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Issue: Accounting Schedules
Witness: Kelly S. Walters
Type of Exhibit: Direct Testimony
Sponsoring Party: Empire District
Case No.

Before the Public Service Commission
of the State of Missouri

Direct Testimony

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DIRECT TESTIMONY
OF
KELLY S. WALTERS
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO.

I. Introduction

Q. STATE YOUR NAME AND ADDRESS PLEASE.

A. Kelly S. Walters. My business address is 602 Joplin Street, Joplin, Missouri.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. The Empire District Electric Company ("Empire" or "Company"). I am the Director of Planning and Regulatory.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I hold Bachelor of Science degree in Business Administration with a major in accounting from Pittsburg State University. I began my employment with Empire in November 1988 in the accounting department where I held various positions. In July 1993 I became the Manager of Regulatory Accounting.

I left employment at Empire in 1998 to assume the position of Manager of Financial Services at Crowder College. In September 2001, I rejoined Empire as the Director of Planning and Regulatory. In this position I have responsibility for load research,

strategic planning, rates, and regulatory accounting.

In October 2001, I received a Master of Arts degree in Human Resource Management from Webster University.

II. Purpose and Scope

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support the schedules consisting of financial and other information included in this filing, which support the Company's proposed rate increase.

Q. WHAT TEST YEAR DID THE COMPANY USE IN DETERMINING RATE BASE, OPERATING INCOME AND RATE OF RETURN?

A. The schedules included in this filing are based on the twelve months ending December 31, 2003 adjusted for known and measurable changes.

Q. WHAT SCHEDULES ARE YOU SPONSORING?

A. I am sponsoring the following portions of the filing:

Section C, Schedule 1, Comparative and Summary Information

Section D, Schedule 1, Rate Base and Rate of Return

Section E, Schedule 1, Electric Plant in Service by Primary Plant Account

Section F, Schedule 1, Accumulated Provision for Depreciation of Electric Plant in Service

Section G, Schedule 1, Page 1, Working Capital

Section G, Schedule 1, Page 2, Materials and Supplies without Adjustments

Section G, Schedule 1, Page 3, Prepayments with Adjustments

Section G, Schedule 1, Page 4, Prepaid Interest

Section G, Schedule 2, Cash Working Capital

Section G, Schedule 3, Page 1 Income Tax Gross-up Factor

Section G, Schedule 3, Page 2, Income Tax Lag

Section G, Schedule 3, Page 3, Interest Expense Lag Calculation

Section G, Schedule 3, Page 4, Calculation of Interest Offset and Income Tax Offset

Section H, Schedule 1, Capital Structure at December 31, 2003

Section H, Schedule 2, Preferred Capital Stock

Section H, Schedule 3, Long Term Debt

Section H, Schedule 8, Capital Costs

Section J, Schedule 1, Test-Year Utility Operating Income Statements and Adjustments

Section J, Schedule 2, Explanation of Adjustments to Test-Year Revenues and Expenses

Section K, Schedule 1, Depreciation Rates and Accruals

Section K, Schedule 2, Page 1, Normalized Depreciation Expense

Section K, Schedule 2, Page 4, Summary of Depreciation and Amortization

Section L, Schedule 1, Taxes Charged to Electric Operations

Section L, Schedule 2, Page 1, Calculation of Provision for Income Taxes Payable for Twelve Months Ended December 31, 2003

Section L, Schedule 2, Page 2, Calculation of Deferred Income Taxes for Twelve

Months Ended December 31, 2003

Section M, Schedule 1, Bases of Allocation of Property and Expenses

Section M, Schedule 2, Page 1, Allocation of Rate Base

Section M, Schedule 2, Page 4, Allocation of Revenue and Expenses

Section N, Schedule 1-6, Cost of Service and Allocation Methodology

Q. WERE THESE SCHEDULES PREPARED UNDER YOUR SUPERVISION AND DIRECTION?

A. Yes, they were.

Q. WAS THIS FILING PREPARED IN ORDER TO ACHIEVE CONSISTENCY WITH EMPIRE'S PRIOR RATE FILINGS?

A. Yes. The filing was prepared in a manner consistent with our prior electric rate cases before the Missouri Public Service Commission ("Commission").

III. Schedule Explanations

Q. I DIRECT YOUR ATTENTION TO SECTION C, SCHEDULE 1 AND ASK YOU WHAT IT IS.

A. Section C, Schedule 1 is a summary of certain key data for the test year and comparison of this data with similar data from Empire's previous electric rate case, Case No. ER-2002-424.

Q. PLEASE ELABORATE ON SECTION D, SCHEDULE 1 RATE BASE AND RATE OF RETURN.

A. Section D, Schedule 1 details the Company's electric rate base and rate of return before and after the proposed rate increase.

For the test year ending December 31, 2003, end of period balances are used for electric plant in service and reserve for depreciation. Materials and supplies and prepayments are the average of the thirteen consecutive month-end balances ending December 31, 2003. In addition, the cash working capital requirement that is based on adjusted income has been added to rate base.

Injuries and damages reserve which represents the balance above the actual cash outlays, as well as deferred income taxes resulting from the use of liberalized depreciation methods are deducted from the rate base. Rate base has also been adjusted to reflect customer deposits and customer advances.

Interest offset, which is the cash lag in the interest synchronization calculation used to determine current income taxes, as well as income tax offset, which is the calculated current income tax times the lag in income tax payments, are also deducted from rate base.

The total original cost electric rate base is $611,396,947 (Line 14) which is multiplied by the indicated rate of return of 9.54% (Line 21) to arrive at after tax operating income of $58,327,269 (Line 20). This is subtracted from the proforma operating income of $26,051,602 (Line 15) which results in the after tax deficiency of $32,275,666 (Line 17) or the pre-tax revenue requirement of $52,385,889 (Line 19) which was filed with the Commission.

Q. PLEASE ADDRESS SECTION E, SCHEDULE 1, ELECTRIC PLANT IN SERVICE BY PRIMARY PLANT ACCOUNT.

A. Section E, Schedule 1, Pages 1 and 2 is a statement showing, by classified functional

electric plant in service groups, the original cost of electric plant used and useful at December 31, 2002 and 2003. Total electric plant in service at December 31, 2003, is $1,189,777,270 (Column E) and $1,010,777,687 for Empire's Missouri jurisdiction (Column F).

Q. WILL YOU TELL US WHAT SECTION F, SCHEDULE 1 DEMONSTRATES?

A. Section F, Schedule 1 is a statement of accumulated provision for depreciation of electric plant in service showing amounts by functional plant groups at December 31, 2002 and 2003. The total accumulated provision for depreciation of electric plant in service at the end of the test year is $387,214,376 (Column E) and $330,209,957 for our Missouri jurisdiction (Column F).

Q. I DIRECT YOUR ATTENTION TO SECTION G, SCHEDULE 1 THROUGH SCHEDULE 3. PLEASE EXPLAIN THEM.

A. Section G, Schedule 1 computes test year amounts of materials and supplies using a 13-month average. Prepayments are also calculated based on a 13-month average.

Section G, Schedule 2 computes projected cash working capital for the twelve months ended December 31, 2003. The expense and revenue lag for each component is the same as used by the Staff in ER-2002-424. The computation, using updated normalized test year expenses, results in a cash working capital requirement of ($494,303). Cash working capital is a rate base deduction due to the increase in property taxes.

Section G, Schedule 3 and Schedule 4, calculate the Company's income tax gross-up factor as well as lags for income taxes and interest expense. In addition, the

calculations are shown for interest and income tax offset.

Q. WILL YOU PLEASE DESCRIBE SECTION H, SCHEDULE 1?

A. Section H, Schedule 1 summarizes the capital structure of the Company as of December 31, 2003 and an adjusted capital structure using 49.81% equity and 43.89% long-term debt. This is the ratio discussed by Empire witnesses Dr. Donald A. Murray and Dr. James A. Vander Weide in their direct testimonies. The return on common equity was set at 11.65% which was derived from the 11.3 % proposed by Empire witness Dr. James H. Vander Weide and the 12.0 % proposed by Empire witness Dr. Donald A Murray. Empire has chosen the midpoint of 11.65 %. Based on an 11.65% return on equity, the Company's return on rate base is 9.54 %.

Q. WILL YOU PLEASE DESCRIBE SECTION H, SCHEDULE 2?

A. Section H, Schedule 2 lists the Company's trust preferred stock series, which was issued March 1, 2001.

Q. WILL YOU PLEASE EXPLAIN SECTION H, SCHEDULE 3?

A. Section H, Schedule 3 lists each series of the Company's first mortgage bonds outstanding along with any associated unamortized expense, discount and premium at December 31, 2003 in columns A and B. Columns C and D reflect the first mortgage bonds that would be necessary to meet the adjusted capital structure as reflected in Section H, Schedule 1. No adjustments to long term debt have been made in this case.

Q. WHAT IS CONTAINED IN SECTION H, SCHEDULE 8?

A. Section H, Schedule 8, details Empire's capital structure for first mortgage bonds and trust preferred. It shows an embedded rate of 7.25% for first mortgage bonds. The

rate for the trust preferred series is 8.93%.

Q. PLEASE ELABORATE ON SECTION J, SCHEDULE 1.

A. Section J, Schedule 1 is a test year income statement with adjustments to normalize test year electric operations. Column A reflects total Company results for the twelve months ending December 31, 2003. Column B summarizes adjustments to total Company electric operations. Column C is the total Company pro forma income statement. Column D reflects Missouri jurisdictional results for twelve months ending December 31, 2003. Column E shows the projected portion of adjustments for Missouri jurisdictional electric operating statement, and Column F summarizes the pro forma income statement applicable to Missouri.

Q. PLEASE DISCUSS SECTION J, SCHEDULE 2.

A. Section J, Schedule 2 details the following adjustments to electric operations test year amounts as shown on Section J, Schedule 1:

Total Company and Missouri revenues are adjusted to reflect customer numbers at December 31, 2003, to normalize weather for the test year, and to exclude revenues for one large industrial customer who has recently discontinued operations. The customer growth adjustment annualizes the revenues to reflect what would have been received if the year-end level of customers had been served by the Company for the entire test year. The differences in December 31, 2003 customers and the customers billed in each month of the test year were multiplied by the average kilowatt-hours ("Kwh") per customer in that month. The change in Kwh was multiplied by the average cost per Kwh to obtain the revenue adjustment. In these calculations, the Kwh and the average

charges reflect the effect of unbilled revenues adjustments which are made to match revenues to generation and fuel expense.

Q. PLEASE DESCRIBE THE PROCEDURE USED IN CALCULATING THE ADJUSTMENT FOR WEATHER.

A. Empire used the Electric Power Research Institute ("EPRI") Hourly Electric Load Model ("HELM") to calculate the weather adjustment to class usage. This was the model used by the Staff of the Commission ("Staff") in prior cases. HELM used hourly load data by class to estimate the response to daily weather for each weather sensitive class. Weather normalized usage by class is then calculated for each month to determine normal weather variables based on estimated response. The weather variables are then matched to the actual usage over the corresponding time period that the usage was recorded. The weather adjustment is then calculated for each class by taking the difference between the normalized usage and actual recorded usage.

Q. PLEASE EXPLAIN THE INPUTS TO THE MODEL.

A. The four data inputs to the model include monthly class usage, hourly class load data, actual daily weather variables, and normal daily weather variables. National Oceanic and Atmospheric Administration ("NOAA") weather for Springfield, Missouri weather station was used to obtain the actual and normal daily weather variables.

Q. WHAT CUSTOMER GROUPS WERE EVALUATED?

A. The residential customer class, the commercial groups of commercial CB, commercial SH, and commercial TEB and industrial GP group were included in the weather normalization. The other customer groups and rates are not significantly weather

sensitive and were not included.

Q. HOW WERE THE REVENUE ADJUSTMENTS DUE TO WEATHER CALCULATED?

A. The appropriate rate schedule average price of electricity for each month in the time period was applied to the Kwh adjustments to derive revenue adjustments. The sum of the monthly revenue adjustments was the test year revenue adjustment for that customer group.

Q. WOULD YOU EXPLAIN THE ADJUSTMENTS TO EXPENSES?

A. Total Company production costs have been increased by $19,815,396 and $16,341,665 for the Missouri jurisdiction. Included in this total is an increase of $1,008,204 total Company or $830,947 for the Missouri jurisdiction reflecting normalized operation and maintenance ("O&M") expenses sponsored by Empire witness Blake Mertens. Also included is an increase of $503,874 total Company and $415,285 for Missouri jurisdiction, which reflects the annualized payroll expense for the test year. Payroll expense reflects the wages at December 31, 2003 adjusted for known changes and positions that are currently authorized but unfilled. Capacity charges decreased by $2,281,671 for the Missouri jurisdiction. Fuel and purchased power costs were normalized, as of December 31, 2003 to reflect customer growth and weather. This resulted in an increase of $21,083,985 on a total Company basis or $17,377,104 for the Missouri jurisdiction (see direct testimony of Company witnesses Brad Beecher and Jill Tietjen).

Transmission expenses were increased by $43,392 for the Missouri jurisdiction to

reflect annualized payroll costs.

Distribution expenses were increased by $276,216 to adjust for the same costs as mentioned for transmission expenses.

Customer accounts, customer assistance and sales expense were increased by $143,419, $35,552, and $12,070 respectively to recognize increased payroll costs.

Administration and general expenses were increased by $560,958 for the Missouri jurisdiction. Of the total, $320,375 was for increased payroll and 401(k) costs. The annualization of FAS 87 and 106 costs resulted in a decrease in the amount of $1,118,765. The method used to calculate the adjustment for FAS 87 and 106 is discussed in the Company witness C. Kenneth Vogl. Common stock expenses were amortized over three years resulting in an increase of $1,109,348. Rate case expense was increased by $250,000 based on a three year amortization.

Depreciation expense was increased by $28,036,084 and $24,025,489 for the total Company and the Missouri jurisdiction, respectively. The increase incorporates the results of the depreciation study conducted by Empire witness Donald S. Roff.

Q. PLEASE CONTINUE WITH YOUR DESCRIPTION OF SECTION J, SCHEDULE 2.

A. Taxes other than income taxes are increased by $1,682,690 for the total Company or $1,429,337 for the Missouri jurisdiction in order to annualize property taxes to the plant in service at December 31, 2003, and to include payroll taxes from the annualized payroll expenses.

The next five adjustments are a result of the changes that were made above and also to adjust book taxes to taxes calculated on a regulatory basis.

The last adjustment, interest on customer deposits, is made to move the amount from below the line to above, which is consistent with past Staff adjustments.

Q. IN SOME INSTANCES, THE AMOUNT FOR THE MISSOURI JURISDICTION AND TOTAL COMPANY ARE THE SAME; WOULD YOU PLEASE EXPLAIN?

A. Some of the adjustments are calculated for the Missouri jurisdiction only, which is why some of the adjustments are the same. For example, rate case expense was calculated for the Missouri jurisdiction only.

Q. WILL YOU PLEASE DESCRIBE SECTION K, SCHEDULE 1?

A. Section K, Schedule 1, Column A lists, by plant account number, the currently effective depreciation rates. Columns B and C show the total Company and Missouri jurisdictional test year depreciation accruals.

Q. PLEASE DESCRIBE SECTION K, SCHEDULE 2.

A. Section K, Schedule 2 is a listing of Empire's normalized depreciation electric plant in service at December 31, 2003. Column D represents the proposed depreciation rates for each category (see direct testimony of Company witness Donald S. Roff).

Page 4 of Section K, Schedule 2 is a summary of the depreciation accruals and expense adjustments. It shows the proposed depreciation expense adjustment of a $24,025,489 for the Missouri jurisdiction.

Q. WILL YOU DESCRIBE SECTION L, SCHEDULE 1?

A. Section L, Schedule 1 is a statement of taxes charged to electric operations with pro forma adjustments during the test year.

Q. PLEASE EXPLAIN SECTION L SCHEDULE 2.

A. This schedule starts with net income. Income taxes to adjust net operating income before income taxes are then added back. From this point, the income is adjusted to take into account various additions and deductions from income to arrive at taxable income.

Q. WILL YOU TELL US WHAT SECTION L, SCHEDULE 2, PAGE 1 SHOWS?

A. Section L, Schedule 2 shows the calculation of federal and Missouri income taxes payable for the twelve months ending December 31, 2003. Lines 24 and 28 (Column D) include the current portion of total federal and Missouri state income taxes charged to electric operations for determining the rate of return.

Q. WILL YOU TELL US WHAT SECTION L, SCHEDULE 2, PAGE 2 SHOWS?

A. This schedule is a calculation of provision for income taxes payable for determining the rate of return.

Q. PLEASE ELABORATE ON SECTION M, SCHEDULE 1, ALLOCATIONS.

A. Section M, Schedule 1 is a narrative description of Empire's allocation procedure to the states we serve and the reasons why it is used. It explains what allocations are necessary and defines the bases used for allocating rate base, revenue and expense.

Q. WHAT METHOD WAS USED TO DERIVE EMPIRE'S DEMAND ALLOCATION FACTORS FOR JURISDICTIONAL ALLOCATIONS?

A. The average of twelve monthly coincident peak demands by jurisdiction was used to jurisdictionally allocate production and transmission costs.

Q. WHY HAS THE COMPANY ELECTED TO USE THIS METHOD FOR JURISDICTIONAL ALLOCATIONS?

A. During prior rate proceedings as well as our last electric rate proceeding, the Commission accepted the use of the average monthly coincident peaks for jurisdictional allocations. Additionally, this method was used by our other four jurisdictions for jurisdictional allocations. The Company desires to keep the jurisdictional allocations consistent between our service territories to ensure full allocation of production and transmission costs.

Q. PLEASE DESCRIBE THE AVERAGE OF TWELVE MONTHLY COINCIDENT PEAK DEMAND ALLOCATION METHOD.

A: The monthly coincident peak (CP) demands for the test year are determined for the following jurisdictions: (a) Missouri wholesale; (b) Kansas wholesale; (c) Missouri retail; (d) Kansas retail; (e) Oklahoma retail; and (f) Arkansas retail. An average of the monthly CP demands is calculated for each of the above jurisdictions. These average monthly CP demands are then used to allocate production and transmission costs to each of the Company's jurisdictions, see Section N Schedule 1 attached to this testimony.

Q. HOW WERE THE MONTHLY COINCIDENT DEMANDS BY JURISDICTION OBTAINED?

A. In 1980, the Company installed metering at points where transmission and distribution lines crossed state boundaries. The demand readings at the time of monthly system peak for each of the metering points are combined with generation and tie line data to calculate the jurisdictional demands.

Q. WILL YOU DESCRIBE SECTION M, SCHEDULE 2, CONSISTING OF EIGHT

PAGES?

A. Empire operates as an integrated Company in contiguous areas of Kansas, Missouri, Oklahoma and Arkansas. With very few exceptions, the Company's operations and costs are uniform throughout its service area and allocations of property and expenses are made only for the purpose of presenting the results of operations by individual state. These allocations are consistent with prior rate cases filed by the Company.

Section M, Schedule 2 shows the many components of rate base, revenue and expense as they are allocated to the various ratemaking jurisdictions under which we operate. The dollar amounts and percentages applicable to each jurisdiction are shown for each item, as well as a reference to the item number in this schedule that serves as the basis for allocation of the total Company dollar amount. Such allocations are necessary for a determination of net electric operating revenue by states in order to derive a rate of return on rate base for each state.

IV. Load Research Study

Q. HAS THE COMPANY CONDUCTED A LOAD RESEARCH STUDY FOR THIS PROCEEDING?

A. Yes, the Company conducted a load research study utilizing data from the twelve-month time period of October 2002 through September 2003.

Q. PLEASE DESCRIBE THE LOAD RESEARCH STUDY.

A. The Company has been performing load research studies since 1977. Meters were installed and data collected for all jurisdictions in 1978, 1981, 1985, 1990, March 1994 and for the period stated above. Standard stratified random sampling techniques were

used for selecting the samples. The sample covered all rate groups in residential, commercial, and industrial categories. Lighting rates were not sampled. The basic analysis of this data provided daily load profiles in addition to rate group coincident and non-coincident demand.

