	343.100	Prime Movers	68,821,195	2.8600%	1,968,286
76	344.100	Generators	19,117,752	2.8600%	546,768
77	345.100	Accessory Electric Equipment	6,377,911	2.8600%	182,408

Empire District Electric Company

Case No. ER-2004-0570

Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Expense

Line	Account No. (A)	Plant Description (B)	Adjusted Jurisdictional (C)	Depr Rate (D)	Depreciation Expense CxD (E)
78	346.100	Miscellaneous Power Plant Equipment	52,993	2.8600%	1,516
79		Total	\$ 106,676,693		\$ 3,050,953
80		Transmission Plant			
81	350.000	Land/Land Rights	\$ 7,113,764	0.0000%	\$ 0
82	352.000	Structures & Improvements	1,895,177	1.3700%	25,964
83	352.100	Structures & Improvements - Iatan	18,859	1.3700%	258
84	353.000	Station Equipment	65,894,564	2.1300%	1,403,554
85	353.100	Station Equipment - Iatan	569,049	2.1300%	12,121
86	354.000	Towers & Fixtures	636,817	1.3000%	8,279
87	355.000	Poles & Fixtures	21,863,972	1.8200%	397,924
88	356.000	Overhead Conductors	41,532,507	1.5900%	660,367
89		Total	\$ 139,524,708		\$ 2,508,467
90		Distribution Plant			
91		Missouri			
92	360.000	Land/Land Rights	\$ 1,519,210	0.0000%	\$ 0
93	361.000	Structures & Improvements	8,415,331	1.8200%	153,159
94	362.000	Station Equipment	51,949,145	2.4400%	1,267,559
95	364.000	Poles, Towers & Fixtures	75,377,922	2.3300%	1,756,306
96	365.000	Overhead Conductors	94,353,928	1.9200%	1,811,595
97	366.000	Underground Conduit	16,005,260	2.6300%	420,938
98	367.000	Underground Conductors	33,575,290	3.0300%	1,017,331
99	368.000	Transformers	61,164,181	2.3300%	1,425,125
100	369.000	Services	42,710,443	2.6300%	1,123,285
101	370.000	Meters	14,177,845	2.4400%	345,939
102	371.000	Meter Installations	10,480,500	4.1700%	437,037
103	373.000	Street Lighting	9,520,690	2.1300%	202,791
104		Other Jurisdictions Distribution Plant	0	0.0000%	0
105		Total	\$ 419,249,746		\$ 9,961,066
106		General Plant			
107	389.000	Land/Land Rights	\$ 588,403	0.0000%	\$ 0
108	390.000	Structures & Improvements	7,861,004	3.5700%	280,638
109	391.000	Office Furniture and Equipment	2,785,048	4.5500%	126,720
110	391.000	Computer Equipment	7,495,037	8.6200%	646,072
111	391.000	Computer Furniture - Capital Leases	153,972	0.0000%	0
112	392.000	Transportation Equipment	5,557,580	7.6900%	427,378
113	393.000	Stores Equipment	292,643	3.5700%	10,447
114	394.000	Tools, Shop & Garage Equipment	2,511,239	3.3300%	83,624
115	395.000	Laboratory Equipment	754,541	2.4400%	18,411
116	396.000	Power Operated Equipment	8,543,987	6.2500%	533,999
117	397.000	Communication Equipment	8,629,482	4.3500%	375,382
118	397.000	Communication Equipment - Capital Leases	539,871	0.0000%	0

Empire District Electric Company
 Case No. ER-2004-0570
 Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Expense

Line	Account No. (A)	Plant Description (B)	Adjusted Jurisdictional (C)	Depr Rate (D)	Depreciation Expense CxD (E)
119	398.000	Miscellaneous Equipment	197,381	3.7000%	7,303
120		Total	\$ 45,910,190		\$ 2,509,975
121	Plant In Service and Depreciation Expense		\$ 1,020,651,078		\$ 23,974,725