V. Loss Study

Q. HAS THE COMPANY CONDUCTED A STUDY TO DETERMINE LOSS PERCENTAGES AT THE VARIOUS VOLTAGE LEVELS?

A. Yes, the Company conducted a loss study for the load research period of January 2002 through December 2002. This loss study derived losses for the following service levels: (a) transmission/substation load and no-load; (b) distribution primary load and no-load; and (c) distribution secondary load and no-load.

Q. WHY IS IT NECESSARY TO CALCULATE LOSS PERCENTAGES AT THE VARIOUS VOLTAGE LEVELS?

A. The load research data is recorded at the customer's consumption voltage level. Because of losses, the amount of power generated is greater than the amount of power consumed. Since losses vary by voltage level, consumption by a customer taking secondary service would require production of more power than a customer taking service at a higher voltage level (i.e., transmission). To fairly allocate costs to customer classes, it is necessary to measure the amount of power that must be generated to meet the demands of each class. Demand and energy allocators then must be adjusted to account for losses in order to allocate production plant and energy properly. Similar adjustments must be made for transmission and distribution

allocators.

Q. PLEASE DESCRIBE THE USE OF THE CALCULATIONS DERIVED FROM THE COMPANY'S LOSS STUDY.

A. The losses derived from the Company's loss study were allocated to load research hourly loads by voltage level and then allocated to rate. The Company's Kwh losses by class are shown in Section N Schedule 3.

VI. Analysis in Preparation of Cost of Service

Q. WHAT TEST YEAR IS USED FOR THE PURPOSES OF COST OF SERVICE?

A. The test year is the twelve months ending December 31, 2003.

Q. IN PREPARATION FOR THE COMPANY'S COST OF SERVICE STUDY, WERE DEMANDS BY RATE GROUP CALCULATED?

A. Yes. Certain items of rate base and expenses in the cost of service study that are considered to be demand related need to be allocated to rate. These costs are allocated to rate, based on the Company's calculated demands by rate group.

Q. HOW WERE THESE DEMANDS BY RATE GROUP CALCULATED?

A. The basic data on energy consumption, coincident demand, and non-coincident demand was provided by the Company's load research. The above load research data was combined with the demand loss information obtained in the Company's loss study to provide coincident demand by rate group at the generation level. This load research data is shown in Section N Schedules 3 - 6.

VII. Cost of Service

Q. WHAT IS THE PURPOSE OF AN EMBEDDED COST OF SERVICE STUDY?

A. An embedded cost of service study apportions the Company's revenue requirement (or cost of service) among the various service classifications (rate groups) on the basis of a service classification's use of capacity, energy, and customer-related facilities.

Q. IS THERE A SPECIFIC PROCEDURE OR APPROACH THAT MUST BE FOLLOWED IN PREPARING AN EMBEDDED COST OF SERVICE STUDY?

A. No. Embedded cost of service studies can take a wide variety of forms and utilize numerous different techniques and procedures. However, regardless of the form or procedure followed, embedded cost studies usually utilize a standard three-step approach of functionalization, classification, and allocation.

Q. PLEASE DESCRIBE THE FUNCTIONALIZATION PROCESS.

A. The functionalization process groups Company investment and expenses into the major operating categories of production, transmission, distribution, and administrative and general ("A&G"). Much of the functionalization has been accomplished through the Federal Energy Regulatory Commission ("FERC") system of accounts. Some accounts, however, are related to all three functions.

The functionalization step is important in the cost of service process to insure that allocations to customer groups can be properly made. Each function may be allocated on a different basis. If certain costs are not functionalized, it may be difficult to assign the costs to the correct customers.

Q. PLEASE DISCUSS THE CLASSIFICATION PROCESS.

A. Once functional areas have been determined and grouped, all costs are classified prior to the allocation process. For electric operations, classification categories include: (1)

demand-(or capacity) related, which relates to the cost of providing for the maximum hourly usage of a customer; (2) energy-related, which relates to consumption over a period of time; and (3) customer-related, which relates to the costs of serving a customer even if no consumption occurs.

The classification step shows the nature of the costs and how each cost should be allocated. The cost causation determines the type of allocator to be used, whether related to the number of customers, the demand level, or the energy consumed.

Q. PLEASE DESCRIBE THE ALLOCATION PROCESS.

A. Allocation is the process whereby the functionalized and classified totals for all operating expenses and rate base investments are assigned to customer rate groups, based on a variety of specific and non-specific allocation factors related directly to the cost causation. The results of this final step show the cost of serving each customer rate group. Some costs are directly assignable to certain customer groups. The remainder must be allocated based on knowledge of the characteristics of each customer rate group. The load research, losses, and demands described above provide part of the rate group characteristics that need to be known for allocation of costs.

Q. WAS THIS THREE-STEP PROCESS FOLLOWED IN PERFORMING THE COST OF SERVICE STUDY FOR THIS CASE?

A. Yes.

Q. FOR THE FIRST STEP, FUNCTIONALIZATION, WHAT ACCOUNT BALANCES WERE REFUNCTIONALIZED?

A. The general plant, administrative and general expenses, and working capital were

refunctionalized.

The general plant in service and depreciation on general plant was functionalized on the basis of net production, transmission and distribution plant in service. Functionalized net general plant is shown on page 5 of the Company's Cost of Service Study. (Section N Schedule 1)

General plant depreciation expense was not functionalized but was later allocated to the customer classes on the basis of gross production, transmission and distribution plant labor ratios.

A&G expenses were functionalized on the basis of either net plant in service, or on the labor component of operation and maintenance expenses, depending upon the nature of the A&G expense being analyzed. The labor study used to perform this functionalization is based on analyses of the labor component of each FERC account (excluding A&G).

Q. PLEASE DESCRIBE THE DIFFERENCE BETWEEN THE ADMINISTRATIVE AND GENERAL EXPENSES THAT WERE FUNCTIONALIZED ON THE BASIS OF NET PLANT AND THOSE THAT WERE FUNCTIONALIZED ON THE BASIS OF LABOR.

A. Most of the A&G accounts are labor related, i.e., they relate to salaries, office supplies and expenses, the cost of outside services, and pensions and benefits. Accordingly, these items have been functionalized on the basis of the functionalized labor components of operation and maintenance expenses.

Plant related A&G expenses are Accounts 924 and 928, property insurance and

regulatory commission expense, respectively. These expenses are incurred in proportion to the value of plant in service and have therefore been functionalized according to the net plant in service balances.

Q. PLEASE EXPLAIN HOW WORKING CAPITAL WAS FUNCTIONALIZED.

A. All cash working capital requirements were functionalized based on the total expenses. Functionalized cash working capital is shown in Section N Schedule 1, page 6.

Material and supply balances are drawn upon by utility personnel to operate and maintain utility plant. All materials and supplies are accounted for by function, with transmission and distribution supplies split on transmission and distribution ("T&D") labor.

Prepayments relate primarily to advanced payments on insurance. Most prepayments are accounted for by function with the rest being functionalized using labor ratios.

Q. WHERE ARE THE FUNCTIONALIZED COMPONENTS OF WORKING CAPITAL SHOWN?

A. They are shown in Section N Schedule 1, page 6.

Q. WOULD YOU NOW DESCRIBE THE CLASSIFICATION PHASE?

A. Generally, all production plant has been classified as demand-related since it is sized primarily to meet system peaks. Transmission plant has been classified as demand since it is generally sized to transmit power associated with system peak demands. Distribution plant has been classified as being demand and customer related since some costs of the distribution system are associated with both the number of customers and

the maximum hourly usage of those customers. The installation of service drops and meters are a part of the customer component. Investment in these customer components of plant is necessary simply to hook up a customer, whether or not the customer uses any electricity. Classification by component is shown in Section N Schedule 1, page 3.

Q. HOW WERE DISTRIBUTION PLANT ACCOUNTS CLASSIFIED?

A. First, an analysis of each distribution account to assign costs to functional groups was conducted. Each functionalized distribution account was then classified as either being demand-related, customer-related, or both.

Q. WHICH DISTRIBUTION PLANT ACCOUNTS WERE CLASSIFIED AS DEMAND-RELATED?

A. The accounts that are considered to be entirely demand-related are: Land and Land Rights, Account 360; Structures and Improvements, Account 361; and Substations, Account 362.

Q. WHICH DISTRIBUTION PLANT ACCOUNTS WERE CLASSIFIED AS CUSTOMER-RELATED?

A. The accounts considered to be completely customer-related are: Services, Account 369; Meters, Account 370; Installations on Customer's Premises, Account 371; and Street Lighting and Signal Systems, Account 373.

Q. WHICH DISTRIBUTION PLANT ACCOUNTS WERE CLASSIFIED AS BEING BOTH DEMAND AND CUSTOMER-RELATED?

A. These accounts were classified as being both demand and customer-related: Poles,

Towers, and Fixtures, Account 364; Overhead Conductors, Account 365; Underground Conduit, Account 366; Underground Conductors, Account 367; and Line Transformers, Account 368.

Q. HOW WERE ACCOUNTS 364 THROUGH 368 SPLIT BETWEEN CUSTOMER AND DEMAND?

A. For this case, the customer/demand split for these accounts is based on an analysis performed by the Commission Staff and Empire. The results of this analysis are shown in Section N Schedule 5.

Q. HOW WERE EXPENSES AND OTHER COSTS OF SERVICE CLASSIFIED?

A. Expenses were classified according to the classifications of the plant items with which they are associated. Customer service information and sales expenses were all classified as customer-related.

The classification of most expenses and rate base items is accomplished through the classification and allocation of related plant balances.

Q. PLEASE DISCUSS THE ALLOCATION PHASE.

A. The objective of the allocation phase is to allocate system costs to the various customer classes in proportion to each class's responsibility for those costs. This requires the selection of allocation factors that reflect both the operating and design characteristics of the system and the manner in which customers use the system.

Q. WHAT ALLOCATION METHOD WAS USED FOR DEMAND-RELATED PLANT AND EXPENSES?

A. An average and excess allocation method was used. Empire is a summer peaking

system with an annual load factor of approximately 55%. The winter peak is approximately 80-90% of the summer peak. Empire's generation design and planning is oriented largely toward meeting summertime peaks. This means that customers who use the production facilities on peak should bear a cost responsibility proportional to their demands on peak. The Company also plans for maintenance capacity and also considers the duration of loads in deciding the types of plant it needs to meet its loads throughout the year in the most economic fashion.

Q. WHAT ELSE DOES THE AVERAGE AND EXCESS METHODOLOGY ACCOMPLISH?

A. It allocates a portion of plant according to peak and a portion according to energy or load duration.

Q. HOW WERE THE AVERAGE AND EXCESS FACTORS FOR EACH CLASS COMPUTED?

A. The average demand is the monthly energy divided by the number of hours in the month. The excess demand is the twelve month average non-coincident peak demand less the average demand. The average and excess allocator is calculated by multiplying the average demand by the system load factor and summing this with the excess demand times one minus the load factor.

Q. HOW WERE PRODUCTION RELATED ENERGY COSTS ALLOCATED?

A. They were allocated on the basis of each customer rate group's kilowatt-hour use, expressed at the generation level.

Q. HOW WERE TRANSMISSION PLANT COSTS ALLOCATED?

A. All the transmission plant is demand related, being allocated on average and excess demand. Transmission operation and maintenance expenses were allocated on the same basis as plant.

Q. HOW WERE DISTRIBUTION COSTS ALLOCATED?

A. All direct assignments were made before allocations were performed. The demand components of distribution costs were allocated on the basis of each customer classification's maximum diversified non-coincident demand. Distribution systems are designed to meet more localized and customer class related peak requirements, whereas production and transmission systems are designed to meet system-wide peak requirements. Consequently, the demand allocation factor used for the distribution system must give weight to customer class demands regardless of the time they occur. The non-coincident demand allocation factor provides this weighting. The customer component of distribution costs was allocated based on a weighted number of customers.

All customer-related costs have been allocated on the basis of the number of customers within each class, special studies, or a direct assignment.

Q. WHAT SPECIAL STUDIES WERE USED IN ALLOCATING CUSTOMER COSTS?

A. With respect to the allocation factors used to allocate plant, previous studies were used to: (1) weight the number of customers in each class to reflect the relative costs of service drops within each class for allocating Account 369 - Services (CUST SERV); (2) estimate the investment in meters by type and class in order to allocate Account

370 - Meters (WTD MET INV); and (3) specifically assign costs to the customer classes based upon a detailed review of Account 371 - Installations on Customer Premises.

With regard to customer expenses, studies were updated for: (1) assigning uncollectible accounts expenses - Account 904; and (2) allocating customer assistance expenses - Account 908.

Q. IN THE ALLOCATION STEP THERE WERE MANY ALLOCATION FACTORS. WHERE ARE THESE FACTORS SHOWN?

A. The allocation factors and specific assignments are presented on Section N Schedules 2-5. Methods of allocation are summarized in Section N Schedule 6, pages 1 - 3.

Q. WOULD YOU PLEASE SUMMARIZE THE RESULTS OF THE COST OF SERVICE STUDY?

A. Yes. The results without an increase are shown on Section N Schedule 1, page 1. As can be seen, the residential rate groups, which account for approximately 45% of the total Missouri jurisdictional rate revenue, show rate group returns significantly less than the system average return of 4.26%. All the other rate groups are higher than the average. The only power furnace customer has discontinued service as of December, 2003, so no costs are shown for this group.

Q. WHAT ARE THE OVERALL PRICING OBJECTIVES THAT THE COMPANY SEEKS IN THIS PROCEEDING?

A. The Company has the objective of designing rates that provide for a stable recovery of the approved revenue requirement through the use of price signals which encourage the

efficient utilization of electricity. These price signals should also recognize the realities of competition in the providing of energy services to our customers. The rate design must send the correct price signal to allow the customer to make cost-effective consumption decisions consistent with the Company's cost of service. The rate design must also satisfy a wide variety of customer needs and the costs associated with meeting these needs.

Q. WHAT HAS GUIDED THE DESIGN OF EMPIRE'S RATES IN THE PAST?

A. Proposals on rate design have been guided by a desire to have equitable and stable rates for all customer classes. The Company has tried to be sensitive to opportunities to increase the utilization of generating units so that fixed costs could be spread over more Kwh, thereby reducing the cost of power to all customers.

VII. Other Recommended Changes

Q. IS THE COMPANY RECOMMENDING OTHER CHANGES TO THE TARIFF SHEETS?

A. The Interim Energy Charge Rider, Rider IEC and a fuel adjustment, Rider FA are discussed in the direct testimony provided by Empire witness Mr. H. Edwin Overcast.

Q. HAS THE COMPANY PROPOSED RATE DESIGN CHANGES OR REVENUE SHIFTS IN THIS CASE?

A. An across the board increase is being proposed in this case, with an equal percentage increase to each rate class. However, rate design is being proposed within some of the rates. These changes are addressed in the direct testimony provided by Empire witness Ed Overcast.

Q. ARE THERE ADDITIONS OR CHANGES TO THE TARIFF SHEETS?

A. Yes. Changes to the Credit Action Fees, Schedule CA are being proposed in order to bring special service charges more in line with current costs. This was done in the last water case, Case No. WR-2003-0177 and Empire feels electric charges should be at least equivalent.

A new fee is being included on the Other Sales and Services, Schedule OS for a meter treater service offered by Empire. This service is available to customers choosing to purchase surge protection for motor driven electric equipment.

The Company is proposing adding a paragraph to the Large Power Service, Schedule LP tariff sheet explaining that a telephone line must be provided by the customer to retrieve interval metering data for billing and load research purposes and providing the Company priority access to the line between the hours of midnight and 6:00 am each day. If the customer chooses for the Company to provide the telephone line they will be charged $30.00 per month for this service.

Some minor wording changes have been proposed to the rules and regulations for meter installations. These changes serve to clarify the existing rule and to address meter height.

Schedule PL, Private Lighting Service, and Schedule SPL, the Municipal Street Lighting Service has been revised to add the wattage of the light fixtures to the billing information. In addition, the Company is proposing an additional charge to Schedule SPL to include a transformer charge in the additional charges section.

The Promotional Practices, Schedule PRO, is being changed to restate the section

dealing with the Employee Purchase Plan. Section A, paragraph 4 has been updated to be consistent with the current employee handbook.

Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

A. Yes.

LIST OF SCHEDULES

Schedule No.	Description
KSW-1	Schedules Supporting Revenue Requirement

INDEX TO KSW-1

Section No.	Schedule No.	Description
C	1	Comparative and Summary Information
D	1	Rate Base and Rate of Return
E	1	Electric Plant in Service by Primary Account
F	1	Accumulated Provision for Depreciation
G	1	Working Capital
G	2	Cash Working Capital
G	3	Income Tax and Interest Expense Factors
H	1	Capital Structure at December 31, 2003
H	2	Preferred Stock
H	3	Long-Term Debt
H	8	Capital Costs and Structure
J	1	Test Year Operating Income Statements
J	2	Test Year Adjustments
K	1	Depreciation Rates and Accruals
K	2	Normalized Depreciation Expense
L	1	Taxes Charged to Electric Operations
L	2	Income Tax Calculation
M	1	Bases of Allocation
M	2	Allocation of Rate Base Items
N	1-6	Cost of Service

The Empire District Electric Company

Comparative and Summary Information

Section C
Schedule 1
04/21/2004

1. Total test year revenues at existing rates	$258,317,817
2. Total test year revenues at proposed rates	$310,703,706
3. Percentage change in revenues	20.28%
4. Test year rate base	$611,396,947
5. Rate base on which existing rates were set (as filed in case no. ER-2001-99)	$507,776,832
6. Return on rate base during the test year under existing rates	4.26%
7. Return on rate base under proposed rates	9.54%
8. Return on equity during the test year under existing rates	1.19%
9. Return on equity under proposed rates	11.65%
10. Total operating expenses on which existing rates were set (as filed in case no. ER-2001-99)	$190,934,339
11. Total operating expenses under proposed rates	$232,266,214

The Empire District Electric Company

Rate Base and Rate of Return

Section D
Schedule 1
04/21/2004

	A Missouri Jurisdictional	Reference
1. Electric Plant in Service	$1,010,777,687	E-1
2. Less: Reserve for Depreciation	330,209,957	F-1
3. Net Electric Plant in Service	680,567,730	
4. Materials and Supplies (13-Month Average)	23,325,081	G-1
Regulatory Asset		
5. Prepayments (13-Month Average)	1,776,607	G-1
6. Cash Working Capital	(494,303)	G-2
Less:		
7. Injuries and Damages	1,186,544	
8. Liberalized Depreciation	83,967,207	M-2
9. Investment Tax Credit - Pre-1971	0	M-2
10. Customer Deposits	4,674,352	M-2
11. Customer Advances	972,197	
12. Interest Offset	3,530,588	G-4
13. Income Tax Offset	(552,721)	G-4
14. Total Original Cost Rate Base	$611,396,947	
Net Electric Operating Income		
15. Before Effect of Proposed Increase	$26,051,602	J-1
Indicated Rate of Return Before		
16. Proposed Increase	4.26%	
17. Proposed Increase (After Taxes)	$32,275,666	
18. Income Tax Gross-up Factor	1.62308	
19. Proposed Increase (Revenue Requirement)	$52,385,889	
Net Electric Operating Income		
20. After Effect of Proposed Increase	$58,327,269	
Indicated Rate of Return After		
21. Effect of Proposed Increase	9.54%	H-1

The Empire District Electric Company

Electric Plant in Service
by Primary Plant Account

	ACCOUNT	A 31-Dec-02 Total	B	C 31-Dec-03 Total	D	E Pro	F
Number	Name	Company	Missouri Jurisdictional	Company	Adjustments*	Forma	Missouri Jurisdictional
	Intangible Plant						
301	Organization	$7,622,196	$6,475,452	$7,622,196		$7,622,196	$6,475,452
	Production Plant						
	Steam Production Plant						
310	Land and Land Rights	907,690	744,803	907,690		907,690	744,803
311	Structures and Improvements	21,939,876	18,002,726	22,035,712		22,035,712	18,081,364
312	Boiler Plant and Equipment	119,163,403	97,779,317	119,426,831		119,426,831	97,995,472
312	Unit Coal Trains	4,290,373	3,520,458	5,588,661		5,588,661	4,585,766
314	Turbo Generator Units	35,648,073	29,250,963	35,806,516		35,806,516	29,380,973
315	Accessory Electric Equipment	11,270,664	9,248,123	11,337,901		11,337,901	9,303,294
316	Miscellaneous Power Plant Equipment	3,636,117	2,983,609	3,534,040		3,534,040	2,899,850
	Total Steam Production Plant	196,856,197	161,529,999	198,637,349	0	198,637,349	162,991,521
	Hydraulic Production Plant						
330	Land and Land Rights	224,490	184,205	224,480		224,480	184,196
331	Structures and Improvements	503,584	413,215	556,389		556,389	456,544
332	Reservoirs, Dams and Waterways	1,448,354	1,188,444	1,435,118		1,435,118	1,177,584
333	Water Wheels, Turbines & Generators	752,254	617,261	1,065,736		1,065,736	874,488
334	Accessory Electric Equipment	887,222	728,008	812,324		812,324	666,551
335	Miscellaneous Power Plant Equipment	323,608	265,536	325,076		325,076	266,741
	Total Hydraulic Production Plant	4,139,511	3,396,669	4,419,123	0	4,419,123	3,626,103
	Other Production Plant						
340	Land and Land Rights	451,554	370,522	451,651		451,651	370,601
341	Structures and Improvements	13,407,707	11,001,670	14,484,094		14,484,094	11,884,897
342	Fuel Holders, Producers & Accessories	12,468,038	10,230,626	12,501,582		12,501,582	10,258,151
343	Prime Movers	162,951,225	133,709,335	162,458,051		162,458,051	133,304,663
344	Generators	39,718,274	32,590,758	79,930,797		79,930,797	65,587,072
345	Accessory Electric Equipment	12,201,933	10,012,274	14,386,131		14,386,131	11,804,514
346	Miscellaneous Power Plant Equipment	1,470,976	1,207,007	13,806,860		13,806,860	11,329,194
	Total Other Production Plant	242,669,707	199,122,193	298,019,166	0	298,019,166	244,539,092
	Total Production Plant	443,665,415	364,048,861	501,075,638	0	501,075,638	411,156,716
	Transmission Plant						
350	Land and Land Rights	8,481,452	6,959,440	8,677,558		8,677,558	7,120,354
352	Structures and Improvements	2,335,614	1,916,484	2,335,614		2,335,614	1,916,484
353	Station Equipment	79,195,625	64,983,828	81,203,750		81,203,750	66,631,591
354	Towers and Fixtures	777,080	637,631	777,080		777,080	637,631
355	Poles and Fixtures	27,601,798	22,648,605	26,516,189		26,516,189	21,757,811
356	Overhead Conductors and Devices	44,372,817	36,410,036	50,765,895		50,765,895	41,655,864
	Total Transmission Plant	162,764,386	133,556,025	170,276,085	0	170,276,085	139,719,736

The Empire District Electric Company

Electric Plant in Service
by Primary Plant Account

ACCOUNT Number	Name	A 31-Dec-02 Total Company	B Missouri Jurisdictional	C 31-Dec-03 Total Company	D Adjustments	E Pro Forma	F Missouri Jurisdictional
	Distribution Plant						
360	Land and Land Rights	1,611,616	1,437,506	1,611,606		1,611,606	1,437,497
361	Structures and Improvements	8,910,974	7,948,279	9,001,255		9,001,255	8,028,807
362	Station Equipment	55,355,426	49,375,118	58,177,178		58,177,178	51,892,024
364	Poles, Towers and Fixtures	84,901,110	75,728,844	89,549,034		89,549,034	79,874,631
365	Overhead Conductors and Devices	96,988,083	86,510,004	102,680,119		102,680,119	91,587,102
366	Underground Conduit	15,001,913	13,381,186	15,763,257		15,763,257	14,060,278
367	Underground Conductors and Devices	31,759,494	28,328,367	33,337,407		33,337,407	29,735,810
368	Line Transformers	63,081,763	56,266,743	66,324,437		66,324,437	59,159,096
369	Services	42,351,505	37,776,072	45,193,257		45,193,257	40,310,816
370	Meters	14,226,880	12,689,883	15,118,301		15,118,301	13,485,000
371	Installations on Customers' Premises	11,722,401	10,455,975	12,250,215		12,250,215	10,926,766
373	Street Lighting and Signal Systems	9,722,641	8,672,258	10,089,942		10,089,942	8,999,878
	Total Distribution Plant	435,633,806	388,570,235	459,096,010	0	459,096,010	409,497,706
	General Plant						
101.1	Capital Lease	815,081		815,081		815,081	692,454
389	Land and Land Rights	696,217	591,472	691,217		691,217	587,225
390	Structures and Improvements	9,313,752	7,912,516	9,228,595		9,228,595	7,840,172
391	Office Furniture and Equipment	7,622,304	6,475,544	10,869,222		10,869,222	9,233,970
392	Transportation Equipment	6,239,829	5,301,059	6,284,688		6,284,688	5,339,169
393	Stores Equipment	335,977	285,430	343,778		343,778	292,057
394	Tools, Shop and Garage Equipment	3,023,862	2,568,928	2,871,990		2,871,990	2,439,905
395	Laboratory Equipment	880,712	748,211	886,386		886,386	753,031
396	Power Operated Equipment	9,816,680	8,339,780	9,359,422		9,359,422	7,951,316
397	Communication Equipment	10,212,420	8,675,982	10,127,777		10,127,777	8,604,074
398	Miscellaneous Equipment	185,275	157,401	229,185		229,185	194,704
	Total General Plant	49,142,108	41,056,323	51,707,342		51,707,342	43,928,077
	Total Electric Plant in Service	$1,098,827,912	$933,706,897	$1,189,777,270	$0	$1,189,777,270	$1,010,777,687

The Empire District Electric Company

Accumulated Provision for Depreciation
of Electric Plant in Service

Section F
Schedule 1
04/21/2004

	A	B	C	D	E	F
	31-Dec-02		31-Dec-03			
Functional Group	Total Company	Missouri Jurisdictional	Total Company	Adjustments	Pro Forma	Missouri Jurisdictional
Production:						
1. Steam	$95,567,540	$78,417,774	$97,745,793	0	$97,745,793	$80,205,135
2. Hydro	$2,240,463	1,838,408	2,154,906	0	2,154,906	1,768,204
3. Other	40,408,724	33,157,306	48,641,400	0	48,641,400	39,912,614
4. Total Production	$138,216,727	113,413,488	$148,542,099	0	148,542,099	121,885,953
5. Transmission	$46,528,655	38,179,005	$47,333,083	0	47,333,083	38,839,076
6. Distribution	$153,524,034	136,914,687	$164,037,217	0	164,037,217	146,290,478
7. General	$21,984,424	18,676,912	$23,489,663	0	23,489,663	19,955,691
8. Amortization of Electric Plant	2,983,525	2,534,660	3,812,313	0	3,812,313	3,238,759
9. Total	$363,237,366	$309,718,751	$387,214,376	$0	$387,214,376	$330,209,957

The Empire District Electric Company

Working Capital

	A	B
		31-Dec-03
	Total Company	Missouri Jurisdictional
Materials and Suppplies (13-Month Average)		
Production:		
1. Fuel	$10,886,390	$8,972,399
2. Adjustments	0	0
3. Fuel Adjusted	10,886,390	8,972,399
4. Other Production Materials	8,631,782	7,082,793
5. Adjustments	0	0
6. Other Production Materials Adjusted	8,631,782	7,082,793
7. Total Production	19,518,172	16,055,192
8. Total Production Adjustments	0	0
9. Total Production Adjusted	19,518,172	16,055,192
10. Transmission and Distribution	8,065,343	7,194,006
11. Adjustments	0	0
12. Total Transmission and Distribution Adjusted	8,065,343	7,194,006
13. Clearing Account Materials	89,321	75,883
14. Total Materials and Supplies	27,672,836	23,325,081
15. Total Adjustments	0	0
16. Total Materials and Supplies Adjusted	$27,672,836	$23,325,081
Prepayments (13-Month Average)		
Prepaid Insurance:		
17. Boiler and Machinery Breakdown	$777,256	$660,319
18. Comprehensive Bond	10,778	9,157
19. P.B.G.C.	8,825	7,497
20. Auto Bodily Injury and Property Damage	69,632	59,156
21. Fixed and Nonfixed Property	20,124	17,096
22. Directors and Officers Liability	157,282	133,619
23. Excess Liability	264,676	224,856
24. Excess Workers Compensation	72,968	61,990
25. Total Prepaid Insurance	1,381,540	1,173,690
26. Other Prepayments	313,835	266,619
27. Prepaid Interest	34,323	29,159
28. Prepaid Fuel	361,530	307,139
29. Total Prepayments	2,091,228	1,776,607
30. Adjustments	0	0
31. Total Prepayments Adjusted	$2,091,228	$1,776,607

The Empire District Electric Company

Materials and Supplies Without Adjustments

	A	B	C	D	E	F
			31-Dec-03			
Date	Fuel	Other Materials	Total	Transmission and Distribution	Clearing Account Materials	Total
December, 2002	11,977,752	8,621,151	20,598,902	7,396,824	67,886	28,063,612
January, 2003	12,092,539	8,561,230	20,653,769	7,298,861	167,852	28,120,483
February, 2003	11,833,473	8,601,444	20,434,917	7,213,611	155,469	27,803,997
March, 2003	11,775,627	8,618,115	20,393,743	7,395,387	139,467	27,928,597
April, 2003	12,053,361	8,618,332	20,671,693	7,396,218	125,208	28,193,119
May, 2003	12,376,560	8,612,005	20,988,565	7,834,344	104,299	28,927,208
June, 2003	12,630,319	8,605,963	21,236,282	8,720,982	96,326	30,053,591
July, 2003	11,820,172	8,672,506	20,492,678	8,551,028	80,022	29,123,728
August, 2003	9,356,510	8,689,262	18,045,771	8,397,653	70,965	26,514,389
September, 2003	9,113,192	8,709,670	17,822,862	8,522,195	58,344	26,403,402
October, 2003	9,037,943	8,642,635	17,680,578	8,724,854	39,044	26,444,475
November, 2003	8,818,655	8,634,316	17,452,971	8,722,092	19,498	26,194,561
December, 2003	8,636,967	8,626,535	17,263,501	8,675,407	36,795	25,975,703
13-Month Total	$141,523,069	$112,213,164	$253,736,233	$104,849,457	$1,161,176	$359,746,866
Average	$10,886,390	$8,631,782	$19,518,172	$8,065,343	$89,321	$27,672,836

The Empire District Electric Company

Prepayments with Adjustments

	A	B	C	D	E	F	G	H	I
					31-Dec-03				
Date	Boiler and Machinery Breakdown	Comprehensive Bond	Various	Auto Bodily Injury and Property Damage	Fiduciary Coverage Liability	Directors and Officers Liability	Excess Liability	Excess Workers Compensation	Total Prepayments
December, 2002	1,084,318	1,038	1,669	0	15,502	12,620	193,323	23,345	1,331,816
January, 2003	945,643	243	926	155,922	13,510	0	150,065	17,863	1,284,173
February, 2003	815,802	(1,167)	9,166	141,748	11,517	(15,719)	106,808	12,381	1,080,535
March, 2003	676,324	24,500	16,107	123,039	9,525	337,094	63,550	6,898	1,257,036
April, 2003	536,847	22,167	15,047	109,368	7,533	304,990	20,292	1,416	1,017,659
May, 2003	399,505	19,833	13,988	95,697	6,133	272,885	543,003	134,027	1,485,071
June, 2003	271,154	17,500	12,738	82,026	39,560	240,781	499,102	126,785	1,289,646
July, 2003	206,916	15,167	11,245	68,355	35,797	208,677	440,192	146,506	1,132,855
August, 2003	87,992	12,833	9,753	51,837	32,033	176,573	391,281	130,228	892,531
September, 2003	1,554,626	10,500	8,261	38,878	28,270	144,469	342,371	113,949	2,241,324
October, 2003	1,308,027	8,167	6,768	25,566	24,506	112,365	276,318	94,075	1,855,791
November, 2003	1,175,065	5,833	5,276	12,783	20,743	156,086	230,265	78,395	1,684,447
December, 2003	1,042,103	3,500	3,784	0	16,979	93,846	184,212	62,716	1,407,141
13-Month Total	$10,104,323	$140,115	$114,728	$905,217	$261,609	$2,044,666	$3,440,783	$948,585	$17,960,025
Average	$777,256	$10,778	$8,825	$69,632	$20,124	$157,282	$264,676	$72,968	$1,381,540

The Empire District Electric Company

Prepaid Interest

	A	B	C	D	E	F
		31-Dec-03				
Date					Other Prepayments	Prepaid Interest	Prepaid Fuel
December, 2002					140,613	20,566	49,844
January, 2003					173,603	24,288	2,194,460
February, 2003					157,818	18,786	(161,558)
March, 2003					142,032	32,181	264,951
April, 2003					495,205	34,408	251,432
May, 2003					463,378	40,192	250,058
June, 2003					431,551	74,655	96,826
July, 2003					399,724	56,692	242,820
August, 2003					367,897	40,673	292,227
September, 2003					336,070	52,594	250,671
October, 2003					304,243	32,006	437,687
November, 2003					272,416	13,938	298,549
December, 2003					395,300	5,216	231,928
13-Month Total					$4,079,851	$446,194	$4,699,894
Average					$313,835	$34,323	$361,530

The Empire District Electric Company

Cash Working Capital

Section G
Schedule 2
04/21/2004

Description	A Revenue Lag	B Expense Lag	C Cash Working Capital Lag	D Cash Working Capital Factor	E Normalized Test Year Expense	F Cash Working Capital Requirement
Fuel - Coal	35.0435	18.9386	16.1049	0.044123	23,515,375	1,037,569
Fuel - Gas	35.0435	36.3005	-1.2570	-0.003444	46,275,012	(159,364)
Fuel - Oil	35.0435	28.3766	6.6669	0.018265	140,378	2,564
Purchased power	35.0435	34.9314	0.1121	0.000307	31,457,921	9,661
Health care expense	35.0435	-12.2900	47.3335	0.129681	5,532,169	717,416
Payroll expense	35.0435	12.0071	23.0364	0.063113	23,256,810	1,467,817
FICA Withheld	35.0435	15.0495	19.9940	0.054778	1,729,552	94,742
Federal Income Tax Withheld	35.0435	15.0495	19.9940	0.054778	3,034,686	166,234
State Income Tax Withheld	35.0435	19.5054	15.5381	0.042570	1,214,664	51,708
Employees 401K withheld	35.0435	15.0495	19.9940	0.054778	1,435,790	78,650
Employers 401K matchings	35.0435	41.6702	-6.6267	-0.018155	539,497	(9,795)
Cash vouchers	35.0435	33.0649	1.9786	0.005421	30,285,126	164,170
Total O&M expenses (less depreciation)					168,416,982	3,621,373
Property taxes	35.0435	207.0403	-171.9968	-0.471224	8,773,550	(4,134,308)
Federal Unemployment	35.0435	75.1217	-40.0782	-0.109803	22,882	(2,512)
State Unemployment	35.0435	75.1217	-40.0782	-0.109803	1,109	(122)
Employer FICA	35.0435	15.0962	19.9473	0.054650	1,729,552	94,520
Gross Receipts Taxes	17.4200	20.5300	-3.1100	-0.008521	4,836,536	(41,210)
Sales & Use taxes	17.4200	19.1500	-1.7300	-0.004740	6,760,712	(32,044)
Total customer supplied funds						(4,115,676)
Net cash working capital						(494,303)

The Empire District Electric Company

Income Tax Gross-up Factor

Formulas:

FIT = (Taxable Income - Missouri Tax) .35
SIT = (Taxable Income - (.5*FIT) .0625

Federal Income Tax:

FIT = (Taxable Income - ((Taxable Income - (.5*FIT)) .0625)) .35
FIT = (TI - .0625TI+.0625 (.5*FIT)) .35
FIT = 0.331754

State Income Tax:

SIT = (Taxable Income - (.5*FIT)) .0625
SIT = 0.052133

Gross-up Factor:

After Tax Income = Taxable Income - FIT - SIT
ATI = 1.62308

Effective Income Tax:

Effective Income Tax = FIT + SIT
EIT = 0.38389

The Empire District Electric Company

Income Tax Lag Calculation

	(A) Due Date	(B) Year Midpoint	(C) Lag Days	(D) % Payment	(E) C*D Days	(F) Weighted Days
FEDERAL:						
First payment	04/15/03	07/02/03	77.5	15.0%	11.63	
Second payment	06/15/03	07/02/03	16.5	15.0%	2.48	
Third payment	09/15/03	07/02/03	-75.5	10.0%	-7.55	
Fourth payment	12/15/03	07/02/03	-166.5	60.0%	-99.90	
Final installment	03/15/04	07/02/03	-256.5	0.0%	-0.00	
Income tax days lag					-93.35	-80.67
STATE:						
First payment	04/15/03	07/02/03	77.5	22.5%	17.44	
Second payment	06/15/03	07/02/03	16.5	22.5%	3.71	
Third payment	09/15/03	07/02/03	-75.5	22.5%	-16.99	
Fourth payment	12/15/03	07/02/03	-166.5	22.5%	-37.46	
Final installment	04/15/04	07/02/03	-287.5	10.0%	-28.75	
Income tax days lag					-62.05	-8.43
Weighted tax days lag						-89.10
Revenue days lag						35.0435
Net lag						54.06
Percent lag						14.8098%

The Empire District Electric Company

Interest Expense Lag Calculation

1. Number of days in year	365
2. Interest is payable semi-annually, divide by 2	2
3. Days covered by payment (1 / 2)	182.5
4. Divide by 2 to find average days lag	2
5. Average days payment lag (3 / 4)	91.25
6. Revenue days lag	35.0435
7. Payment lag minus revenue lag (5 - 6)	56.2065
8. Percent lag (7 / 1)	15.3990%

The Empire District Electric Company

Calculation of Interest Offset and Income Tax Offset

	A Missouri Jurisdictional
Interest Offset:	
Weighted cost - preferred stock	0.5500%
Weighted cost - bonds	3.1300%
Weighted cost - short-term debt	0.0700%
Total weighted cost	3.7500%
Rate base (section D, line 14)	$611,396,947
Total weighted cost x rate base	$22,927,386
Interest expense lag	15.3990%
Interest Offset	$3,530,588
Income Tax Offset:	
Federal income tax - current	($3,225,289)
State income tax - current	(506,831)
Total current income tax	($3,732,120)
Income tax lag	14.8098%
Income Tax Offset	($552,721)

The Empire District Electric Company

Capital Structure @
31-Dec-03

Section H
Schedule 1
04/21/2004

	A	B	C	D
	Amount Outstanding	% of Total	Cost Rate	Weighted Return on Tariffs Filed
1. Long-term Debt	$336,496,612	43.16%	7.25%	3.13%
2. Trust Preferred Stock	48,292,848	6.19%	8.93%	0.55%
3. Common Equity	381,935,258	48.98%	11.65%	5.71%
4. Short-term Debt	13,000,000	1.67%	3.90%	0.07%
5. Total	$779,724,718	100.00%		9.46%

Adjusted Capital Structure:

	Amount Outstanding	% of Total	Cost Rate	Weighted Return on Tariffs Filed
1. Long-term Debt	$336,496,612	43.89%	7.25%	3.18%
2. Trust Preferred Stock	48,292,848	6.30%	8.93%	0.56%
3. Common Equity	381,935,258	49.81%	11.65%	5.80%
4. Short-term Debt	0	0.00%	3.90%	0.00%
5. Total	$766,724,718	100.00%		9.54%

The Empire District Electric Company

Preferred Capital Stock

Section H
Schedule 2
04/21/2004

Series	A Principal Amount Issued	B Percentage Annual Dividend Requirement	C Net Discount, Premium and Issuance Expense	D Amount Outstanding at 31-Dec-03
1. Trust Preferred (Issued March 1, 2001)	$50,000,000	8.5	($1,707,152)	$50,000,000
2.				
3.				
4. Total	$50,000,000		($1,707,152)	$50,000,000