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Reserve

Line	Account No. (A)	Plant Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acctg Sch 7 (G)	Adjusted Balance ((C+D)xE)+F (H)
		Intangible Plant						
1	301.000	Organization	\$ 0	\$ 0	85.1256%	\$ 0	R-1	\$ 0
2	302.000	Franchise & Consents	0	0	85.1256%	0	R-2	0
3	303.000	Miscellaneous Intangible Plant	0	0	85.1256%	0	R-3	0
4		Total	\$ 0	\$ 0		\$ 0		\$ 0
5		Steam Production Plant - Riverton						
6	310.200	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-4	\$ 0
7	311.200	Structures & Improvements	3,314,832	0	81.9500%	0	R-5	2,716,505
8	312.200	Boiler Plant Equipment	16,148,311	0	81.9500%	0	R-6	13,233,541
9	314.200	Turbogenerator Units	5,759,021	0	81.9500%	0	R-7	4,719,518
10	315.200	Accessory Electric Equipment	1,380,852	0	81.9500%	0	R-8	1,131,608
11	316.200	Miscellaneous Power Plant Equipment	631,265	0	81.9500%	0	R-9	517,322
12		Total	\$ 27,234,282	\$ 0		\$ 0		\$ 22,318,494
13		Steam Production Plant - Asbury						
14	310.300	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-10	\$ 0
15	311.300	Structures & Improvements	3,275,071	13,324	81.9500%	0	R-11	2,694,840
16	312.300	Boiler Plant Equipment	19,378,763	849,847	81.9500%	0	R-12	16,577,346
17	312.700	Unit Train	4,561,162	0	81.9500%	0	R-13	3,737,872
18	314.300	Turbogenerator Units	8,368,298	41,015	81.9500%	0	R-14	6,891,432
19	315.300	Accessory Electric Equipment	1,734,985	346	81.9500%	0	R-15	1,422,104
20	316.300	Miscellaneous Power Plant Equipment	790,362	(5,490)	81.9500%	0	R-16	643,202
21		Total	\$ 38,108,641	\$ 899,042		\$ 0		\$ 31,966,796
22		Steam Production Plant - Iatan						
23	310.600	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-17	\$ 0
24	311.600	Structures & Improvements	2,234,123	0	81.9500%	0	R-18	1,830,864
25	312.600	Boiler Plant Equipment	23,715,018	0	81.9500%	0	R-19	19,434,457
26	312.500	Unit Train	0	0	81.9500%	0	R-20	0
27	314.600	Turbogenerator Units	5,014,312	0	81.9500%	0	R-21	4,109,228

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Reserve

Line	Account No. (A)	Plant Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acctg Sch 7 (G)	Adjusted Balance ((C+D)xE)+F (H)
28	315.600	Accessory Electric Equipment	2,342,360	0	81.9500%	0	R-22	1,919,564
29	316.600	Miscellaneous Power Plant Equipment	360,761	0	81.9500%	0	R-23	295,644
30		Total	\$ 33,666,574	\$ 0		\$ 0		\$ 27,589,757
31		Hydraulic Production Plant - Ozark Beach						
32	330.300	Land/Land Rights	\$ 0	\$ (10,000)	81.9500%	\$ 0	R-24	\$ (8,195)
33	331.300	Structures & Improvements	215,907	(779)	81.9500%	0	R-25	176,297
34	332.300	Reservoirs	1,301,775	3,439	81.9500%	0	R-26	1,069,623
35	333.300	Water Wheels/Generators	378,588	0	81.9500%	0	R-27	310,253
36	334.300	Accessory Electric Equipment	158,620	10,183	81.9500%	0	R-28	138,334
37	335.300	Miscellaneous Power Plant Equipment	135,424	0	81.9500%	0	R-29	110,980
38		Total	\$ 2,190,313	\$ 2,843		\$ 0		\$ 1,797,291
39		Combustion Turbine - Riverton						
40	340.200	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-30	\$ 0
41	341.200	Structures & Improvements	116,304	0	81.9500%	0	R-31	95,311
42	342.200	Fuel Holders	54,713	0	81.9500%	0	R-32	44,837
43	343.200	Prime Movers	5,065,159	3,102	81.9500%	0	R-33	4,153,440
44	344.200	Generators	565,783	0	81.9500%	0	R-34	463,659
45	345.200	Accessory Electric Equipment	183,734	0	81.9500%	0	R-35	150,570
46	346.200	Miscellaneous Power Plant Equipment	61,332	0	81.9500%	0	R-36	50,262
47		Total	\$ 6,047,025	\$ 3,102		\$ 0		\$ 4,958,079
48		Combustion Turbine - Energy Center						
49	340.300	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-37	\$ 0
50	341.300	Structures & Improvements	1,515,818	(16,750)	81.9500%	0	R-38	1,228,487
51	342.300	Fuel Holders	1,491,898	0	81.9500%	0	R-39	1,222,611
52	343.300	Prime Movers	13,781,510	4,578	81.9500%	0	R-40	11,297,699
53	344.300	Generators	4,111,866	(16,750)	81.9500%	0	R-41	3,355,948

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Reserve

Line	Account No. (A)	Plant Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acctg Sch 7 (G)	Adjusted Balance ((C+D)+E)+F (H)
54	345.300	Accessory Electric Equipment	468,726	0	81.9500%	0	R-42	384,121
55	346.300	Miscellaneous Power Plant Equipment	1,532,229	(9,581)	81.9500%	0	R-43	1,247,810
56		Total	\$ 22,902,047	\$ (38,502)		\$ 0		\$ 18,736,676
57		Aero Units - Energy Center						
58	341.000	Structures & Improvements	\$ 0	\$ 0	81.9500%	\$ 0	R-44	\$ 0
59	344.000	Generators	0	0	81.9500%	0	R-45	0
60	345.000	Accessory Electric Equipment	0	0	81.9500%	0	R-46	0
61	346.000	Miscellaneous Power Plant Equipment	0	0	81.9500%	0	R-47	0
62		Total	\$ 0	\$ 0		\$ 0		\$ 0
63		Combustion Turbine - State Line						
64	340.800	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-48	\$ 0
65	341.800	Structures & Improvements	884,605	0	81.9500%	0	R-49	724,934
66	342.800	Fuel Holders	730,103	0	81.9500%	0	R-50	598,319
67	343.800	Prime Movers	8,351,778	0	81.9500%	0	R-51	6,844,282
68	344.800	Generators	2,511,758	0	81.9500%	0	R-52	2,058,385
69	345.800	Accessory Electric Equipment	523,684	0	81.9500%	0	R-53	429,159
70	346.800	Miscellaneous Power Plant Equipment	153,380	0	81.9500%	0	R-54	125,695
71		Total	\$ 13,155,307	\$ 0		\$ 0		\$ 10,780,774
72		Combined Cycle - State Line						
73	341.100	Structures & Improvements	488,011	0	81.9500%	0	R-55	399,925
74	342.100	Fuel Holders	605,955	0	81.9500%	0	R-56	496,580
75	343.100	Prime Movers	6,463,196	0	81.9500%	0	R-57	5,296,589
76	344.100	Generators	1,804,381	0	81.9500%	0	R-58	1,478,690
77	345.100	Accessory Electric Equipment	601,945	0	81.9500%	0	R-59	493,294
78	346.100	Miscellaneous Power Plant Equipment	2,773	0	81.9500%	0	R-60	2,273
79		Total	\$ 9,966,261	\$ 0		\$ 0		\$ 8,167,351

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Reserve

Line	Account No. (A)	Plant Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acclg Sch 7 (G)	Adjusted Balance ((C+D)\E)+F (H)
80		Transmission Plant						
81	350.000	Land/Land Rights	\$ 0	\$ 0	81.9500%	\$ 0	R-61	\$ 0
82	352.000	Structures & Improvements	830,982	0	81.9500%	0	R-62	680,990
83	352.100	Structures & Improvements - Iatan	20,200	0	81.9500%	0	R-63	16,554
84	353.000	Station Equipment	24,175,576	196,095	81.9500%	0	R-64	19,972,584
85	353.100	Station Equipment - Iatan	364,451	0	81.9500%	0	R-65	298,668
86	354.000	Towers & Fixtures	697,837	0	81.9500%	0	R-66	571,877
87	355.000	Poles & Fixtures	10,696,544	38,432	81.9500%	0	R-67	8,797,313
88	356.000	Overhead Conductors	13,624,299	263,190	81.9500%	0	R-68	11,380,797
89		Total	\$ 50,409,888	\$ 497,717		\$ 0		\$ 41,718,783
90		Distribution Plant						
92	360.000	Land/Land Rights	\$ 0	\$ 5,216	89.1813%	\$ 0	R-69	\$ 4,652
93	361.000	Structures & Improvements	2,817,476	32,936	89.1813%	0	R-70	2,542,033
94	362.000	Station Equipment	20,078,112	(193,206)	89.1813%	(235,361)	R-71	17,498,251
95	364.000	Poles, Towers & Fixtures	40,666,109	996,984	89.1813%	(103,120)	R-72	37,052,556
96	365.000	Overhead Conductors	33,169,711	971,937	89.1813%	(155,948)	R-73	30,292,008
97	366.000	Underground Conduit	5,115,945	23,776	89.1813%	0	R-74	4,583,669
98	367.000	Underground Conductors	11,309,197	50,300	89.1813%	0	R-75	10,130,544
99	368.000	Transformers	22,482,193	159,008	89.1813%	(7,775)	R-76	20,183,936
100	369.000	Services	20,222,646	384,991	89.1813%	0	R-77	18,378,153
101	370.000	Meters	5,925,357	20,553	89.1813%	0	R-78	5,302,638
102	371.000	Meter Installations	5,965,272	112,367	89.1813%	(43,006)	R-79	5,377,110
103	373.000	Street Lighting	4,036,946	73,239	89.1813%	0	R-80	3,665,515
105		Total	\$ 171,788,963	\$ 2,638,100		\$ (545,210)		\$ 155,011,066

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Depreciation Reserve

Line	Account No. (A)	Plant Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Acctg Sch 7 (G)	Adjusted Balance ((C+D)xE)+F (H)
106		General Plant						
107	389.000	Land/Land Rights	\$ 0	\$ (23,726)	85.1256%	\$ 0	R-81	\$ (20,197)
108	390.000	Structures & Improvements	4,652,008	(434,741)	85.1256%	0	R-82	3,589,976
109	391.000	Office Furniture and Equipment	1,394,053	(69,167)	85.1256%	0	R-83	1,127,817
110	391.000	Computer Equipment	966,046	0	85.1256%	0	R-84	822,353
111	391.000	Computer Furniture - Capital Leases	0	0	85.1256%	0	R-85	0
112	392.000	Transportation Equipment	5,540,086	(84,151)	85.1256%	0	R-86	4,644,400
113	393.000	Stores Equipment	227,640	0	85.1256%	0	R-87	193,780
114	394.000	Tools, Shop & Garage Equipment	1,456,090	535	85.1256%	0	R-88	1,239,961
115	395.000	Laboratory Equipment	556,400	(1,000)	85.1256%	0	R-89	472,788
116	396.000	Power Operated Equipment	5,052,102	(69,766)	85.1256%	0	R-90	4,241,246
117	397.000	Communication Equipment	5,514,304	(6,284)	85.1256%	0	R-91	4,688,737
118	397.000	Communication Equipment - Capital Leases	0	0	85.1256%	0	R-92	0
119	398.000	Miscellaneous Equipment	76,330	0	85.1256%	0	R-93	64,976
120		Total	\$ 25,435,057	\$ (688,301)		\$ 0		\$ 21,065,836
121		Retirement Work In Progress	\$ (352,324)	\$ 0	85.1256%	\$ 0	R-94	\$ (299,918)
121		Total Depreciation Reserve	\$ 400,552,034	\$ 3,314,002		(545,210)		\$ 343,810,985