The Empire District Electric Company

Long-Term Debt

Section H
Schedule 3
04/21/2004

Series	A 31-Dec-03 Unamortized Expense, Discount and Premium	B Principal Amount Outstanding	C 31-Dec-03 Projected Unamortized Expense, Discount and Premium	D Principal Amount Outstanding
Bonds and Unsecured Notes:				
1. 7.2% Series, Due 2016	(306,672)	25,000,000	(306,672)	25,000,000
2. 5.2% Pollution Control Series, Due 2013	(269,080)	5,200,000	(269,080)	5,200,000
3. 5.3% Pollution Control Series, Due 2013	(378,009)	8,000,000	(378,009)	8,000,000
4. 7.05% Series, Due 2022	(1,603,062)	49,942,000	(1,603,062)	49,942,000
5. 6.7% Series, Due 2023	(2,927,434)	62,000,000	(2,927,434)	62,000,000
6. 7-3/4% Series, Due 2025	(2,852,241)	30,000,000	(2,852,241)	30,000,000
7. 9-3/4% Series, Due 2020	0	0	0	0
8. 7-1/4% Series, Due 2028	0	0	0	0
9. 8-1/8% Series, Due 2009	(145,382)	20,000,000	(145,382)	20,000,000
10. 7.60% Series, Due 2005	(26,093)	10,000,000	(26,093)	10,000,000
11. 6-1/2% Series, Due 2010	(459,637)	50,000,000	(459,637)	50,000,000
12. 4.5% Series, Due 2013	(12,677,779)	98,000,000	(12,677,779)	98,000,000
13. Total	($21,645,388)	$358,142,000	($21,645,388)	$358,142,000

The Empire District Electric Company

Capital Costs

Section H
Schedule 8
04/21/2004

	A	B	C	D
Bonds and Unsecured Notes Series:	31-Dec-03 Amount Outstanding	Annual Cost	31-Dec-03 Projected Amount Outstanding	Annual Cost
1. 7.2% Series, Due 2016	25,000,000	1,800,000	25,000,000	1,800,000
2. 5.2% Pollution Control Series, Due 2013	5,200,000	270,400	5,200,000	270,400
3. 5.3% Pollution Control Series, Due 2013	8,000,000	424,000	8,000,000	424,000
4. 7.05% Series, Due 2022	49,942,000	3,520,911	49,942,000	3,520,911
5. 6.7% Series, Due 2033	62,000,000	4,154,000	62,000,000	4,154,000
6. 7-3/4% Series, Due 2025	30,000,000	2,325,000	30,000,000	2,325,000
7. 9-3/4% Series, Due 2020	0	0	0	0
8. 7-1/4% Series, Due 2028	0	0	0	0
9. 8-1/8% Series, Due 2009	20,000,000	1,625,000	20,000,000	1,625,000
10. 7.60% Series, Due 2005	10,000,000	760,000	10,000,000	760,000
11. 6-1/2% Series, Due 2010	50,000,000	3,250,000	50,000,000	3,250,000
12. 4.5% Series, Due 2013	98,000,000	4,410,000	98,000,000	4,410,000
13. Premium, Discount and Expense	(21,645,388)	1,871,248	(21,645,388)	1,871,248
14. Total	$336,496,612	$24,410,559	$336,496,612	$24,410,559
15. Annual Cost Rate		7.25%		7.25%
Trust Preferred Series				
16. Trust Preferred	$50,000,000	$4,250,000	$50,000,000	$4,250,000
17. Premium and Expenses				
18. Annual Dividend Rate				
19. Premium and Expense	($1,707,152)	62,840	($1,707,152)	62,840
20. Total	$48,292,848	$4,312,840	$48,292,848	$4,312,840
21. Annual Dividend Requirement Rate		8.93%		8.93%

The Empire District Electric Company

Test-Year Utility Operating Income
Statements and Adjustments

	A	B	C	D	E	F
			Twelve Months Ended December 31, 2003			
ACCOUNT		Total Company			Missouri Jurisdictional	
Number Name	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma
Electric Utility Operating Revenues:						
440 Residential	$125,196,648	$1,347,456	$126,544,104	$111,132,284	$1,347,456	$112,479,740
442.1 Commercial	90,577,203	$234,082	90,811,285	83,183,772	$234,082	83,417,854
442.2-6 Industrial	50,642,829	($226,701)	50,416,128	41,899,069	($226,701)	41,672,368
444 Public Street & Highway Lighting	2,249,796	0	2,249,796	1,976,539	0	1,976,539
445 Other Sales to Public Authorities	4,959,793	0	4,959,793	4,376,831	0	4,376,831
448 Interdepartmental	91,559	0	91,559	91,559	0	91,559
447.2,4 Sales for Resale - On-System	12,439,772		12,439,772	0		0
447.1,3 Sales for Resale - Off-System	13,885,950	(259,620)	13,626,330	11,394,091	(213,031)	11,181,061
Total Sales of Electricity	300,043,549	1,095,217	301,138,766	254,054,146	1,141,806	255,195,952
450-456 Other Electric Operating Revenues	3,489,706		3,489,706	3,121,865	0	3,121,865
Less: Provision for Rate Refund	0	0	0	0	0	0
Total Sales of Electricity	303,533,255	1,095,217	304,628,472	257,176,010	1,141,806	258,317,817
Electric Utility Operating Expenses:						
401-2 Production	133,253,388	19,815,396	153,068,784	109,710,373	16,341,665	126,052,038
401-2 Transmission	3,882,919	52,882	3,935,801	3,186,122	43,392	3,229,514
401-2 Distribution	11,847,607	309,671	12,157,278	10,567,654	276,216	10,843,870
401-2 Customer Accounts	6,610,352	163,890	6,774,242	5,773,773	143,149	5,916,922
401-2 Customer Assistance	1,030,935	40,703	1,071,639	900,464	35,552	936,016
401-2 Sales	326,213	13,604	339,818	289,412	12,070	301,482
401-2 Administrative & General	24,858,223	624,279	25,482,502	20,576,184	560,958	21,137,141
403 Depreciation	27,126,436	28,036,084	55,162,520	23,151,679	24,025,489	47,177,168
408.1 Taxes Other Than Income Taxes	16,106,872	1,682,690	17,789,561	13,934,292	1,429,337	15,363,629
409.1 Income Taxes - Federal	1,608,424	(6,478,121)	(4,869,697)	1,415,712	(4,641,001)	(3,225,289)
409.1 Income Taxes - State	1,004,092	(1,769,330)	(765,238)	883,788	(1,390,619)	(506,831)
410.1 Provision for Deferred Income Taxes	26,290,994	(19,578,850)	6,712,144	23,904,211	(18,233,911)	5,670,300
411.1 Provision for Deferred Income Taxes - Cr.	(11,954,328)	11,515,252	(439,076)	(10,869,075)	10,482,606	(386,468)
411.4 Investment Tax Credit Adjustments - Net	(547,650)	5,725	(541,925)	(497,933)	20,938	(476,995)
431.1 Interest on Customer Deposits		0	0		233,718	233,718
Total Electric Utility Operating Expenses	241,444,477	34,433,874	275,878,351	202,926,657	29,339,557	232,266,214
Net Electric Utility Operating Income	62,088,778	(33,338,657)	28,750,120	54,249,353	(28,197,751)	26,051,602

The Empire District Electric Company

Test-Year Utility Operating Income
Statements and Adjustments

	A	B	C	D	E	F
			Twelve Months Ended December 31, 2003			
ACCOUNT			Total Company		Missouri Jurisdictional	
Number Name	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma
Water Utility Operating Revenues:	1,388,832		1,388,832			
Water Utility Operating Expenses:						
414.1 Operation	394,336		394,336			
414.2 Maintenance	381,346		381,346			
403 Depreciation	175,219		175,219			
408.1 Taxes Other than Income Taxes	87,549		87,549			
409.1 Income Taxes - Federal	(32,920)		(32,920)			
409.1 Income Taxes - State	(5,170)		(5,170)			
410.1 Provision for Deferred Income Taxes	95,859		95,859			
411.4 Investment Tax Credit Adjustments - Net	(2,350)		(2,350)			
Total Water Operating Expenses	1,093,869	0	1,093,869			
Net Water Utility Operating Income	294,963	0	294,963			
Other Income:						
417 Nonutility revenue	20,854,917		20,854,917			
417 Nonutility costs and expenses	(21,804,139)		(21,804,139)			
Other Income and Deductions						
Allowance for Equity Funds used During Construction	0					
Interest Income	57,011		57,011			
State Line CC Plt Disallowance			0			
Prov Def Inc Tx Disallow Plnt	250,000		250,000			
Minority Interest	(353,634)		(353,634)			
Other Non-operating Income	52,857					
Other Non-operating Expense	(860,398)		(860,398)			
	(854,164)					
Interest Charges						
Long Term Debt			0			
Trust Preferred Distributions by Subsidiary			0			
Holding Solely Parent Debentures	4,250,000		4,250,000			
Other	26,044,688					
Allowance for Borrowed Funds Used During Construction	(282,268)		(282,268)			
Other	1,117,628					
	31,130,048					
Net Other Income and Deductions	(31,984,212)		28,095,862			
Net Income	29,450,307		56,191,724			
Preferred Dividend	0		0			
Net to common	29,450,307		56,191,724			
End of period earnings per share	$1.29					
Weighted Average Number of Shares	22,845,952					

The Empire District Electric Company

Explanation of Adjustments to Test-Year
Revenues & Expenses

04/21/2004

	Increase (Decrease)			
	Total Company		Missouri Jurisdictional	
	Revenues	Expenses	Revenues	Expenses
Revenue:				
1. To adjust customer growth - Res	1,443,460		1,443,460	
2. To adjust customer growth - Comm	443,474		443,474	
3. To adjust customer growth - Ind	514,006		514,006	
4. To normalize weather - Residential	(96,004)		(96,004)	
5. To normalize weather - Commercial	(209,392)		(209,392)	
6. To normalize weather - Industrial	(286,330)		(286,330)	
7. To eliminate Missouri Steel Casting	(454,377)		(454,377)	
8. Adjust Off-System Sales to 5-year average	(259,620)		(213,031)	
9.	0		0	
10.	0		0	
Total Revenue Adjustment	1,095,217		1,141,806	
Production:				
		0		0
11. To reflect normalization of O & M Expenses		1,008,204		830,947
		0		0
12. To normalize test year payroll		503,874		415,285
		0		0
13. To reflect decrease capacity charges for 6/1/03 contract year		(2,780,667)		(2,281,671)
14. To reflect normalization of Fuel/PP		21,083,985		17,377,104
		0		0
Total Production		19,815,396		16,341,665
Transmission:				
15. To normalize test year payroll		52,882		43,392
Total Transmission		52,882		43,392
Distribution:				
16. To normalize test year payroll		309,671		276,216
Total Distribution		309,671		276,216
Customer Accounts				
17. To normalize test year payroll		163,890		143,149
Total Customer Accounts		163,890		143,149
Customer Assistance				
18. To normalize test year payroll		40,703		35,552
Total Customer Assistance		40,703		35,552
Sales Expense:				
19. To normalize test year payroll		13,604		12,070
Total Sales Expense		13,604		12,070

	Increase (Decrease)			
	Total Company		Missouri Jurisdictional	
	Revenues	Expenses	Revenues	Expenses
Administrative & General:				
20 . To reflect increased insurance expense		0		0
21. To normalize test year 401k costs		57,269		47,611
22. To normalize test year payroll		328,095		272,764
		0		0
22. To adjust amortized FAS 106 and 87 gain/loss		(1,316,888)		(1,118,765)
		0		0
		0		0
23. To reflect amortization of common stock expense		1,305,804		1,109,348
24. To reflect amortization of rate case expenses over 3 year*		250,000		250,000
Total Administrative & General		624,279		560,958
Depreciation:				
25 To recognize expense for cost of removal		0		0
26. To annualize depreciation expense		28,036,084		24,025,489
		28,036,084		24,025,489
Taxes Other Than Income Taxes:				
27. To annualize property taxes		1,521,589		1,292,669
28. To recognize FICA taxes from wage increase (decrease)		161,336		136,863
29. To recognize FUTA tax from wage increase (decrease)		128		107
30. To recognize SUTA tax from wage increase (decrease)		(364)		(302)
Total Taxes Other Than Income Taxes		1,682,690		1,429,337
Income Taxes - Federal:				
31. To adjust book taxes		(6,478,121)		(4,641,001)
Total Taxes - Federal		(6,478,121)		(4,641,001)
Income Taxes - State:				
32. To adjust book taxes		(1,769,330)		(1,390,619)
Total Taxes - State		(1,769,330)		(1,390,619)
Provision for Deferred Income Tax:				
33. To adjust book taxes		(19,578,850)		(18,233,911)
Total Provision for Deferred Income Tax		(19,578,850)		(18,233,911)
Provision for Deferred Income Tax Cr.:				
34. To adjust book taxes		11,515,252		10,482,606
Total Provision for Deferred Income Tax Cr.		11,515,252		10,482,606
Provision for Investment Tax Credit:				
35. To adjust book taxes		5,725		20,938
Total Provision for Investment Tax Cr.		5,725		20,938
Interest on Customer Deposits:				
36. To include interest on customer deposits at 5.0% *		0		233,718
Total Interest on Customer Deposits		0		233,718
TOTAL ADJUSTMENTS	1,095,217	34,433,874	1,141,806	29,339,557

The Empire District Electric Company

Depreciation Rates and Accruals

Plant Account Number	Plant Account	A Actual Depreciation Rates	B Test Year Accrual Total Company	C Missouri Jurisdictional
311	Structures and Improvements	1.05		
312	Boiler Plant and Equipment	1.85		
314	Turbo Generator Units	1.59		
315	Accessory Electric Equipment	1.79		
316	Miscellaneous Power Plant Equipment	1.96		
	Total Steam		$3,244,537	2,662,299
331	Structures and Improvements	1.64		
332	Reservoirs, Dams and Waterways	1.67		
333	Water Wheels, Turbines & Generators	1.47		
334	Accessory Electric Equipment	1.43		
335	Miscellaneous Power Plant Equipment	2.44		
	Total Hydro		53,417	43,831
341	Structures and Improvements	1.82		
342	Fuel Holders, Producers & Accessories	3.85		
343	Prime Movers	1.92		
344	Generators	1.82		
346	Miscellaneous Power Plant Equipment	4.00		
	Total Other Production		6,910,463	5,670,368
	Total Production		10,208,416	8,376,497
352	Structures and Improvements	1.37		
353	Station Equipment	2.19		
354	Towers and Fixtures	1.30		
355	Poles and Fixtures	1.85		
356	Overhead Conductors and Devices	1.43		
	Total Transmission		2,957,377	2,426,670
361	Structures and Improvements	1.98		
362	Station Equipment	2.44		
364	Poles, Towers and Fixtures	2.43		
365	Overhead Conductors and Devices	2.10		
366	Underground Conduit	2.97		
367	Underground Conductors and Devices	3.61		
368	Line Transformers	2.51		
369	Services	3.03		
370	Meters	2.58		
371	Installations on Customers' Premises	5.15		
373	Street Lighting and Signal Systems	2.36		
	Total Distribution		11,552,553	10,302,714

Plant Account Number	Plant Account	A Actual Depreciation Rates	B Test Year Accrual Total Company	C Missouri Jurisdictional
390	Structures and Improvements	4.27		
391	Office Furniture and Equipment	11.45		
393	Stores Equipment	3.95		
394	Tools, Shop and Garage Equipment	2.50		
395	Laboratory Equipment	2.66		
397	Communication Equipment	4.95		
398	Miscellaneous Equipment	3.75		
	Total General		1,754,004	1,490,118
	Amortization of Electric Plant		654,086	555,680
	Amount Charged to Operations		27,126,436	23,151,679
312.5	Unit Coal Trains	5.67	372,206	306,766
312.7	Unit Coal Trains	5.67	0	0
392	Transportation Equipment	9.52	592,989	503,775
396	Power Operated Equipment	6.67	646,845	549,529
	Total Depreciation Provision less amount charged to fuel		$28,366,270	$24,204,983

The Empire District Electric Company

Normalized Depreciation Expense

Account Number	Name	A Total Company	B Missouri Jurisdictional	C 31-Dec-03 Approved Rate	D Proposed Rate	E Normalized
	Riverton Station (Steam Production)					
310	Land and Land Rights	397,725	326,352			
311	Structures and Improvements	8,467,460	6,947,959	1.05	14.37	998,422
312	Boiler Plant and Equipment	21,399,385	17,559,227	1.85	7.22	1,267,776
314	Turbo Generator Units	6,514,048	5,345,091	1.59	4.57	244,271
315	Accessory Electric Equipment	1,299,877	1,066,611	1.79	0.79	8,426
316	Miscellaneous Power Plant Equipment	1,075,367	882,391	1.96	10.52	92,827
	Total Riverton	39,153,862	32,127,631			2,611,722
	Asbury Station (Steam Production)					
310	Land and Land Rights	387,547	318,001			
311	Structures and Improvements	9,184,624	7,536,427	1.05	6.91	520,767
312	Boiler Plant and Equipment	67,003,898	54,979,928	1.85	7.71	4,238,952
312.7	Unit Train	5,580,296	4,578,902	6.67	1.34	61,357
314	Turbo Generator Units	21,039,943	17,264,287	1.59	6.36	1,098,009
315	Accessory Electric Equipment	6,348,259	5,209,053	1.79	7.74	403,181
316	Miscellaneous Power Plant Equipment	1,596,097	1,309,675	1.96	5.37	70,330
	Total Asbury	111,140,664	91,196,273			6,392,596
	Iatan Station (Steam Production)					0
310	Land and Land Rights	122,418	100,450			
311	Structures and Improvements	3,987,532	3,271,962	1.05	3.30	107,975
312	Boiler Plant and Equipment	31,023,547	25,456,316	1.85	2.21	562,585
312.5	Unit Train	8,365	6,864	6.67	1.34	92
314	Turbo Generator Units	8,252,526	6,771,595	1.59	3.14	212,628
315	Accessory Electric Equipment	3,689,765	3,027,630	1.79	2.88	87,196
316	Miscellaneous Power Plant Equipment	862,575	707,784	1.96	4.16	29,444
	Total Iatan	47,946,728	39,342,601			999,919
	Total Steam Production	198,241,253	162,666,505			10,004,237