Empire District Electric Company

Case No. ER-2004-0570

Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Depreciation Reserve

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
A/C 311.300	Structures & Improvements R-11	\$ 13,324	\$ 0
1	To adjust for Removal Cost/Salvage - Asbury (McKiddy)	\$ 13,324	\$
A/C 312.300	Boiler Plant Equipment R-12	\$ 849,847	\$ 0
1	To adjust for Removal Cost/Salvage - Asbury (McKiddy)	\$ 849,847	\$
A/C 314.300	Turbogenerator Units R-14	\$ 41,015	\$ 0
1	To adjust for Removal Cost/Salvage - Asbury (McKiddy)	\$ 41,015	\$
A/C 315.300	Accessory Electric Equipment R-15	\$ 346	\$ 0
1	To adjust for Removal Cost/Salvage - Asbury (McKiddy)	\$ 346	\$
A/C 316.300	Miscellaneous Power Plant Equipment R-16	\$ (5,490)	\$ 0
1	To adjust for Removal Cost/Salvage - Asbury (McKiddy)	\$ (5,490)	\$
A/C 330.300	Land/Land Rights R-24	\$ (10,000)	\$ 0
1	To adjust for Removal Cost/Salvage - Ozark Beach (McKiddy)	\$ (10,000)	\$
A/C 331.300	Structures & Improvements R-25	\$ (779)	\$ 0
1	To adjust for Removal Cost/Salvage - Ozark Beach (McKiddy)	\$ (779)	\$
A/C 332.300	Reservoirs R-26	\$ 3,439	\$ 0
1	To adjust for Removal Cost/Salvage - Ozark Beach (McKiddy)	\$ 3,439	\$
A/C 334.300	Accessory Electric Equipment R-28	\$ 10,183	\$ 0
1	To adjust for Removal Cost/Salvage - Ozark Beach (McKiddy)	\$ 10,183	\$
A/C 343.200	Prime Movers R-33	\$ 3,102	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 3,102	\$
A/C 341.300	Structures & Improvements R-38	\$ (16,750)	\$ 0
1	To record a partial disallowance of Energy Center Units 3 and 4. (McKiddy)	\$ (16,750)	\$
A/C 343.300	Prime Movers R-40	\$ 4,578	\$ 0
1	To adjust for Removal Cost/Salvage - Energy Center (McKiddy)	\$ 4,578	\$
A/C 344.300	Generators R-41	\$ (16,750)	\$ 0
1	To record a partial disallowance of Energy Center Units 3 and 4. (McKiddy)	\$ (16,750)	\$
A/C 346.300	Miscellaneous Power Plant Equipment R-43	\$ (9,581)	\$ 0
1	To adjust for Removal Cost/Salvage - Energy Center (McKiddy)	\$ (9,581)	\$

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Depreciation Reserve

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
A/C 353.000	Station Equipment R-64	\$ 196,095	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 196,095	\$
A/C 355.000	Poles & Fixtures R-67	\$ 38,432	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 68,647	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)	(30,215)	
A/C 356.000	Overhead Conductors R-68	\$ 263,190	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 430,599	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)	(167,409)	
A/C 360.000	Land/Land Rights R-69	\$ 5,216	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 5,216	\$
A/C 361.000	Structures & Improvements R-70	\$ 32,936	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 32,936	\$
A/C 362.000	Station Equipment R-71	\$ (193,206)	\$ (235,361)
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (193,206)	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)		(235,361)
A/C 364.000	Poles, Towers & Fixtures R-72	\$ 996,984	\$ (103,120)
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 996,984	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)		(103,120)
A/C 365.000	Overhead Conductors R-73	\$ 971,937	\$ (155,948)
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 971,937	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)		(155,948)
A/C 366.000	Underground Conduit R-74	\$ 23,776	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 23,776	\$
A/C 367.000	Underground Conductors R-75	\$ 50,300	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 50,300	\$
A/C 368.000	Transformers R-76	\$ 159,008	\$ (7,775)
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 159,008	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)		(7,775)
A/C 369.000	Services R-77	\$ 384,991	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 384,991	\$

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Depreciation Reserve

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
A/C 370.000	Meters R-78	\$ 20,553	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 20,553	\$
A/C 371.000	Meter Installations R-79	\$ 112,367	\$ (43,006)
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 112,367	\$
2	To record the retirement of plant related to the May 2003 tonado. (McKiddy)		(43,006)
A/C 373.000	Street Lighting R-80	\$ 73,239	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 73,239	\$
A/C 389.000	Land/Land Rights R-81	\$ (23,726)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (23,726)	\$
A/C 390.000	Structures & Improvements R-82	\$ (434,741)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (434,741)	\$
A/C 391.000	Office Furniture and Equipment R-83	\$ (69,167)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (69,167)	\$
A/C 392.000	Transportation Equipment R-86	\$ (84,151)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (84,151)	\$
A/C 394.000	Tools, Shop & Garage Equipment R-88	\$ 535	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ 535	\$
A/C 395.000	Laboratory Equipment R-89	\$ (1,000)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (1,000)	\$
A/C 396.000	Power Operated Equipment R-90	\$ (69,766)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (69,766)	\$
A/C 397.000	Communication Equipment R-91	\$ (6,284)	\$ 0
1	To adjust for Removal Cost/Salvage (McKiddy)	\$ (6,284)	\$

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004
Cash Working Capital

Line	Description (A)	Test Year Expenses (B)	Revenue Lag (C)	Expense Lag (D)	Net CWC Lag C - D (E)	Factor E / 365 (F)	Cash Working Capital Requirement B x F (G)
1	Operation & Maintenance Expense						
2	Base Payroll	\$ 15,114,782	38.1500	12.0264	26.1236	0.071572	\$ 1,081,795
3	FICA withheld	1,642,095	38.1500	15.0525	23.0975	0.063281	103,913
4	Fed IT withhckd	2,860,161	38.1500	15.0525	23.0975	0.063281	180,994
5	St IT withhckd	836,733	38.1500	19.5132	18.6368	0.051060	42,724
6	Employee 410K	1,068,273	38.1500	15.0525	23.0975	0.063281	67,601
7	Medical Care	251,227	38.1500	(12.2900)	50.4400	0.138192	34,718
8	Vacation expense	51,089	38.1500	365.0000	(326.8500)	(0.895479)	(45,749)
9	Fuel - Coal	24,257,712	38.1500	18.9386	19.2114	0.052634	1,276,780
10	Fuel - Gas	59,304,108	38.1500	36.3005	1.8495	0.005067	300,494
11	Fuel - Oil	193,365	38.1500	28.3766	9.7734	0.026776	5,178
12	Purchased Power	34,222,463	38.1500	14.4000	23.7500	0.065068	2,226,787
13	Employer 401K	534,136	38.1500	41.6702	(3.5202)	(0.009644)	(5,151)
14	Cash Vouchers	28,518,979	38.1500	33.0649	5.0851	0.013932	397,326
15	Total Operation & Maintenance Expense	\$ 168,855,124					\$ 5,667,410
16	Taxes						
17	FICA - Employer Portion	\$ 1,642,095	38.1500	15.0525	23.0975	0.063281	\$ 103,913
18	Federal Unemployment	21,826	38.1500	75.1367	(36.9867)	(0.101333)	(2,212)
19	State Unemployment	1,140	38.1500	75.0673	(36.9173)	(0.101143)	(115)
20	Property Taxes	8,378,297	38.1500	182.1932	(144.0432)	(0.394639)	(3,306,403)
21	Corporate Franchise	196,256	38.1500	(77.5000)	115.6500	0.316849	62,184
22	Total Operating Taxes	\$ 10,239,614					\$ (3,142,633)
23	Other Expenses						
24	Gross Receipts Taxes	\$ 4,664,509	18.6600	20.5300	(1.8700)	(0.005123)	(23,896)
25	Sales & Use Taxes	6,581,274	18.6600	19.1500	(0.4900)	(0.001342)	(8,832)
26	Total Other Expenses	\$ 11,245,783					\$ (32,728)
27	Total Cash Working Capital Before Income Tax and Interest Offsets						\$ 2,492,049