The Empire District Electric Company

Normalized Depreciation Expense

Account Number	Name	A Total Company	B Missouri Jurisdictional	C 31-Dec-03 Approved Rate	D Proposed Rate	E Normalized
	Ozark Beach Station (Hydroelectric)					
330	Land and Land Rights	224,480	184,196			
331	Structures and Improvements	556,389	456,544	1.64	4.06	18,536
332	Reservoirs, Dams and Waterways	1,435,118	1,177,584	1.67	0.99	11,658
333	Water Wheels, Turbines & Generators	1,065,736	874,488	1.47	4.06	35,504
334	Accessory Electric Equipment	812,324	666,551	1.43	5.27	35,127
335	Miscellaneous Power Plant Equipment	325,076	266,741	2.44	3.67	9,789
	Total Ozark Beach	4,419,123	3,626,103			110,615
	Riverton Station (Combustion Turbine)					
341	Structures and Improvements	193,357	158,659	1.82	4.97	7,885
342	Fuel Holders, Producers & Accessories	87,123	71,489	3.85	4.78	3,417
343	Prime Movers	10,147,180	8,326,250	1.92	6.15	512,064
344	Generators	926,850	760,525	1.82	4.87	37,038
345	Accessory Electric Equipment	315,835	259,158	3.57	5.29	13,709
346	Miscellaneous Power Plant Equipment	83,907	68,850	4.00	3.65	2,513
	Total Riverton	11,754,253	9,644,931			576,627
	Energy Center (Combustion Turbine)					
340	Land and Land Rights	163,097	133,829			
341	Structures and Improvements	1,883,126	1,545,196	1.82	2.33	36,003
342	Fuel Holders, Producers & Accessories	1,209,362	992,340	3.85	(1.77)	(17,564)
343	Prime Movers	25,638,096	21,037,293	1.92	4.69	986,649
344	Generators	4,160,383	3,413,795	1.82	2.57	87,735
345	Accessory Electric Equipment	339,416	278,507	3.57	(0.46)	(1,281)
346	Miscellaneous Power Plant Equipment	1,252,500	1,027,737	4.00	2.67	27,441
	Total Energy Center	34,645,980	28,428,697			1,118,982
	Energy Center Aero Units					
341	Structures and Improvements	1,117,747	917,165	1.82	3.45	31,642
344	Generators	40,238,906	33,017,962	1.82	3.43	1,132,516
345	Accessory Electric Equipment	2,235,495	1,834,331	3.57	3.40	62,367
346	Miscellaneous Power Plant Equipment	12,295,221	10,088,822	4.00	3.40	343,020
	Total Energy Center Aero Units	55,887,369	45,858,280			1,569,546
	State Line (Combustion Turbine)					
340	Land and Land Rights	288,554	236,773			
341	Structures and Improvements	4,130,748	3,389,478	1.82	3.23	109,480
342	Fuel Holders, Producers & Accessories	3,380,804	2,774,113	3.85	3.24	89,881
343	Prime Movers	42,664,185	35,008,021	1.92	3.39	1,186,772
344	Generators	11,268,284	9,246,171	1.82	3.18	294,028
345	Accessory Electric Equipment	3,710,093	3,044,310	3.57	3.54	107,769
346	Miscellaneous Power Plant Equipment	123,435	101,285	4.00	(0.80)	(810)
	Total State Line Combustion Turbine	65,566,104	53,800,149			1,787,120
	State Line (Combined Cycle)					
341	Structures and Improvements	7,159,115	5,874,399	2.86	3.54	207,954
342	Fuel Holders, Producers & Accessories	7,824,293	6,420,210	2.86	3.49	224,065
343	Prime Movers	84,008,591	68,933,099	2.86	3.56	2,454,018
344	Generators	23,336,374	19,148,620	2.86	3.49	668,287
345	Accessory Electric Equipment	7,785,292	6,388,207	2.86	3.50	223,587
346	Miscellaneous Power Plant Equipment	51,796	42,501	2.86	3.61	1,534
	Total State Line CC	130,165,461	106,807,036			3,779,446
	Total Production Plant	500,679,543	410,831,701			18,946,571

The Empire District Electric Company

Normalized Depreciation Expense

Account Number	Name	A Total Company	B Missouri Jurisdictional	C 31-Dec-03 Approved Rate	D Proposed Rate	E Normalized
	Transmission Plant					
350	Land and Land Rights	8,677,558	7,120,354			
352	Structures and Improvements	2,335,614	1,916,484	1.37	1.95	37,371
353	Station Equipment	81,203,750	66,631,591	2.19	2.04	1,359,284
354	Towers and Fixtures	777,080	637,631	1.30	1.35	8,608
355	Poles and Fixtures	26,516,189	21,757,811	1.85	4.21	916,004
356	Overhead Conductors and Devices	50,765,895	41,655,864	1.43	2.19	912,263
	Total Transmission	170,276,085	139,719,736			3,233,531
	Distribution Plant					
360	Land and Land Rights	1,611,606	1,437,497			
361	Structures and Improvements	9,001,255	8,028,807	1.98	2.10	168,605
362	Station Equipment	58,177,178	51,892,024	2.44	1.53	793,948
364	Poles, Towers and Fixtures	89,549,034	79,874,631	2.43	8.15	6,509,782
365	Overhead Conductors and Devices	102,680,119	91,587,102	2.10	7.86	7,198,746
366	Underground Conduit	15,763,257	14,060,278	2.97	4.01	563,817
367	Underground Conductors and Devices	33,337,407	29,735,810	3.61	3.46	1,028,859
368	Line Transformers	66,324,437	59,159,096	2.51	2.76	1,632,791
369	Services	45,193,257	40,310,816	3.03	9.95	4,010,926
370	Meters	15,118,301	13,485,000	2.58	1.88	253,518
371	Installations on Customers' Premises	12,250,215	10,926,766	5.15	5.50	600,972
373	Street Lighting and Signal Systems	10,089,942	8,999,878	2.36	3.09	278,096
	Total Distribution	459,096,010	409,497,706			23,040,061
	General Plant					
389	Land and Land Rights	691,217	587,225			
390	Structures and Improvements	9,228,595	7,840,172	4.27	2.24	175,620
391	Office Furniture and Equipment	10,869,222	9,233,970	11.45	9.52	879,074
392	Transportation Equipment	6,284,688	5,339,169	9.52	0.26	13,882
393	Stores Equipment	343,778	292,057	3.95	1.77	5,169
394	Tools, Shop and Garage Equipment	2,871,990	2,439,905	2.50	3.99	97,352
395	Laboratory Equipment	886,386	753,031	2.66	1.63	12,274
396	Power Operated Equipment	9,359,422	7,951,316	6.67	5.46	434,142
397	Communication Equipment	10,127,777	8,604,074	4.95	3.31	284,795
398	Miscellaneous Equipment	229,185	194,704	3.75	4.36	8,489
	Total General	50,892,261	43,235,623			1,910,797
	Total Depreciable Plant	$1,180,943,898	$1,003,284,766			$47,130,961

The Empire District Electric Company

Summary of Depreciation and Amortization

	Missouri Jurisdiction	Total Company
Total Depreciation	$47,130,961	$55,110,687
Total Amortization	555,680	654,086
Total depreciation & amortization	47,686,641	55,764,773
Amount Cleared: (Account 392 & 396)	448,024	527,365
Unit Train Depreciation - Asbury	61,357	74,776
Unit Train Depreciation - Iatan	92	112
Total Depreciation Charged to Operations less fuel and clearings	47,177,168	55,162,520
Total Book Depreciation Charged to Operations	23,151,679	27,126,436
Depreciation Adjustment	$24,025,489	$28,036,084

The Empire District Electric Company

Taxes Charged to Electric Operations

Section L
Schedule I
04/21/2004

	A	B	C	D	E	F
	Twelve Months Ended December 31, 2003					
	Total Company			Missouri Jurisdictional		
	Actual	Adjustments	Pro Forma	Actual	Adjustments	Pro Forma
Taxes Other Than Income Taxes						
1. Real and Property	$8,805,678	$1,521,589	$10,327,267	$7,480,881	$1,292,669	$8,773,550
2. Federal Insurance Contribution Act	1,915,749	161,336	2,077,086	1,592,689	136,863	1,729,552
3. Federal Unemployment	27,395	128	27,523	22,775	107	22,882
4. State Unemployment	1,698	(364)	1,334	1,411	(302)	1,109
5. Corporation Franchise	213,912	0	213,912	193,152		193,152
6. Merchants			0	0		0
7. City Tax or Fee	5,142,440	0	5,142,440	4,643,383		4,643,383
8. Environmental	0		0	0		0
9. Total Taxes Other Than Income Taxes	16,106,872	1,682,690	17,789,561	13,934,292	1,429,337	15,363,629
10. Federal Income Taxes	15,397,440	(14,535,994)	861,446	13,952,916	(12,371,367)	1,581,549
11. State Income Taxes	1,004,092	(1,769,330)	(765,238)	883,788	(1,390,619)	(506,831)
12. Total Taxes Charged to Electric Operations	$32,508,404	($14,622,634)	$17,885,769	$28,770,995	($12,332,649)	$16,438,346

The Empire District Electric Company

Calculation of Provision for Income Taxes Payable
Twelve Months Ended December 31, 2003

	A Total Company	Adjustments	Adjusted Total Company	B Missouri Jurisdictional	C Adjustments	D Adjusted Missouri
1. Net Income from Section J, Schedule 1	$62,088,778	($33,338,657)	$28,750,120	$54,249,353	($28,197,751)	$26,051,602
2. Adjustments						
3. Adjusted Net Income	62,088,778	(33,338,657)	28,750,120	54,249,353	(28,197,751)	26,051,602
Add:						
4. Current Income Tax	2,612,516	(8,247,451)	(5,634,935)	2,299,500	(6,031,619)	(3,732,120)
5. Deferred Income Taxes	13,789,016	(8,057,873)	5,731,143	12,537,204	(7,730,367)	4,806,837
6. Total Income Tax	16,401,532	(16,305,324)	96,208	14,836,703	(13,761,986)	1,074,717
7. Net Operating Income Before Income Taxes	78,490,310	(49,643,981)	28,846,328	69,086,057	(41,959,737)	27,126,320
Add:						
8. Book Depreciation	28,366,270	28,036,084	56,402,354	24,204,983	24,025,489	48,230,472
9. Nondeductible Expenses (Meals)	90,000		90,000	79,217	0	79,217
10. Contributions in Aid of Construction	1,737,142		1,737,142	1,529,008	0	1,529,008
11. Interest Capitalized for Tax (Excess over AFUDC	0		0	0	0	0
12. Non-deductible Club Dues	20,000		20,000	17,604	0	17,604
13.	0		0	0	0	0
14. Total Additions	30,213,412	28,036,084	58,249,496	25,830,811	24,025,489	49,856,300
Less:						
15. Interest Sync	26,961,170		26,961,170	22,866,246		22,866,246
16. Tax Depreciation	74,813,311	0	74,813,311	63,838,316	0	63,838,316
17. Preferred Stock Dividends	0		0	0	0	0
18.	0		0	0	0	0
19. Total Deductions	101,774,481	0	101,774,481	86,704,562	0	86,704,562
20. Net Taxable Income	6,929,241	(21,607,897)	(14,678,657)	8,212,306	(17,934,248)	(9,721,942)
Provision for Federal Income Tax:						
21. Income Before Income Taxes	6,929,241	(21,607,897)	(14,678,657)	8,212,306	(17,934,248)	(9,721,942)
22. Less: Missouri Income Tax - 100%	361,240	(1,126,478)	(765,238)	428,130	(934,961)	(506,831)
23. Federal Taxable Income	6,568,000	(20,481,419)	(13,913,419)	7,784,177	(16,999,287)	(9,215,111)
24. Federal Income Tax @ 35%	2,298,800	(7,168,497)	(4,869,697)	2,724,462	(5,949,751)	(3,225,289)
Provision for Missouri Income Tax:						
25. Income Before Income Taxes	6,929,241	(21,607,897)	(14,678,657)	8,212,306	(17,934,248)	(9,721,942)
26. Less: One-Half of Federal Income Tax	1,149,400	(3,584,248)	(2,434,848)	1,362,231	(2,974,875)	(1,612,644)
27. Missouri Taxable Income	5,779,840	(18,023,649)	(12,243,809)	6,850,075	(14,959,373)	(8,109,297)
28. Provision for Missouri Income Tax @ 6.25	$361,240	($1,126,478)	($765,238)	$428,130	($934,961)	($506,831)

The Empire District Electric Company

Calculation of Provision for Income Taxes Payable
Twelve Months Ended December 31, 2003

	A			B	C	D
	Total Company	Adjustments	Adjusted Total Company	Missouri Jurisdictional	Adjustments	Adjusted Missouri
Deferred Taxes:						
1. Depreciation - Tax	$74,813,311	$0	$74,813,311	$63,838,316	$0	$63,838,316
2. Depreciation Book	28,366,270	28,036,084	56,402,354	24,204,983	24,025,489	48,230,472
3. Depreciation - S/L Life Differences	810,905	0	810,905	691,947	0	691,947
4. Total Depreciation (1+2+3)	47,257,946	(28,036,084)	19,221,862	40,325,279	(24,025,489)	16,299,790
5. Interest Capitalized for Tax (Excess over AFUDC D	0	0	0	0	0	0
6. Contributions in Aid of Construction	(1,737,142)	0	(1,737,142)	(1,529,008)	0	(1,529,008)
7.	0	0	0	0	0	0
8. Total Deferral Items	$45,520,804	($28,036,084)	$17,484,720	$38,796,272	($24,025,489)	$14,770,783
9. Deferral Rate	0.3839	0.3839	0.3839	0.3839	0.3839	0.3839
10. Amount Deferred (8x9)	$17,474,811	($10,762,667)	$6,712,144	$14,893,356	($9,223,055)	$5,670,300
11.	0	0	0	0	0	0
12. Amortization of Excess Deferred	(439,076)	0	(439,076)	(386,468)	0	(386,468)
13. Deferred Taxes (8+9)	17,035,735	(10,762,667)	6,273,068	14,506,887	(9,223,055)	5,283,832
14. ITC - Net	(541,925)	0	(541,925)	(476,995)	0	(476,995)
15. Net Deferred Taxes (10+11)	$16,493,810	($10,762,667)	$5,731,143	$14,029,892	($9,223,055)	$4,806,837

THE EMPIRE DISTRICT ELECTRIC COMPANY

Bases of Allocation of Property and Expenses

Section M, Schedule 2 shows in detail the bases of allocation, total Company pro forma figures and the pro forma amounts allocated to each of the four states with each separate item necessary to properly allocate rate base components and net electric operating revenue components to each of the four states.

In this process of allocation by states, there are two exceptions to the basic uniform procedure. Those portions of the rate base components and net operating revenue components which relate to off-system wholesale and to on-system wholesale are allocated by procedures using different factors than those used for all other customers.

Kilowatt-hour sales by states are used as the basis of allocating energy costs. However, large volumes of kilowatt-hours have been sold to other utility companies and systems for resale, with such transactions carried out over Company high-voltage transmission facilities installed, used and necessary for on-system operation and protection of service continuity to Empire's own customers. Such off-system kilowatt-hour sales for resale are not a proper basis for allocation of property or operating expenses related to the Company's retail business and are; therefore, deducted from the total.

Three towns in Missouri and one town in Kansas are supplied by Empire at wholesale rates. Amounts of fixed generation property and expense and common transmission property and expense allocated to these on-system wholesale transactions are assigned on the basis of coincident peak demands of these wholesale customers in relation to the total Company system demand. All other property and expense allocations to these seven wholesale customers are made on the same uniform bases used for retail customers.

The Company's generation and transmission system is required by and was constructed to meet the needs of the Company's own customers. Since amounts earned from these off-system wholesale transactions are made possible by the use of these facilities constructed for service to and supported by all of the Company's customers in all four states, the net operating revenue from these off-system wholesale transactions is allocated to on-system jurisdictions based on a twelve-month average coincident peak demand.

After deductions for property and expenses applicable to wholesale transactions, the remaining property and operating costs are then allocated on uniform bases to all retail customers in each of the four states.

Variable production expenses are allocated on the basis of kilowatt-hour sales by jurisdiction. Fixed production expenses are allocated based on a twelve-month average coincident peak demand.

Twelve-month average retail coincident peak demands by states are used as the basis for allocation of remaining property and expenses related to generation and transmission facilities.

All distribution property and related expenses are allocated to states on the basis of actual physical location, except that those portions applicable to on-system wholesale are assigned separately.

Customer accounts expenses are allocated to states on the basis of the number of customers served.

Customer assistance expenses are allocated on the basis of a composite of revenues and number of customers served.

Sales expenses are allocated on the basis of on-system revenues by states.

General property is allocated on the basis of the ratios by states of the sum of all other classes of property as allocated.

Administrative and general expenses are allocated on the basis of the ratio by states of the sum of all other operation and maintenance expenses as allocated except Electric Power Research Institute research and development costs, franchise requirements and regulatory commission expenses, which are assigned directly to jurisdiction of origin.

Depreciation expense is allocated by functional groups of property on the basis of depreciable electric plant in service by functional classes as allocated by states.

Real and personal property taxes are allocated on the basis of electric plant in service as allocated, payroll taxes on the basis of allocated operation and maintenance expenses, and other taxes by state of origin.

Income taxes are calculated on the basis of taxable income by states.

Prepayments are allocated on the basis of electric plant in service as allocated by states.

Fuel inventory is allocated on the basis of kilowatt-hour sales.

Other materials and supplies related to generating plants are allocated on the same basis as allocated generation plant, with the remainder of materials and supplies on the basis of distribution property by states.

Deferred income tax and investment tax credit balances are allocated on the basis of total electric plant in service.

Customer deposits are directly assigned to state of origin.

The Empire District Electric Company
Allocation of Rate Base

	A	B	C	D	E	F	G	H	I
	Basis of Allocation Reference	Total Company	On-System Wholesale Missouri	On-System Wholesale Kansas	On-System Wholesale Total	Retail Missouri	Retail Kansas	Retail Oklahoma	Retail Arkansas
Electric Utility Plant:									
1. Production Plant	22	501,075,638	29,843,821	1,653,289	469,578,528	411,156,716	30,429,578	12,936,294	15,055,940
Adjustments		0	0	0	0	0	0	0	0
Production Plant Adjusted		501,075,638	29,843,821	1,653,289	469,578,528	411,156,716	30,429,578	12,936,294	15,055,940
%		100.0000%	5.9560%	0.3299%	93.7141%	82.0548%	6.0729%	2.5817%	3.0047%
2. Transmission Plant	22	170,276,085	10,141,561	561,823	159,572,701	139,719,736	10,340,613	4,396,026	5,116,326
Adjustments		0	0	0	0	0	0	0	0
Transmission Plant Adjusted		170,276,085	10,141,561	561,823	159,572,701	139,719,736	10,340,613	4,396,026	5,116,326
%		100.0000%	5.9560%	0.3299%	93.7141%	82.0548%	6.0729%	2.5817%	3.0047%
3. Distribution Plant	58	459,096,010	2,285,710	204,146	456,606,154	409,497,706	26,042,481	12,213,050	8,852,917
Adjustments		0	0	0	0	0	0	0	0
Distribution Plant Adjusted		459,096,010	2,285,710	204,146	456,606,154	409,497,706	26,042,481	12,213,050	8,852,917
%		100.0000%	0.4979%	0.0445%	99.4577%	89.1965%	5.6726%	2.6602%	1.9283%
Production, Transmission & Distribution									
4. Plant Subtotal		1,130,447,732	42,271,092	2,419,258	1,085,757,383	960,374,158	66,812,672	29,545,370	29,025,183
Adjustments		0	0	0	0	0	0	0	0
Production, Transmission & Distribution									
Transmission Plant Adjusted		1,130,447,732	42,271,092	2,419,258	1,085,757,383	960,374,158	66,812,672	29,545,370	29,025,183
%		100.0000%	3.7393%	0.2140%	96.0467%	84.9552%	5.9103%	2.6136%	2.5676%
5. General Plant	4	51,707,342	1,933,505	110,658	49,663,179	43,928,077	3,056,051	1,351,423	1,327,629
Adjustments		0	0	0	0	0	0	0	0
General Plant Adjusted		51,707,342	1,933,505	110,658	49,663,179	43,928,077	3,056,051	1,351,423	1,327,629
%		100.0000%	3.7393%	0.2140%	96.0467%	84.9552%	5.9103%	2.6136%	2.5676%
6. Intangible Plant	4,59	7,622,196	285,019	16,312	7,320,865	6,475,452	450,493	199,214	195,706
Adjustments		0	0	0	0	0	0	0	0
Intangible Plant Adjusted		7,622,196	285,019	16,312	7,320,865	6,475,452	450,493	199,214	195,706
%		100.0000%	3.7393%	0.2140%	96.0467%	84.9552%	5.9103%	2.6136%	2.5676%
7. Total Electric Utility Plant		1,189,777,270	44,489,615	2,546,228	1,142,741,427	1,010,777,687	70,319,217	31,096,006	30,548,518
Adjustments		0	0	0	0	0	0	0	0
Total Electric Utility Plant Adjusted		1,189,777,270	44,489,615	2,546,228	1,142,741,427	1,010,777,687	70,319,217	31,096,006	30,548,518
%		100.0000%	3.7393%	0.2140%	96.0467%	84.9552%	5.9103%	2.6136%	2.5676%