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Income Statement

Line	Description (A)	Total Company (B)	Total Company Adjustment Acctg Sch 10 (C)	Allocation Factor (D)	Jurisdictional Adjustment (E)	Adj. No. Acctg Sch. 10 (F)	Adjusted Jurisdictional ((B+C)(D)+E) (G)
1	Operating Revenues:						
2	Missouri On System Retail Sales	\$ 242,660,053	\$ 1,266,939	100.0000%	\$ 0	S-1	\$ 243,926,992
3	Non Jurisdictional On System Retail Sales	31,057,773		0.0000%			0
4	On System Wholesale	12,439,772	0	0.0000%	0	S-2	0
5	Off System Revenue	15,264,537	(259,621)	81.9500%	0	S-3	12,296,529
6	Missouri Other Revenue	1,912,865	0	100.0000%	0	S-4	1,912,865
7	Non Jurisdictional Other Revenue	198,254		0.0000%			0
8	Sales of Emission Credits	43,172	0	81.9500%	0	S-5	35,379
9	Total Revenues	\$ 303,576,426	\$ 1,007,318		\$ 0		\$ 258,171,765
10	Operating Expenses:						
11	Operation & Maintenance:						
12	Fixed Production	\$ 39,472,279	\$ 3,028,456	81.9500%	\$ 0	S-6	\$ 34,829,352
13	Variable Production	93,781,107	17,702,918	82.4900%	0	S-7	91,963,172
14	Transmission	3,882,919	(862,084)	81.9500%	0	S-8	2,475,574
15	Distribution	11,847,606	(455,111)	89.6734%	0	S-9	10,216,033
16	Customer Accounting	6,610,352	62,300	87.4054%	243,821	S-10	6,076,078
17	Customer Service and Information	1,030,935	(23,117)	87.4054%	0	S-11	880,887
18	Sales	326,214	(10,277)	84.8420%	0	S-12	268,047
19	Administrative and General						
20	Missouri A&G - Direct	816,819	(65,296)	100.0000%	0	S-13	751,523
21	Non Jurisdictional A&G - Direct	274,583		0.0000%			0
22	Administrative & General - Allocable	23,766,821	1,976,271	83.1076%	0	S-14	21,394,458
23	Total O & M Expense	\$ 181,809,634	\$ 21,354,060		\$ 243,821		\$ 168,855,124
24	Other Operating Expenses						
25	Depreciation						
26	Production & Transmission Depreciation	\$ 13,165,793	\$ 0	81.9500%	\$ 714,317	S-15	\$ 11,503,684
27	Distribution Depreciation	11,552,553	0	89.1813%	(341,648)	S-16	9,961,066
28	General Depreciation	1,754,004	1,611,569	85.1256%	18,613	S-17	2,883,579
29	Total Depreciation	26,472,350	1,611,569		391,282		24,348,329
30	Amortization	654,086	38,058	85.1256%	0	S-18	589,192
31	Taxes Other Than Income Taxes						
32	Missouri Taxes Other - Direct	\$ 4,836,536	(4,640,280)	100.0000%	\$ 0	S-19	\$ 196,256
33	Non Jurisdictional - Direct	519,816		0.0000%			0
34	Payroll Related Taxes Other	1,944,842	16,249	84.9048%	0	S-20	1,665,061
35	Plant Related Taxes Other	8,805,678	1,036,593	85.1256%	0	S-21	8,378,297
36	Total Taxes Other	\$ 16,106,872	\$ (3,587,438)		\$ 0		\$ 10,239,614
37	Total Taxes Other Than Income Taxes						
38	Total Operating Expenses	\$ 225,042,942	\$ 19,416,249		635,103		\$ 204,032,259
39	Net Income Before Income Taxes	\$ 78,533,483	\$ (18,408,931)		(635,103)		\$ 54,139,506
40	Income Taxes:						
41	Current Income Tax	\$ 2,612,516	\$ 0	90.5738%	\$ 3,924,345	S-22	\$ 6,290,599
42	Deferred Income Tax	14,336,666	0	90.5738%	(7,481,283)	S-23	5,503,974
43	Amortization of ITC	(547,650)	0	85.1256%	0	S-24	(466,191)
44	Total Income Taxes	\$ 16,401,532	\$ 0		\$ (3,556,938)		\$ 11,328,383
45	Net Operating Income	\$ 62,131,951	\$ (18,408,931)		\$ 2,921,836		\$ 42,811,123

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Income Statement

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
Missouri On System Retail Sales S-1		\$ 1,266,939	\$ 0
1	Praxair revenue adjustment. (Pyatte)	\$ 100,320	\$
2	To eliminate unbilled revenue. (Gibbs)	1,618,766	
3	To eliminate city franchise tax. (Gibbs)	(4,640,279)	
4	To eliminate IEC credits. (Gibbs)	452	
5	To adjust for normal weather and 365 days. (Pyatte)	910,019	
6	To adjust for customer growth. (Gibbs)	3,071,420	
7	To annualize large customer revenue. (Pyatte)	304,898	
8	To adjust for rate switching. (Gibbs)	(98,657)	
On System Wholesale S-2		\$ 0	\$ 0
1	No adjustment		\$
Off System Revenue S-3		\$ (259,621)	\$ 0
1	To normalize off-system sales. (Cassidy)	\$ (259,621)	\$
Missouri Other Revenue S-4		\$ 0	\$ 0
1	No adjustment.	\$	\$
Sales of Emission Credits S-5		\$ 0	\$ 0
1	No adjustment.	\$	\$
Fixed Production S-6		\$ 3,028,456	\$ 0
1	To annualize payroll. (DeVore)	15,510	
2	To normalize Iatan maintenance. (Teel)	216,322	
3	To normalize Asbury plant maintenance. (Teel)	(364,298)	
4	To adjust purchased power for demand charges. (Cassidy)	(2,780,667)	
5	To disallow meals. (DeVore)	(860)	
6	To adjust Workman's Comp premiums. (DeVore)	7,464	
7	To disallow dues. (DeVore)	(482)	
8	To normalize Riverton plant maintenance. (Teel)	(959,848)	
9	To adjust State Line Combined Cycle plant maintenance. (Teel)	1,058,787	
10	To adjust Energy Center 1 & 2 plant maintenance. (Teel)	151,484	
11	Fuel stip gas reservation charges.	5,685,044	
Variable Production S-7		\$ 17,702,918	\$ 0
1	To annualize payroll. (DeVore)	\$ 4,974	\$
2	To normalize Iatan maintenance. (Teel)	316,327	

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Income Statement

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
3	To adjust fuel cost. (Cassidy)	33,181,154	
4	To adjust purchased power for energy charges. (Cassidy)	(15,799,537)	
5	To adjust fuel expense for growth related to rate switching.		0
Transmission		\$ (862,084)	\$ 0
	S-8		
1	To annualize payroll. (DeVore)	\$ 2,541	\$
2	To normalize Iatan maintenance. (Teel)	1,359	
3	To normalize Asbury transformer relocation. (Teel)	135,420	
4	To normalize tree trimming expense. (Teel)	(22,186)	
5	To eliminate the terminated KCPL transmission service agreement. (Cassidy)	(979,200)	
6	To disallow miscellaneous giveaway items. (DeVore)	(18)	
Distribution		\$ (455,111)	\$ 0
	S-9		
1	To annualize payroll. (DeVore)	\$ 14,317	\$
2	To normalize Iatan maintenance. (Teel)	103	
3	To normalize tree trimming expense. (Teel)	(471,717)	
4	To disallow meals. (DeVore)	(3,461)	
5	To adjust Workman's Comp premiums. (DeVore)	7,067	
6	To disallow miscellaneous giveaway items. (DeVore)	(256)	
7	To disallow dues. (DeVore)	(1,164)	
Customer Accounting		\$ 62,300	\$ 243,821
	S-10		
1	To annualize payroll. (DeVore)	\$ 7,959	\$
2	To adjust banking fees (McKiddy)	33,995	
3	To include interest on customer deposits (McKiddy)		243,821
4	To adjust billing costs for customer growth. (Gibbs)	9,425	
5	To disallow meals. (DeVore)	(1,031)	
6	To adjust Workman's Comp premiums. (DeVore)	12,225	
7	To disallow miscellaneous giveaway items. (DeVore)	(243)	
8	To disallow dues. (DeVore)	(30)	
Customer Service and Information		\$ (23,117)	\$ 0
	S-11		
1	To annualize payroll. (DeVore)	\$ 1,933	\$
2	To disallow a portion of advertising expense. (Teel)	(21,936)	
3	To disallow miscellaneous giveaway items. (DeVore)	(2,339)	

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Income Statement

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
4	To disallow dues. (DeVore)	(775)	
Sales S-12		\$ (10,277)	\$ 0
1	To annualize payroll. (DeVore)	\$ 650	\$
2	To normalize latan maintenance. (Teel)	1,258	
3	To disallow miscellaneous giveaway items. (DeVore)	(12,185)	
Missouri A&G - Direct S-13		\$ (65,296)	\$ 0
1	To annualize payroll. (DeVore)	\$	\$ 0
2	To normalize PSC assessment (McKiddy)	(61,523)	
3	To adjust rate case expense. (McKiddy)	(22,465)	
4	To normalize the cost of the loss study. (McKiddy)	18,692	
Administrative & General - Allocable S-14		\$ 1,976,271	\$ 0
1	To annualize payroll. (DeVore)	\$ 15,100	\$
2	To disallow a portion of advertising expense. (Teel)	(6,331)	
3	To adjust pension expense to reflect FAS 87. (Gibbs)	(13,876)	
4	To amortize the prepaid pension asset. (Gibbs)	0	
5	To adjust other post-employment benefits. (Gibbs)	(229,359)	
6	To amortize stock issuance costs. (McKiddy)	1,362,131	
7	To adjust outside services. (DeVore)	(303,980)	
8	To disallow meals. (DeVore)	(3,529)	
9	To annualize 401k. (DeVore)	42,490	
10	To disallow incentive stock options. (DeVore)	(211,551)	
11	To normalize injuries and damages. (DeVore)	(29,219)	
12	To adjust Workman's Comp premiums. (DeVore)	7,707	
13	To annualize Health Insurance costs. (DeVore)	234,418	
14	To disallow miscellaneous giveaway items. (DeVore)	(2,279)	
15	To disallow dues. (DeVore)	(113,889)	
16	To adjust liability and property insurance. (McKiddy)	64,709	
17	To normalize latan maintenance. (Teel)	(67,097)	
18	To disallow wages related to lobbying activities. (DeVore)	(2,330)	
19	O&M settlement.	1,233,156	
Production & Transmission Depreciation S-15		\$ 0	\$ 714,317

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Income Statement

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
1	To annualize depreciation at Staff's proposed rates. (McKiddy)	\$	\$ 714,317