The Empire District Electric Company
Allocation of Rate Base

	A Basis of Allocation Reference	B Total Company	C On-System Wholesale Missouri	D Kansas	E Total	F Retail Missouri	G Kansas	H Oklahoma	I Arkansas
Electric Utility Depreciation Reserve:									
8. Production Reserve	1	148,542,099	8,847,095	490,112	139,204,892	121,885,953	9,020,741	3,834,918	4,463,280
Adjustments		0	0	0	0	0	0	0	0
Production Reserve Adjusted		148,542,099	8,847,095	490,112	139,204,892	121,885,953	9,020,741	3,834,918	4,463,280
9. Transmission Reserve	2	47,333,083	2,819,135	156,175	44,357,773	38,839,076	2,874,468	1,222,000	1,422,228
Adjustments		0	0	0	0	0	0	0	0
Transmission Reserve Adjusted		47,333,083	2,819,135	156,175	44,357,773	38,839,076	2,874,468	1,222,000	1,422,228
10. Distribution Reserve	23	164,037,217	815,300	72,155	163,149,762	146,290,478	9,317,240	4,373,134	3,168,911
Adjustments		0	0	0	0	0	0	0	0
Distribution Reserve Adjusted		164,037,217	815,300	72,155	163,149,762	146,290,478	9,317,240	4,373,134	3,168,911
11. General Reserve	5	23,489,663	878,354	50,270	22,561,039	19,955,691	1,388,306	613,926	603,117
Adjustments		0	0	0	0	0	0	0	0
General Reserve Adjusted		23,489,663	878,354	50,270	22,561,039	19,955,691	1,388,306	613,926	603,117
12. Amortization of Electric Plant	4	3,812,313	142,555	8,159	3,661,600	3,238,759	225,319	99,639	97,884
Adjustments		0	0	0	0	0	0	0	0
Amortization of Electric Plant Adjusted		3,812,313	142,555	8,159	3,661,600	3,238,759	225,319	99,639	97,884
13. Total Electric Utility Depreciation Reserve and Amortization		387,214,376	13,502,439	776,870	372,935,067	330,209,957	22,826,072	10,143,617	9,755,421
Adjustments		0	0	0	0	0	0	0	0
Total Electric Utility Depreciation Reserve and Amortization Adjusted		387,214,376	13,502,439	776,870	372,935,067	330,209,957	22,826,072	10,143,617	9,755,421
14. Construction Work in Progress:									
Production	1	376,735	22,438	1,243	353,054	309,129	22,879	9,726	11,320
Adjustments									
Production Adjusted		376,735	22,438	1,243	353,054	309,129	22,879	9,726	11,320
Transmission	2	1,010,363	60,177	3,334	946,853	829,052	61,358	26,085	30,359
Adjustments		0	0	0	0	0	0	0	0
Transmission Adjusted		1,010,363	60,177	3,334	946,853	829,052	61,358	26,085	30,359
Distribution	58	2,780,757	0	0	2,780,757	2494183	158,977	73,975	53,622
Adjustments		0	0	0	0	0	0	0	0
Distribution Adjusted		2,780,757	0	0	2,780,757	2,494,183	158,977	73,975	53,622
General	5	1,429,333	53,447	3,059	1,372,827	1,214,293	84,478	37,357	36,699
Adjustments		0	0	0	0	0	0	0	0
General Adjusted		1,429,333	53,447	3,059	1,372,827	1,214,293	84,478	37,357	36,699
Total Construction Work in Progress		5,597,188	136,062	7,636	5,453,490	4,846,657	327,691	147,143	132,000
Adjustments		0	0	0	0	0	0	0	0
Total Construction Work in Progress Adjusted		5,597,188	136,062	7,636	5,453,490	4,846,657	327,691	147,143	132,000

The Empire District Electric Company
Allocation of Rate Base

	A	B	C	D	E	F	G	H	I
	Basis of Allocation Reference	Total Company	On-System Wholesale Missouri	On-System Wholesale Kansas	On-System Wholesale Total	Retail Missouri	Retail Kansas	Retail Oklahoma	Retail Arkansas
15. Materials and Supplies (13-Month Avg) :									
Fuel	21	10,886,390	686,316	31,075	10,169,000	8,972,399	577,814	293,608	325,179
Adjustments									
Fuel Adjusted		10,886,390	686,316	31,075	10,169,000	8,972,399	577,814	293,608	325,179
Other Production Materials	1	8,631,782	514,105	28,480	8,089,197	7,082,793	524,195	222,847	259,361
Adjustments		0	0	0	0	0	0	0	0
Other Production Materials Adjusted		8,631,782	514,105	28,480	8,089,197	7,082,793	524,195	222,847	259,361
Transmission & Distribution Materials	3	8,065,343	40,155	3,586	8,021,601	7,194,006	457,511	214,557	155,527
Adjustments		0	0	0	0	0	0	0	0
Transmission & Distribution Materials Adjusted		8,065,343	40,155	3,586	8,021,601	7,194,006	457,511	214,557	155,527
Clearing Account Materials	7	89,321	3,340	191	85,790	75,883	5,279	2,334	2,293
Adjustments		0	0	0	0	0	0	0	0
Clearing Account Materials Adjusted		89,321	3,340	191	85,790	75,883	5,279	2,334	2,293
Total Materials and Supplies		27,672,836	1,243,915	63,333	26,365,588	23,325,081	1,564,800	733,347	742,361
Adjustments		0	0	0	0	0	0	0	0
Total Materials and Supplies Adjusted		27,672,836	1,243,915	63,333	26,365,588	23,325,081	1,564,800	733,347	742,361
16. Prepayments - 13-Month Average	7	2,091,228	78,198	4,475	2,008,555	1,776,607	123,598	54,656	53,694
Adjustments		0	0	0	0	0	0	0	0
Prepayments Adjusted		2,091,228	78,198	4,475	2,008,555	1,776,607	123,598	54,656	53,694
17. Cash Working Capital	58	(494,303)			(494,303)	(494,303)			
Deferred Income Taxes:									
18. Liberalized Depreciation	7,58	99,825,023	4,016,699	229,884	95,578,441	83,967,207	6,346,204	2,730,959	2,534,071
Adjustments									
Liberalized Depreciation Adjusted		99,825,023	4,016,699	229,884	95,578,441	83,967,207	6,346,204	2,730,959	2,534,071
Investment Tax Credit:									
19. Prior 1971 Additions	7	0	0	0	0	0	0	0	0
20. Customer Deposits	58	5,251,359	0	0	5,251,359	4,674,352	231,283	185,401	160,323
21. Kilowatt-Hour Sales		4,904,153,557							
Less Off-System Wholesale		324,622,000							
System Kilowatt-Hour Sales	58	4,579,531,557	288,709,460	13,072,000	4,277,750,097	3,774,381,151	243,066,604	123,510,630	136,791,712
%		100.0000%	6.3043%	0.2854%	93.4102%	82.4185%	5.3077%	2.6970%	2.9870%
22. 12-Month Average Coincident Peak Demand	58	841,175	50,100	2,775	788,300	690,225	51,083	21,717	25,275
%		100.0000%	5.9560%	0.3299%	93.7141%	82.0548%	6.0729%	2.5817%	3.0047%
Depreciable Distribution Plant:									
23. Total Distribution Plant	58	459,096,010	2,285,710	204,146	456,606,154	409,497,706	26,042,481	12,213,050	8,852,917
Less Nondepreciable Distribution Plant		1,611,606	11,916	2,912	1,596,779	1,507,294	57,574	16,791	15,120
Depreciable Distribution Plant		457,484,403	2,273,794	201,234	455,009,375	407,990,413	25,984,907	12,196,259	8,837,797
%		100.0000%	0.4970%	0.0440%	99.4590%	89.1813%	5.6800%	2.6659%	1.9318%

The Empire District Electric Company
Allocation of Revenue and Expense

	A Basis of Allocation Reference	B Total Company	C On-System Wholesale Missouri	D Kansas	E Total	F Retail Missouri	G Kansas	H Oklahoma	I Arkansas
Electric Operating Revenues:									
24. Residential	58	125,196,648	0	0	125,196,648	111,132,284	7,984,600	3,609,699	2,470,065
Adjustments		1,347,456	0	0	1,347,456	1,347,456	0	0	0
Residential Adjusted		126,544,104	0	0	126,544,104	112,479,740	7,984,600	3,609,699	2,470,065
25. Commercial	58	90,577,203	0	0	90,577,203	83,183,772	3,660,279	1,935,661	1,797,493
Adjustments		234,082	0	0	234,082	234,082	0	0	0
Commercial Adjusted		90,811,285	0	0	90,811,285	83,417,854	3,660,279	1,935,661	1,797,493
26. Industrial	58	50,642,829	0	0	50,642,829	41,899,069	3,924,718	2,013,236	2,805,805
Adjustments		(226,701)	0	0	(226,701)	(226,701)	0	0	0
Industrial Adjusted		50,416,128	0	0	50,416,128	41,672,368	3,924,718	2,013,236	2,805,805
27. Public Street & Hwy Lighting	58	2,249,796	0	0	2,249,796	1,976,539	145,803	75,041	52,413
Adjustments		0	0	0	0	0	0	0	0
Public Street & Hwy Lighting Adjusted		2,249,796	0	0	2,249,796	1,976,539	145,803	75,041	52,413
28. Other Public Authorities	58	4,959,793	0	0	4,959,793	4,376,831	264,096	166,399	152,467
Adjustments		0	0	0	0	0	0	0	0
Other Public Authorities Adjusted		4,959,793	0	0	4,959,793	4,376,831	264,096	166,399	152,467
29. Interdepartmental	58	91,559	0	0	91,559	91,559	0	0	0
Adjustments		0			0	0	0	0	0
Interdepartmental Adjusted		91,559	0	0	91,559	91,559	0	0	0
30. On-System Wholesale	58	12,439,772	11,620,592	819,179	0	0	0	0	0
Total On-System Revenue from									
31. Sale of Electricity	58	286,157,599	11,620,592	819,179	273,717,827	242,660,054	15,979,496	7,800,035	7,278,242
Adjustments		1,354,837	0	0	1,354,837	1,354,837	0	0	0
Total On-System Revenue from Sale of Electricity Adjusted		287,512,436	11,620,592	819,179	275,072,664	244,014,891	15,979,496	7,800,035	7,278,242
Less Provision for Rate Refund		0	0	0	0	0	0	0	0
Total On-System Revenue Adjusted Less Provision for Rate Refund		287,512,436	11,620,592	819,179	275,072,664	244,014,891	15,979,496	7,800,035	7,278,242
32. Other Electric Operating Revenues	58	3,489,706	0	0	3,489,706	3,121,865	204,226	98,816	64,798
33. Total On-System Electric Revenues		289,647,305	11,620,592	819,179	277,207,533	245,781,919	16,183,722	7,898,852	7,343,040
%		100.0000%	4.0120%	0.2828%	95.7052%	84.8556%	5.5874%	2.7271%	2.5352%
Adjustments		1,354,837	0	0	1,354,837	1,354,837	0	0	0
Total On-System Electric Revenues Adjusted		291,002,142	11,620,592	819,179	278,562,370	247,136,756	16,183,722	7,898,852	7,343,040
34. Off-System Wholesale	22	13,885,950	827,040	45,816	13,013,093	11,394,091	843,273	358,494	417,234
Adjustments		(213,031)	0	0	(213,031)	(213,031)	0	0	0
Off-System Wholesale Adjusted		13,672,919	827,040	45,816	12,800,063	11,181,061	843,273	358,494	417,234
35. Total Electric Operating Revenues		303,533,255	12,447,633	864,996	290,220,626	257,176,010	17,026,995	8,257,346	7,760,275
Adjustments		1,141,806	0	0	1,141,806	1,141,806	0	0	0
Total Electric Operating Revenues Adjusted		304,675,061	12,447,633	864,996	291,362,433	258,317,817	17,026,995	8,257,346	7,760,275

The Empire District Electric Company
Allocation of Revenue and Expense

	A	B	C	D	E	F	G	H	I
	Basis of Allocation Reference	Total Company	On-System Wholesale Missouri	On-System Wholesale Kansas	Total	Retail Missouri	Retail Kansas	Retail Oklahoma	Retail Arkansas
Electric Operating Expenses:									
36. Production Expense:									
Off-System Wholesale	22	7,832,100	493,763	22,356	7,315,981	6,455,099	415,702	211,233	233,947
Adjustments		0	0	0	0	0	0	0	0
Off-System Wholesale Adjusted		7,832,100	493,763	22,356	7,315,981	6,455,099	415,702	211,233	233,947
a. Variable Production Expense	21	93,781,109	5,912,284	267,693	87,601,132	77,292,982	4,977,596	2,529,290	2,801,264
Adjustments	0	0	0	0	0	0	0	0	0
Variable Production Expense Adjusted		93,781,109	5,912,284	267,693	87,601,132	77,292,982	4,977,596	2,529,290	2,801,264
b. Fixed Production Expense	22	31,640,179	1,884,474	104,396	29,651,309	25,962,292	1,921,461	816,856	950,700
Adjustments		0	0	0	0	0	0	0	0
Fixed Production Expense Adjusted		31,640,179	1,884,474	104,396	29,651,309	25,962,292	1,921,461	816,856	950,700
c. Total On-System Production Expense		125,421,288	7,796,758	372,089	117,252,441	103,255,274	6,899,056	3,346,146	3,751,964
Adjustments		0	0	0	0	0	0	0	0
Total On-System Production Expense Adjusted		125,421,288	7,796,758	372,089	117,252,441	103,255,274	6,899,056	3,346,146	3,751,964
37. Transmission Expense	2	3,882,919	231,265	12,812	3,638,843	3,186,122	235,804	100,246	116,671
Adjustments		52,882	3,150	174	49,557	43,392	3,211	1,365	1,589
Transmission Expense Adjusted		3,935,801	234,414	12,986	3,688,400	3,229,514	239,015	101,611	118,260
38. Distribution Expense	3	11,847,607	58,986	5,268	11,783,353	10,567,654	672,062	315,175	228,462
Adjustments		309,671	1,542	138	307,991	276,216	17,566	8,238	5,971
Distribution Expense Adjusted		12,157,278	60,528	5,406	12,091,344	10,843,870	689,628	323,413	234,433
39. Customer Accounts Expense	56	6,610,352	128	43	6,610,182	5,773,773	439,165	231,525	165,719
Adjustments		163,890	3	1	163,886	143,149	10,888	5,740	4,109
Customer Accounts Expense Adjusted		6,774,242	131	44	6,774,068	5,916,922	450,053	237,265	169,828
40. Customer Assistance Expense	56	1,030,935	20	7	1,030,909	900,464	68,491	36,108	25,845
Adjustments		40,703	1	0	40,702	35,552	2,704	1,426	1,020
Customer Assistance Expense Adjusted		1,071,639	21	7	1,071,611	936,016	71,195	37,534	26,866
41. Sales Expense	33	326,213	0	0	326,213	289,412	18,952	9,250	8,599
Adjustments		13,604	0	0	13,604	12,070	790	386	359
Sales Expense Adjusted		339,818	0	0	339,818	301,482	19,742	9,636	8,958
42. Subtotal		156,951,415	8,580,919	412,574	147,957,921	130,427,799	8,749,233	4,249,682	4,531,207
Less Off-System Wholesale		7,832,100	493,763	22,356	7,315,981	6,455,099	415,702	211,233	233,947
System Subtotal		149,119,315	8,087,157	390,218	140,641,940	123,972,700	8,333,530	4,038,450	4,297,261
%		100.0000	5.4232	0.2617	94.3151	83.1366	5.5885	2.7082	2.8818
Adjustments		580,750	4,695	314	575,741	510,378	35,160	17,155	13,048
System Subtotal Adjusted		149,700,065	8,091,852	390,531	141,217,681	124,483,077	8,368,691	4,055,604	4,310,309

The Empire District Electric Company
Allocation of Revenue and Expense

	A Basis of Allocation Reference	B Total Company	C On-System Wholesale Missouri	D Kansas	E Total	F Retail Missouri	G Kansas	H Oklahoma	I Arkansas
43. Administrative and General Expenses:									
a. Research and Development	58	0	0	0	0	0	0	0	0
Adjustments		0	0	0	0	0	0	0	0
Research and Development Adjusted									
b. Franchise Requirements	58	0	0	0	0	0	0	0	0
Adjustments		0	0	0	0	0	0	0	0
Franchise Requirements Adjusted									
c. Regulatory Commission	58	1,091,401	76,267	15,119	1,000,015	817,261	131,434	34,829	16,491
Adjustments		250,000			250,000	250,000		0	
Regulatory Commission Adjusted		1,341,401	76,267	15,119	1,250,015	1,067,261	131,434	34,829	16,491
d. Other Administrative & General	42	23,766,822	1,288,941	62,193	22,415,687	19,758,923	1,328,208	643,653	684,903
Adjustments		374,279	20,364	983	352,932	310,958	20,984	10,169	10,821
Other Administrative & General Adjusted		24,141,100	1,309,305	63,176	22,768,619	20,069,880	1,349,193	653,822	695,724
e. Total Administrative & General Expense		24,858,223	1,365,208	77,313	23,415,702	20,576,184	1,459,643	678,482	701,394
Adjustments		624,279	20,364	983	602,932	560,958	20,984	10,169	10,821
Total Administrative & General Adjusted		25,482,502	1,385,573	78,295	24,018,634	21,137,141	1,480,627	688,651	712,215
44. Total System Electric Operating Expense		173,977,538	9,452,365	467,531	164,057,642	144,548,883	9,793,173	4,716,931	4,998,654
Adjustments		1,205,029	25,059	1,296	1,178,673	1,071,335	56,145	27,324	23,869
Adjusted System Electric Operating Expense		175,182,566	9,477,424	468,827	165,236,315	145,620,219	9,849,318	4,744,255	5,022,523
Plus Off-System Wholesale		7,832,100	493,763	22,356	7,315,981	6,455,099	415,702	211,233	233,947
Total Adjusted System Electric Operating Expense		183,014,666	9,971,187	491,183	172,552,296	152,075,318	10,265,020	4,955,488	5,256,470
Depreciation and Amortization Expense:									
45. Production	1	10,208,416	608,008	33,682	9,566,725	8,376,497	619,942	263,551	306,735
Adjustments		12,806,946	762,775	42,256	12,001,914	10,508,625	777,795	330,658	384,837
Production Adjusted		23,015,362	1,370,784	75,939	21,568,639	18,885,122	1,397,737	594,209	691,572
46. Transmission	2	2,957,377	176,140	9,758	2,771,479	2,426,670	179,597	76,351	88,861
Adjustments		983,319	58,566	3,244	921,509	806,861	59,716	25,386	29,546
Transmission Adjusted		3,940,696	234,706	13,002	3,692,988	3,233,531	239,313	101,737	118,407
47. Distribution	23	11,552,553	57,419	5,082	11,490,053	10,302,714	656,180	307,984	223,175
Adjustments		14,278,117	850,398	47,110	13,380,609	12,737,347	355,497	166,856	120,909
Distribution Adjusted		25,830,670	907,816	52,192	24,870,662	23,040,061	1,011,677	474,840	344,084
48. General	5	1,754,004	65,588	3,754	1,684,662	1,490,118	103,667	45,843	45,036
Adjustments		(32,186)	(1,917)	(106)	(30,163)	(27,344)	(1,502)	(664)	(653)
General Adjusted		1,721,818	63,671	3,648	1,654,499	1,462,774	102,164	45,178	44,383
49. Amortization of Electric Plant	4	654,086	24,458	1,400	628,228	555,680	38,658	17,095	16,794
Adjustments									
Amortization of Electric Plant Adjusted		654,086	24,458	1,400	628,228	555,680	38,658	17,095	16,794
50. Total Depreciation Expense	over 12323	27,126,436	931,613	53,675	26,141,147	23,151,679	1,598,044	710,824	680,601
Adjustments		28,036,196	1,669,822	92,505	26,273,869	24,025,489	1,191,505	522,236	534,639
Total Depreciation Expense Adjusted		55,162,632	2,601,435	146,180	52,415,017	47,177,168	2,789,549	1,233,060	1,215,240