Empire District Electric Company

Case No. ER-2004-0570

Test Year Ending December 31, 2003 Updated Through June 30, 2004

Adjustments To Income Statement

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
	Distribution Depreciation S-16	\$ 0	\$ (341,648)
1	To annualize depreciation at Staff's proposed rates. (McKiddy)	\$	\$ (341,648)
	General Depreciation S-17	\$ 1,611,569	\$ 18,613
1	To annualize depreciation at Staff's proposed rates. (McKiddy)	\$	\$ 1,016,868
2	To adjust depreciation expense on transportation equipment. (McKiddy)		(998,255)
3	To adjust cost of removal. (Teel)	1,611,569	
	Amortization S-18	\$ 38,058	\$ 0
1	To adjust amortization expense. (McKiddy)	\$ 38,058	\$
	Missouri Taxes Other - Direct S-19	\$ (4,640,280)	\$ 0
1	To eliminate city franchise tax. (Gibbs)	\$ (4,640,280)	\$
	Payroll Related Taxes Other S-20	\$ 16,249	\$ 0
1	To annualize FICA. (DeVore)	\$ 18,293	\$
2	To annualize FUTA. (DeVore)	(1,689)	
3	To annualize SUTA. (DeVore)	(355)	
	Plant Related Taxes Other S-21	\$ 1,036,593	\$ 0
1	To annualize property taxes. (McKiddy)	\$ 1,036,593	\$
	Current Income Tax S-22	\$ 0	\$ 3,924,345
1	To adjust current income tax expense. (Cassidy)	\$	\$ 3,924,345
	Deferred Income Tax S-23	\$ 0	\$ (7,481,283)
1	To adjust deferred income tax expense. (Cassidy)	\$	\$ (7,481,283)
	Amortization of ITC S-24	\$ 0	\$ 0
1	No adjustment.	\$ 0	\$

Empire District Electric Company
Case No. ER-2004-0570
Test Year Ending December 31, 2003 Updated Through June 30, 2004

Income Tax Calculation

Line	Description (A)	Test Year (B)	7.84% Return (C)	8.09% Return (D)	8.34% Return (E)
1	Net Operating Income (Acct. Sch. 1)	\$ 42,811,123	\$ 47,815,646	\$ 49,340,380	\$ 50,865,114
2	Add:				
3	Current Income Tax	6,290,599	9,408,801	10,358,827	11,308,854
4	Deferred Income Taxes				
5	Deferred Income Tax Expense	5,503,974	5,503,974	5,503,974	5,503,974
6	ITC Amortization	(466,191)	(466,191)	(466,191)	(466,191)
7	Net Income Before Income Tax	\$ 54,139,506	\$ 62,262,231	\$ 64,736,991	\$ 67,211,752
8	Additions to Net Income Before Income Tax:				
9	Book Depreciation	\$ 24,348,329	\$ 24,348,329	\$ 24,348,329	\$ 24,348,329
10	Depreciation included in O&M expense	470,925	470,925	470,925	470,925
11	Non - Deductible Expense	64,732	64,732	64,732	64,732
12	Contributions in Aid of Construction	1,779,800	1,779,800	1,779,800	1,779,800
13	Total Additions	\$ 26,663,786	\$ 26,663,786	\$ 26,663,786	\$ 26,663,786
14	Subtractions to Net Income Before Income Tax:				
15	Interest Expense @ 3.77%	\$ 22,992,983	\$ 22,992,983	\$ 22,992,983	\$ 22,992,983
16	Tax Straight Line Depreciation	22,957,204	22,957,204	22,957,204	22,957,204
17	Excess Tax Depreciation	17,094,625	17,094,625	17,094,625	17,094,625
18	Cost of Removal	1,371,859	1,371,859	1,371,859	1,371,859
19	Total Subtractions	\$ 64,416,671	\$ 64,416,671	\$ 64,416,671	\$ 64,416,671
20	Net Taxable Income	\$ 16,386,621	\$ 24,509,346	\$ 26,984,106	\$ 29,458,867
21	Provision for Federal Income Tax				
22	Net Taxable Income	\$ 16,386,621	\$ 24,509,346	\$ 26,984,106	\$ 29,458,867
23	Deduct Missouri Income Tax @ 100.00%	854,279	1,277,738	1,406,754	1,535,770
24	Federal Taxable Income	\$ 15,532,342	\$ 23,231,608	\$ 25,577,352	\$ 27,923,097
25	Federal Income Tax @ 35.00%	\$ 5,436,320	\$ 8,131,063	\$ 8,952,073	\$ 9,773,084
26	Provision for Missouri Income Tax				
27	Net Taxable Income	\$ 16,386,621	\$ 24,509,346	\$ 26,984,106	\$ 29,458,867
28	Deduct Federal Income Tax @ 50.00%	2,718,160	4,065,532	4,476,037	4,886,542
29	Missouri Taxable Income	\$ 13,668,461	\$ 20,443,815	\$ 22,508,070	\$ 24,572,325
30	Missouri Income Tax @ 6.25%	\$ 854,279	\$ 1,277,738	\$ 1,406,754	\$ 1,535,770
31	Provision for City Earnings Tax				
32	Net Taxable Income	\$ 16,386,621	\$ 24,509,346	\$ 26,984,106	\$ 29,458,867
33	City Earnings Tax @ 0.00%	0	0	0	0
34	Less: Tax Credit				
35	Net City Earning Tax	\$ 0	\$ 0	\$ 0	\$ 0
36	Summary of Provision For Income Tax				
37	Federal Income Tax	\$ 5,436,320	\$ 8,131,063	\$ 8,952,073	\$ 9,773,084
38	State Income Tax	854,279	1,277,738	1,406,754	1,535,770
39	City Earnings Tax	0	0	0	0
40	Total Current Income Tax	\$ 6,290,599	\$ 9,408,801	\$ 10,358,827	\$ 11,308,854