The Empire District Electric Company
Allocation of Revenue and Expense

	A Basis of Allocation Reference	B Total Company	C On-System Wholesale Missouri	D Kansas	E Total	F Retail Missouri	G Kansas	H Oklahoma	I Arkansas
51. Taxes Other Than Income Taxes:									
a. Property Taxes	7	8,805,678	329,273	18,845	8,457,560	7,460,881	520,441	230,145	226,093
Adjustments		1,521,589	56,897	3,256	1,461,435	1,292,669	89,930	39,768	39,068
Property Taxes Adjusted		10,327,267	386,170	22,101	9,918,996	8,773,550	610,371	269,913	265,161
b. Payroll Taxes	42	1,944,842	105,474	5,089	1,834,278	1,616,875	108,687	52,670	56,046
Adjustments		161,101	7,858	379	152,864	136,668	8,097	3,924	4,175
Payroll Taxes Adjusted		2,105,943	113,332	5,468	1,987,142	1,753,543	116,784	56,594	60,221
c. Other Taxes	58	5,356,352	0	0	5,356,351	4,836,536	300,144	119,012	100,660
Adjustments									
Other Taxes Adjusted		5,356,352	0	0	5,356,351	4,836,536	300,144	119,012	100,660
Total Taxes Other Than Income Taxes	over 519	16,106,872	434,747	23,934	15,648,189	13,934,292	929,272	401,827	382,798
Adjustments	due to diff calculatio	1,682,690	64,755	3,635	1,614,299	1,429,337	98,027	43,692	43,243
Total Taxes Other Than Income Taxes Adjusted		17,789,561	499,502	27,570	17,262,488	15,363,629	1,027,299	445,519	426,042
52. Net Elec Operating Income Before Inc Tax		78,490,310	1,135,145	297,499	77,057,667	69,086,057	4,290,805	2,216,531	1,464,275
Less Off-System Wholesale		5,840,820	333,278	23,460	5,484,082	4,725,962	427,571	147,261	183,288
System Net Electric Operating Income		72,649,490	801,867	274,039	71,573,585	64,360,095	3,863,234	2,069,270	1,280,987
Adjustments		(29,782,108)	(1,759,636)	(97,436)	(27,925,035)	(25,384,355)	(1,345,677)	(593,252)	(601,752)
Net On-System Electric Operating Income Before Income Taxes Adjusted		42,867,382	(957,769)	176,603	43,648,550	38,975,740	2,517,557	1,476,018	679,235
53. State Income Taxes	60	1,004,092	14,521	3,806	985,765	883,788	54,890	28,355	18,732
Less Off-System Wholesale		74,719	4,263	300	70,155	60,457	5,470	1,884	2,345
System State Income Taxes		929,373	10,258	3,506	915,609	823,330	49,421	26,471	16,387
Adjustments		(1,769,330)	(45,713)	(11,980)	(1,711,637)	(1,390,619)	(172,792)	(89,260)	(58,967)
System State Income Taxes Adjusted		(839,957)	(35,455)	(8,475)	(796,028)	(567,288)	(123,371)	(62,789)	(42,580)
54. Federal Income Taxes	60	15,397,440	(284,821)	62,904	15,619,358	13,952,916	897,742	520,207	248,493
Less Off-System Wholesale		119,690	6,830	481	112,380	96,844	8,762	3,018	3,756
System Federal Income Taxes		15,277,750	(291,651)	62,423	15,506,978	13,856,071	888,980	517,189	244,737
Adjustments		(14,535,994)	426,806	(94,261)	(14,868,539)	(12,371,367)	(1,345,271)	(779,533)	(372,369)
System Federal Income Taxes Adjusted		741,756	135,155	(31,838)	638,439	1,484,704	(456,291)	(262,344)	(127,631)
55. Net Electric Operating Income	under 6630	62,088,778	1,405,445	230,790	60,452,544	54,249,353	3,338,172	1,667,969	1,197,049
Less Off-System Wholesale		5,646,410	322,185	22,679	5,301,546	4,568,660	413,339	142,360	177,187
System Net Electric Operating Income		56,442,367	1,083,260	208,111	55,150,998	49,680,693	2,924,833	1,525,609	1,019,862
Adjustments		13,476,784	2,140,730	(8,805)	11,344,859	11,622,369	(172,385)	(275,542)	170,417
System Net Electic Operating Income Adjusted		42,965,583	(1,057,470)	216,916	43,806,139	38,058,324	3,097,218	1,801,150	849,446

The Empire District Electric Company
Allocation of Revenue and Expense

	A Basis of Allocation Reference	B Total Company	C On-System Wholesale Missouri	D Kansas	E Total	F Retail Missouri	G Kansas	H Oklahoma	I Arkansas
56. Number of Electric Customers		155,053							
Less Off-System Wholesale		5							
Number of System Electric Customers	58	155,048	3	1	155,044	135,426	10,301	5,431	3,887
57. Off-System Wholesale:									
Revenues	22	13,885,950	827,040	45,816	13,013,093	11,394,091	843,273	358,494	417,234
Operating Expenses	22	7,832,100	493,763	22,356	7,315,981	6,455,099	415,702	211,233	233,947
Income Taxes	60	194,409	11,093	781	182,535	157,302	14,232	4,902	6,101
Net Operating Income		5,859,441	322,185	22,679	5,514,577	4,781,691	413,339	142,360	177,187

58. Assigned directly on basis of location

59. Intangible plant allocated to wholesale pertains to Stockton Line

60. Income taxes calculated by applying appropriate tax rates to taxable income by jurisdictions

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

	SUMMARY OF RESULTS	Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 1 of 14
	RATE BASE														
1	Electric Plant in Service		1,010,777,687	541,296,470	104,418,884	23,207,536	145,057,320	0	5,183,404	65,452,782	333,761	95,109,480	101,668	30,616,384	3 14
2	Depreciation Reserve		(330,209,957)	(179,270,092)	(34,463,410)	(7,581,810)	(46,111,254)	0	(1,593,277)	(20,780,648)	(106,248)	(29,680,283)	(33,243)	(10,589,692)	4 16
3	Total Rate Base Adjustments		(69,170,783)	(38,541,447)	(7,947,984)	(1,726,476)	(9,044,195)	0	(221,509)	(4,217,760)	(21,722)	(5,324,753)	(5,659)	(2,119,271)	6 21+25
4	Total Rate Base		611,396,947	323,484,931	62,007,490	13,899,250	89,901,871	0	3,368,618	40,454,374	205,791	60,104,444	62,754	17,907,421	(sum 1..3)
	OPERATING EXPENSES														
5	Total O & M Expenses		168,650,700	80,074,466	15,457,255	3,951,935	29,088,350	0	1,997,534	12,912,167	50,561	22,529,251	23,267	2,465,918	9 18
6	Total Depreciation Exp.		47,177,168	25,866,195	4,947,973	1,081,993	6,468,831	0	216,613	2,912,642	14,875	4,120,491	4,759	1,542,796	9 26
7	Total Other Tax & Misc.		10,723,349	5,783,993	1,102,933	244,913	1,527,073	1	58,151	688,690	3,479	1,005,178	1,085	307,854	9 39
8	Total Op Exp Ex Inc Tax		226,551,217	111,724,654	21,508,161	5,278,841	37,084,254	1	2,272,298	16,513,499	68,915	27,754,920	29,111	4,316,568	(sum 5..7)
9	Net Federal Income Tax		1,581,549	836,784	160,400	35,954	232,556	0	8,714	104,647	532	155,477	162	48,323	10 1
10	Net State Income Tax		(506,831)	(268,160)	(51,402)	(11,522)	(74,526)	0	(2,792)	(33,536)	(171)	(49,825)	(52)	(14,845)	10 2
11	Tax on Increase		20,110,223	10,640,148	2,039,566	457,178	2,957,075	0	110,801	1,330,835	6,769	1,976,971	2,064	589,015	10 3
12	Interruptible Credit	1	443,232	210,314	41,885	10,150	77,654	0	3,679	35,326	177	57,088	44	6,914	
13	Total Operating Expenses		248,179,389	123,143,740	23,698,610	5,770,601	40,277,013	1	2,392,700	17,950,571	76,222	29,894,631	31,329	4,943,975	(sum 9..11a)
14	Return On Rate Base		58,327,269	30,860,462	5,915,515	1,325,888	8,576,638	0	321,366	3,859,347	19,632	5,733,964	5,987	1,708,368	6 31
15	Other Operating Revenues		14,302,926	6,784,994	1,516,585	358,071	2,420,541	0	102,850	1,126,229	5,467	1,759,231	1,258	227,700	10 16
16	TOTAL COST OF SERVICE		292,203,733	147,219,208	28,097,540	6,738,518	46,433,110	1	2,611,216	20,683,689	90,387	33,869,364	36,058	6,424,643	13+14+15
17	Other Retail Revenues		0	0	0	0	0	0	0	0	0	0	0	0	
18	Revenue Credits		1,627,329	685,228	109,578	20,427	73,215	0	(8)	34,592	172	(75)	166	704,033	10 27
19	NET COST OF SERVICE		290,576,404	146,533,980	27,987,962	6,718,091	46,359,895	1	2,611,224	20,649,097	90,215	33,869,439	35,892	5,720,610	16-17-18
20	Proposed Rate Revenues		290,576,404	132,186,306	30,043,260	7,106,451	53,188,008	0	2,953,745	23,294,451	117,836	36,420,837	54,702	5,210,808	12 27
21	Net COS less Proposed Revenue		(0)	14,347,674	(2,055,298)	(388,360)	(6,828,113)	1	(342,521)	(2,645,354)	(27,621)	(2,551,398)	(18,810)	509,802	19-20
22	Return On Proposed Rates		58,327,269	22,020,663	7,181,812	1,565,262	12,783,532	(1)	532,398	5,489,186	36,650	7,305,915	17,576	1,394,272	14-21+ (10,5)
23	Rate of Return on Proposed Rates		9.54%	6.81%	11.58%	11.26%	14.22%	0.00%	15.80%	13.57%	17.81%	12.16%	28.01%	7.79%	22/4
24	Allowed Rate Of Return		9.54%	9.54%	9.54%	9.54%	9.54%	0.00%	9.54%	9.54%	9.54%	9.54%	9.54%	9.54%	10 44
25	Proposed Rev less Present Rev		52,385,890	23,830,900	5,416,279	1,281,170	9,588,876	0	532,509	4,199,586	21,244	6,566,046	9,862	939,418	20-27
26	% Increase (Prop Incr/Pres Rev)		21.9933%	21.9933%	21.9933%	21.9933%	21.9933%	0.0000%	21.9933%	21.9933%	21.9935%	21.9933%	21.9936%	21.9933%	25/27
27	Present Rate Revenues		238,190,514	108,355,406	24,626,981	5,825,281	43,599,132	0	2,421,236	19,094,865	96,592	29,854,791	44,840	4,271,390	12 25
28	Return On Present Rates		26,051,602	3,322,036	4,594,100	890,356	8,772,950	(1)	242,179	3,635,750	32,778	3,696,287	16,999	848,163	14-30+11
29	Rate of Return On Present Rates		4.26%	1.03%	7.41%	6.41%	9.76%	0.00%	7.19%	8.99%	15.93%	6.15%	27.09%	4.74%	27/4
30	COS less Present Revenue		52,385,890	38,178,574	3,360,981	892,810	2,760,763	1	189,988	1,554,232	(6,377)	4,014,648	(8,948)	1,449,220	19-27
31	% Increase (COS / Present Rev)		21.9933%	35.2346%	13.6476%	15.3265%	6.3322%	0.0000%	7.8468%	8.1395%	-6.6024%	13.4472%	-19.9556%	33.9285%	30/27
32	Equal % Increase Rate Rev		290,576,404	132,186,306	30,043,260	7,106,451	53,188,008	0	2,953,745	23,294,451	117,836	36,420,837	54,702	5,210,808	13 25
33	Equal % Increase less COS		0	14,347,673	(2,055,299)	(388,359)	(6,828,113)	1	(342,521)	(2,645,353)	(27,621)	(2,551,398)	(18,810)	509,802	19-32
34	Return on Eq % Incr Rates		58,327,269	22,020,664	7,181,813	1,565,261	12,783,532	(1)	532,398	5,489,185	36,650	7,305,915	17,576	1,394,272	14-33+ (10,6)
35	ROR on Eq % Incr Rates		9.54%	6.81%	11.58%	11.26%	14.22%	0.00%	15.80%	13.57%	17.81%	12.16%	28.01%	7.79%	34/4
36	Equal % Incr Rev less Present Rev		52,385,890	23,830,900	5,416,279	1,281,170	9,588,876	0	532,509	4,199,586	21,244	6,566,046	9,862	939,418	32-27
37	% Increase (Eq % Incr / Present)		21.993%	21.993%	21.993%	21.993%	21.993%	0.000%	21.993%	21.993%	21.993%	21.993%	21.993%	21.993%	36/27
	Net COS Cents per kwh		7.646	9.527	9.167	7.748	6.026	0.000	3.875	6.276	9.810	5.062	4.860	16.905	

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THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 2 of 14
	GROSS PLANT IN SERVICE														
	PRODUCTION PLANT														
1	Production Plant	1	411,156,716	195,093,882	38,854,310	9,415,489	72,034,657	0	3,412,601	32,769,190	164,463	52,956,985	41,116	6,414,045	
2	Total Production Plant		411,156,716	195,093,882	38,854,310	9,415,489	72,034,657	0	3,412,601	32,769,190	164,463	52,956,985	41,116	6,414,045	
	TRANSMISSION PLANT														
3	Assigned Trans. Plant	22	6,975	0	0	0	0	0	6,975	0	0	0	0	0	
4	Other Trans. Plant	2	139,712,761	66,293,705	13,202,856	3,199,422	24,477,676	0	1,159,616	11,135,107	55,885	17,995,004	13,971	2,179,519	
5	Total Transmission Plant		139,719,736	66,293,705	13,202,856	3,199,422	24,477,676	0	1,166,591	11,135,107	55,885	17,995,004	13,971	2,179,519	
6	Total P & T Plant		550,876,452	261,387,587	52,057,166	12,614,911	96,512,333	0	4,579,192	43,904,297	220,348	70,951,989	55,087	8,593,564	
	DISTRIBUTION PLANT														
7	Acct 360	4	1,437,497	678,268	134,647	37,028	258,078	0	11,131	116,743	522	176,078	121	24,882	
8	Acct 361	4	8,028,807	3,788,307	752,040	206,809	1,441,435	0	62,171	652,038	2,917	983,444	674	138,970	
9	Acct 362 Spec Assn.	22	252,799	0	0	0	0	0	252,799	0	0	0	0	0	
10	Acct 362 Other	4a	51,639,225	24,555,566	4,874,675	1,340,523	9,343,292	0	0	4,226,471	18,906	6,374,623	4,372	900,798	
11	Total Acct 362		51,892,024	24,555,566	4,874,675	1,340,523	9,343,292	0	252,799	4,226,471	18,906	6,374,623	4,372	900,798	
12	Acct 364 Spec Assn.	23	3,326	0	0	0	0	0	3,326	0	0	0	0	0	
13	Pri -Demand	5	39,645,001	18,873,002	3,732,780	1,030,285	7,154,812	0	0	3,239,871	14,537	4,905,285	3,375	691,252	
14	-Cust	8	17,063,626	14,281,463	2,097,267	313,003	180,406	0	0	97,611	1,245	4,358	498	87,775	
15	Sec -Demand	6	10,133,672	5,512,679	1,086,557	300,937	2,082,607	0	0	944,030	4,272	0	987	201,603	
16	-Cust	9	13,029,007	10,907,459	1,801,787	239,058	137,785	0	0	74,550	951	0	380	67,038	
17	Total Acct 364		79,874,631	49,574,603	8,518,391	1,883,281	9,555,410	0	3,326	4,356,062	21,005	4,909,643	5,240	1,047,668	
18	Acct 365 Spec Assn.	22	8,281	0	0	0	0	0	8,281	0	0	0	0	0	
19	Pri -Demand	5	45,918,812	21,859,849	4,323,492	1,193,327	8,286,828	0	0	3,752,580	16,838	5,681,546	3,910	800,643	
20	-Cust	8	26,428,457	22,119,392	3,248,286	484,784	279,416	0	0	151,182	1,928	6,749	771	135,948	
21	Sec -Demand	6	6,417,569	3,491,133	688,107	190,581	1,318,897	0	0	597,846	2,705	0	625	127,673	
22	-Cust	9	12,813,983	10,727,449	1,575,352	235,110	135,511	0	0	73,320	935	0	374	65,932	
23	Total Acct 365		91,587,102	58,197,823	9,835,237	2,103,802	10,020,652	0	8,281	4,574,928	22,406	5,688,295	5,680	1,130,196	
24	Acct 366 Pri -Demand	5	2,585,474	1,230,815	243,436	67,191	466,593	0	0	211,290	948	319,901	220	45,080	
25	-Cust	8	6,553,707	5,485,148	805,507	120,216	69,289	0	0	37,490	478	1,874	191	33,712	
26	Sec -Demand	6	847,413	460,989	90,862	25,165	174,155	0	0	78,943	357	0	83	16,859	
27	-Cust	9	4,073,684	3,410,356	500,819	74,744	43,080	0	0	23,309	297	0	119	20,960	
28	Total Acct 366		14,060,278	10,587,308	1,640,624	287,316	753,117	0	0	351,032	2,080	321,575	613	116,611	
29	Acct 367 Pri -Demand	5	5,467,989	2,603,027	514,837	142,100	986,788	0	0	446,854	2,005	676,553	466	95,340	
30	-Cust	8	13,860,307	11,600,434	1,703,552	254,243	146,539	0	0	79,287	1,011	3,540	405	71,297	
31	Sec -Demand	6	1,792,177	974,938	192,162	53,222	368,317	0	0	166,955	755	0	175	35,654	
32	-Cust	9	8,615,356	7,212,495	1,059,172	158,074	91,110	0	0	49,296	629	0	252	44,329	
33	Total Acct 367		29,735,810	22,390,894	3,469,723	607,639	1,592,754	0	0	742,392	4,400	680,093	1,298	246,620	
34	Acct 368 - Spec. Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
35	-Demand	33	20,504,543	11,720,512	2,245,362	553,068	3,906,696	0	0	1,863,896	7,096	0	1,091	206,823	
36	-Cust	36	38,654,553	32,348,999	4,750,529	708,984	408,639	0	0	221,099	2,820	0	14,665	198,820	
37	Total Acct 368		59,159,096	44,069,511	6,995,891	1,262,052	4,315,335	0	0	2,084,995	9,916	0	15,756	405,643	
38	Acct 369	13	40,310,816	29,206,244	5,846,536	872,555	3,752,682	0	0	617,172	7,872	0	7,755	0	
39	Acct 370 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
40	Acct 370 Other	14	13,485,000	9,868,242	2,407,479	434,452	48,300	0	7,870	438,068	5,154	275,435	0	0	
41	TOTAL Acct 370		13,485,000	9,868,242	2,407,479	434,452	48,300	0	7,870	438,068	5,154	275,435	0	0	
42	Acct 371	28	10,926,766	0	2,679,514	399,899	230,491	0	159	124,710	1,591	5,567	0	7,484,835	
43	Acct 373	29	8,999,878	0	0	0	0	0	0	0	0	0	0	8,999,878	
44	Total Distribution Plant		409,497,706	252,916,566	47,154,757	9,435,356	41,311,546	0	345,737	18,284,611	96,769	19,414,753	41,509	20,496,101	

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THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 3 of 14
1	Dist. Plant minus land		408,060,209	252,238,298	47,020,110	9,398,328	41,053,468	0	334,606	18,167,888	96,247	19,238,675	41,388	20,471,219	
2	PIS Acct 364,365,368		230,620,829	151,841,737	25,349,519	5,249,135	23,891,397	0	11,607	11,015,985	53,327	10,597,938	26,676	2,583,507	
3	Sec PIS Acct 364,365,368		101,553,327	74,708,231	11,947,694	2,227,736	7,990,135	0	0	3,774,741	18,779	0	18,122	887,889	
4	PIS Acct 366,367		43,796,088	32,978,202	5,110,347	894,955	2,345,871	0	0	1,093,424	6,480	1,001,668	1,911	383,231	
5	PIS Acct 364,365		171,461,733	107,772,226	18,353,628	3,987,083	19,576,082	0	11,607	8,930,990	43,411	10,597,938	10,920	2,177,864	
6	Total T & D Plant		549,217,442	319,210,271	60,357,813	12,634,778	65,789,222	0	1,512,328	29,419,718	152,654	37,409,757	55,480	22,675,620	
7	Total PTD Plant		960,374,158	514,304,133	99,211,923	22,050,267	137,823,879	0	4,924,929	62,188,908	317,117	90,366,742	96,596	29,089,665	
8	Prod/Trans land	1	8,419,955	3,995,269	795,686	192,817	1,475,176	0	69,886	671,070	3,368	1,084,490	842	131,351	
9	Total PTD minus land		950,516,706	509,830,596	98,281,590	21,820,422	136,080,625	0	4,843,912	61,401,095	313,227	89,108,174	95,633	28,933,432	
	GENERAL & INTANGIBLE PLANT														
10	Production Related	38	21,578,829	10,239,154	2,039,199	494,155	3,780,611	0	179,104	1,719,833	8,632	2,779,353	2,158	336,630	
11	Transmission Related	39	7,332,942	3,479,307	692,928	167,916	1,284,667	0	61,226	584,406	2,933	944,436	733	114,388	
12	Distribution Related	40	21,491,759	13,273,876	2,474,834	495,198	2,168,183	0	18,145	959,635	5,079	1,018,949	2,179	1,075,701	
13	Total General & Intangible Plant		50,403,529	26,992,337	5,206,961	1,157,269	7,233,441	0	258,475	3,263,874	16,644	4,742,738	5,070	1,526,719	
14	TOTAL PLANT IN SERVICE		1,010,777,687	541,296,470	104,418,884	23,207,536	145,057,320	0	5,183,404	65,452,782	333,761	95,109,480	101,668	30,616,384	
	Classification of Plant														
15	Demand		784,688,356	375,880,123	74,659,079	16,686,994	139,244,194	0	5,174,954	63,361,399	307,543	94,796,553	74,922	12,502,597	
16	Energy							0							
17	Customer		226,089,331	165,416,347	29,759,805	4,520,542	5,813,126	0	8,450	2,091,383	26,218	312,927	26,744	18,113,787	
	DEPRECIATION RESERVE														
	PRODUCTION RESERVE														
18	Production Depreciation	1	121,885,953	57,834,885	11,518,223	2,791,188	21,354,419	0	1,011,653	9,714,310	48,754	15,698,911	12,189	1,901,421	
19	Total Prod Depr Reserve		121,885,953	57,834,885	11,518,223	2,791,188	21,354,419	0	1,011,653	9,714,310	48,754	15,698,911	12,189	1,901,421	
	TRANSMISSION RESERVE														
20	Spec Assgn Trans Plant	22	6,975	0	0	0	0	0	6,975	0	0	0	0	0	
21	Transmission Depreciation	2	38,832,101	18,425,832	3,669,634	889,255	6,803,384	0	322,306	3,094,918	15,533	5,001,575	3,883	605,761	
22	Total Trans Depr Reserve		38,839,076	18,425,832	3,669,634	889,255	6,803,384	0	329,281	3,094,918	15,533	5,001,575	3,883	605,761	
	DISTRIBUTION RESERVE														
23	Acct 360	4	0	0	0	0	0	0	0	0	0	0	0	0	
24	Acct 361	4	2,878,345	1,356,116	269,608	74,141	516,758	0	22,289	233,757	1,046	352,587	242	49,821	
25	Acct 362 Spec Assn.	22	105,578	0	0	0	0	0	105,578	0	0	0	0	0	
26	Acct 362 Other	4a	18,497,826	8,796,116	1,746,170	480,192	3,346,886	0	0	1,513,975	6,772	2,283,471	1,566	322,677	
27	Total Acct 362		18,603,404	8,796,116	1,746,170	480,192	3,346,886	0	105,578	1,513,975	6,772	2,283,471	1,566	322,677	
28	Acct 364 Spec Assn.	22	3,326	0	0	0	0	0	3,326	0	0	0	0	0	
29	Pri -Demand	5	14,211,760	6,765,508	1,338,110	369,332	2,564,753	0	0	1,161,414	5,211	1,758,425	1,210	247,797	
30	-Cust	8	6,116,891	5,119,554	751,819	112,204	64,871	0	0	34,991	448	1,562	179	31,465	
31	Sec -Demand	6	3,632,673	1,976,160	389,504	107,879	746,583	0	0	338,412	1,531	0	354	72,270	
32	-Cust	9	4,670,579	3,910,057	574,201	85,696	49,393	0	0	26,724	341	0	136	24,032	
33	Total Acct 364		28,635,230	17,771,279	3,053,634	675,111	3,425,380	0	3,326	1,561,541	7,529	1,759,987	1,879	375,564	
34	Acct 365 Spec Assn.	22	8,281	0	0	0	0	0	8,281	0	0	0	0	0	
35	Pri -Demand	5	16,459,331	7,835,464	1,549,731	427,741	2,970,365	0	0	1,345,090	6,035	2,036,517	1,401	286,988	
36	-Cust	8	9,473,127	7,928,567	1,164,329	173,768	100,155	0	0	54,190	691	2,419	276	48,730	
37	Sec -Demand	6	2,300,340	1,251,376	246,648	68,313	472,751	0	0	214,295	970	0	224	45,764	
38	-Cust	9	4,593,098	3,845,192	564,676	84,274	48,573	0	0	26,281	335	0	134	23,833	
39	Total Acct 365		32,834,177	20,860,599	3,525,384	754,096	3,591,844	0	8,281	1,639,856	8,031	2,038,936	2,035	405,113	
40	Acct 366 Pri -Demand	5	926,898	441,250	87,272	24,088	167,274	0	0	75,748	340	114,685	79	16,161	
41	-Cust	8	2,349,518	1,966,438	288,776	43,098	24,840	0	0	13,440	171	600	69	12,086	
42	Sec -Demand	6	303,799	165,266	32,574	9,022	62,435	0	0	28,301	128	0	30	6,044	
43	-Cust	9	1,460,425	1,222,620	179,545	26,796	15,444	0	0	8,356	107	0	43	7,514	
44	Total Acct 366		5,040,640	3,795,574	588,167	103,004	269,993	0	0	125,845	748	115,285	221	41,805	
45	Acct 367 Pri -Demand	5	1,960,279	933,191	184,570	50,943	353,768	0	0	160,198	719	242,548	167	34,180	
46	-Cust	8	4,968,950	4,158,781	610,727	91,147	52,534	0	0	28,424	363	1,269	145	25,560	
47	Sec -Demand	6	642,499	349,517	68,890	19,080	132,042	0	0	59,854	271	0	63	12,782	
48	-Cust	9	3,088,624	2,585,695	379,716	56,670	32,663	0	0	17,673	225	0	90	15,892	
49	Total Acct 367		10,660,353	8,027,184	1,243,903	217,840	571,005	0	0	266,149	1,578	243,815	465	88,414	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 4 of 14
1	Acct 368 - Spec. Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
2	-Demand	33	7,350,923	4,201,829	804,967	198,276	1,400,559	0	0	668,211	2,544	0	391	74,146	
3	-Cust	36	13,857,742	11,597,187	1,703,075	254,172	146,498	0	0	79,265	1,011	0	5,257	71,277	
4	Total Acct 368		21,208,665	15,799,016	2,508,042	452,448	1,547,057	0	0	747,476	3,555	0	5,648	145,423	
5	Acct 369	13	14,451,516	10,470,502	2,095,996	312,813	1,345,345	0	0	221,258	2,822	0	2,780	0	
6	Acct 370 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
7	Acct 370 Other	14	4,834,402	3,537,787	863,086	155,752	17,316	0	2,821	157,048	1,848	98,744	0	0	
8	Total Acct 370		4,834,402	3,537,787	863,086	155,752	17,316	0	2,821	157,048	1,848	98,744	0	0	
9	Acct 371	28	3,917,270	0	960,612	143,365	82,631	0	57	44,709	570	1,996	0	2,683,330	
10	Acct 373	29	3,226,476	0	0	0	0	0	0	0	0	0	0	3,226,476	
11	Total Dist Depr Reserve		146,290,478	90,416,173	16,854,602	3,368,762	14,714,215	0	142,352	6,511,614	34,497	6,694,801	14,836	7,338,823	
	GENERAL PLANT														
12	Production Related	38	9,208,257	4,369,318	870,180	210,869	1,613,287	0	76,429	733,898	3,683	1,186,023	921	143,649	
13	Transmission Related	39	2,934,220	1,392,218	277,270	67,190	514,050	0	24,499	233,846	1,174	377,909	293	45,772	
14	Distribution Related	41	11,051,973	6,831,666	1,273,501	254,546	1,111,899	0	9,063	492,062	2,607	521,064	1,121	554,446	
	Total Gen / Int Depr Reserve		23,194,450	12,593,202	2,420,951	532,605	3,239,236	0	109,991	1,459,806	7,464	2,084,996	2,335	743,867	
16	TOTAL DEPRECIATION RESERVE		330,209,957	179,270,092	34,483,410	7,581,810	46,111,254	0	1,593,277	20,780,648	106,248	29,680,283	33,243	10,589,692	
	NET PLANT														
	NET PRODUCTION PLANT														
17	Production Plant		289,270,763	137,258,977	27,336,087	6,624,301	50,680,238	0	2,400,948	23,054,880	115,709	37,258,074	28,927	4,512,624	
18	Total Net Prod Plant		289,270,763	137,258,977	27,336,087	6,624,301	50,680,238	0	2,400,948	23,054,880	115,709	37,258,074	28,927	4,512,624	
	NET TRANSMISSION PLANT														
19	Assigned Trans. Plant		0	0	0	0	0	0	0	0	0	0	0	0	
20	Other Trans. Plant		100,880,659	47,867,873	9,533,222	2,310,167	17,674,292	0	837,310	8,040,189	40,352	12,993,429	10,088	1,573,738	
21	Total Net Trans Plant		100,880,659	47,867,873	9,533,222	2,310,167	17,674,292	0	837,310	8,040,189	40,352	12,993,429	10,088	1,573,738	
22	Total P & T Plant		390,151,422	185,126,850	36,869,309	8,934,468	68,354,530	0	3,238,258	31,095,069	156,061	50,251,503	39,015	6,086,362	
	NET DISTRIBUTION PLANT														
23	Acct 360		1,437,497	878,268	134,647	37,028	258,078	0	11,131	116,743	522	176,078	121	24,882	
24	Acct 361		5,150,462	2,430,191	482,432	132,668	924,677	0	39,882	418,281	1,871	830,677	432	89,149	
25	Acct 362 Spec Assn.		147,221	0	0	0	0	0	147,221	0	0	0	0	0	
26	Acct 362 Other		33,141,399	15,759,450	3,128,505	860,331	5,996,406	0	0	2,712,498	12,134	4,091,152	2,806	578,121	
27	Total Acct 362		33,288,620	15,759,450	3,128,505	860,331	5,996,406	0	147,221	2,712,498	12,134	4,091,152	2,806	578,121	
28	Acct 364 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
29	Pri -Demand		25,433,240	12,107,494	2,394,670	660,953	4,589,859	0	0	2,078,457	9,326	3,146,860	2,165	443,455	
30	-Cust		10,946,734	9,161,909	1,345,446	200,799	115,735	0	0	62,620	799	2,796	319	56,310	
31	Sec -Demand		6,500,999	3,536,519	697,053	193,058	1,336,044	0	0	605,618	2,741	0	633	129,333	
32	-Cust		8,358,427	6,997,402	1,027,586	153,360	88,392	0	0	47,826	610	0	244	43,006	
33	Total Acct 364		51,239,401	31,803,324	5,464,757	1,208,170	6,130,030	0	0	2,794,521	13,476	3,149,656	3,361	672,104	
34	Acct 365 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
35	Pri -Demand		29,459,481	14,024,185	2,773,761	765,586	5,316,463	0	0	2,407,490	10,803	3,645,029	2,509	513,657	
36	-Cust		16,955,331	14,190,825	2,083,957	311,016	179,261	0	0	96,992	1,237	4,330	495	87,218	
37	Sec -Demand		4,117,229	2,239,757	441,459	122,268	846,146	0	0	383,551	1,735	0	401	81,909	
38	-Cust		8,220,898	6,882,257	1,010,676	150,836	86,938	0	0	47,039	600	0	240	42,299	
39	Total Acct 365		58,752,928	37,337,024	6,309,853	1,349,706	6,428,808	0	0	2,935,072	14,375	3,649,359	3,645	725,083	
40	Acct 366 Pri -Demand		1,658,576	789,565	156,164	43,103	299,319	0	0	135,542	608	205,216	141	28,919	
41	-Cust		4,204,188	3,516,710	516,731	77,118	44,449	0	0	24,050	307	1,074	122	21,626	
42	Sec -Demand		543,614	295,723	58,288	16,143	111,720	0	0	50,642	229	0	53	10,815	
43	-Cust		2,613,260	2,187,736	321,274	47,948	27,836	0	0	14,953	190	0	76	13,446	
44	Total Acct 366		9,019,638	6,791,734	1,052,457	184,312	483,124	0	0	225,187	1,334	206,290	392	74,806	
45	Acct 367 Pri -Demand		3,507,690	1,669,836	330,267	91,157	633,022	0	0	286,656	1,286	434,007	299	61,160	
46	-Cust		8,891,357	7,441,653	1,092,825	163,096	94,005	0	0	50,863	648	2,271	260	45,737	
47	Sec -Demand		1,149,678	825,421	123,272	34,142	236,275	0	0	107,101	484	0	112	22,872	
48	-Cust		5,526,732	4,626,800	679,456	101,404	58,447	0	0	31,623	404	0	162	28,437	
49	Total Acct 367		19,075,457	14,363,710	2,225,820	389,799	1,021,749	0	0	476,243	2,822	436,278	833	158,206	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 5 of 14
1	Acct 368 - Spec. Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
2	-Demand		13,153,619	7,518,683	1,440,395	354,792	2,506,137	0	0	1,195,685	4,552	0	700	132,677	
3	-Cust		24,796,811	20,751,812	3,047,454	454,812	262,141	0	0	141,834	1,809	0	9,408	127,543	
4	Total Acct 368		37,950,431	28,270,495	4,487,849	809,604	2,768,278	0	0	1,337,519	6,361	0	10,108	260,220	
5	Acct 369		25,859,301	18,735,742	3,750,540	559,742	2,407,337	0	0	395,914	5,050	0	4,975	0	
6	Acct 370 Spec Assn.		0	0	0	0	0	0	0	0	0	0	0	0	
7	Acct 370 Other		8,650,598	6,330,455	1,544,393	278,700	30,984	0	5,049	281,020	3,306	176,691	0	0	
8	Total Acct 370		8,650,598	6,330,455	1,544,393	278,700	30,984	0	5,049	281,020	3,306	176,691	0	0	
9	Acct 371		7,009,497	0	1,718,902	256,534	147,860	0	102	80,001	1,021	3,571	0	4,801,505	
10	Acct 373		5,773,402	0	0	0	0	0	0	0	0	0	0	5,773,402	
11	Total Net Dist Plant		263,207,228	162,500,393	30,300,155	6,066,594	26,597,331	0	203,385	11,772,997	62,272	12,519,952	26,673	13,157,478	
	NET GENERAL& INTANGIBLE PLANT														
12	Production Related		12,370,572	5,869,836	1,169,019	283,286	2,167,324	0	102,876	985,935	4,948	1,593,330	1,237	192,981	
13	Transmission Related		4,398,722	2,087,089	415,658	100,726	770,618	0	36,727	350,561	1,759	566,527	440	68,617	
14	Distribution Related		10,439,785	6,447,886	1,202,169	240,546	1,053,202	0	8,814	466,150	2,467	494,962	1,058	522,530	
15	Total Net Gen / Int Plant		27,209,079	14,404,811	2,786,846	624,558	3,991,144	0	148,217	1,802,646	9,174	2,654,819	2,735	784,128	
16	TOTAL NET PLANT IN SERVICE		680,567,730	362,032,054	69,956,310	15,625,620	98,943,005	0	3,589,860	44,670,712	227,507	65,426,274	68,423	20,027,968	
17	Production Plant		411,158,716	195,093,862	38,854,310	9,415,489	72,034,657	0	3,412,801	32,769,190	164,463	52,956,985	41,116	6,414,045	
18	Prod Depr Reserve		121,885,953	57,834,885	11,518,223	2,791,188	21,354,419	0	1,011,653	9,714,310	48,754	15,698,911	12,189	1,901,421	
19	Net Production Plant		289,270,763	137,258,977	27,336,087	6,624,301	50,680,238	0	2,400,948	23,054,880	115,709	37,258,074	28,927	4,512,624	
20	Transmission Plant		139,719,736	66,293,705	13,202,856	3,199,422	24,477,676	0	1,166,591	11,135,107	55,885	17,995,004	13,971	2,179,519	
21	Trans Depr Reserve		38,639,076	18,425,832	3,669,634	889,255	6,803,384	0	329,281	3,094,918	15,533	5,001,575	3,883	605,781	
22	Net Transmission Plant		100,880,659	47,867,873	9,533,222	2,310,167	17,674,292	0	837,310	8,040,189	40,352	12,993,429	10,088	1,573,738	
23	Distribution Plant		409,497,706	252,916,586	47,154,757	9,435,356	41,311,546	0	345,737	18,284,611	96,769	18,414,753	41,509	20,496,101	
24	Dist Depr Reserve		146,290,478	90,416,173	16,854,602	3,368,762	14,714,215	0	142,352	6,511,614	34,497	6,894,801	14,838	7,338,623	
25	Net Distribution Plant		263,207,228	162,500,393	30,300,155	6,066,594	26,597,331	0	203,385	11,772,997	62,272	12,519,952	26,673	13,157,478	
26	General & Intangible Plant		50,403,529	26,992,337	5,206,961	1,157,269	7,233,441	0	258,475	3,263,874	16,644	4,742,738	5,070	1,526,719	
27	Gen / Int Depr Reserve		23,194,450	12,593,202	2,420,951	532,805	3,239,236	0	109,991	1,459,806	7,464	2,084,996	2,335	743,867	
28	Net Gen / Int Plant		27,209,079	14,399,135	2,786,010	624,664	3,994,205	0	148,484	1,804,068	9,180	2,657,742	2,735	782,852	
29	NET PLANT IN SERVICE		680,567,730	362,026,378	69,955,474	15,625,726	98,946,066	0	3,590,127	44,672,134	227,513	65,429,197	68,423	20,026,692	
	RATE BASE ADJUSTMENTS														
	SUBTRACTIVE ADJUSTMENTS														
30	Customer Advances	10	972,197	831,813	122,154	18,231	0	0	0	0	0	0	0	0	
31	Interest Offset	58	3,530,588	1,878,088	362,909	81,062	513,304	0	18,625	231,748	1,180	339,428	355	103,893	
32	Income Tax Offset	58	(552,721)	(294,018)	(56,814)	(12,690)	(80,359)	0	(2,916)	(36,280)	(185)	(53,138)	(56)	(16,265)	
33	Deferred Tax -Lib. Dep.	49	83,967,207	44,966,518	8,674,273	1,927,894	12,050,185	0	430,595	5,437,286	27,726	7,900,924	8,446	2,543,361	
34	ITC	49	0	0	0	0	0	0	0	0	0	0	0	0	
35	Injuries and Damages	49	1,186,544	635,424	122,577	27,243	170,282	0	6,085	76,835	392	111,648	119	35,940	
36	Customer Deposits	19	4,674,352	2,586,285	1,077,494	259,826	442,977	0	0	303,457	257	0	0	4,056	
37	Total Subtractive Adjustments		93,778,168	50,604,110	10,302,593	2,301,566	13,096,389	0	452,389	6,013,044	29,370	8,298,862	8,864	2,670,985	
38	ORIGINAL COST RATE BASE		586,789,562	311,422,268	59,652,881	13,324,160	85,849,677	0	3,137,738	38,659,090	198,143	57,130,335	59,559	17,355,707	29 - 37

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 6 of 14
	WORKING CAPITAL														
1	Fuel	18	8,972,399	3,708,850	741,131	216,115	1,798,535	0	150,605	778,226	2,452	1,494,478	1,627	80,381	
2	Total Fuel		8,972,399	3,708,850	741,131	216,115	1,798,535	0	150,605	778,226	2,452	1,494,478	1,627	80,381	
	CASH REQUIREMENTS														
3	Production	66	(350,497)	(180,566)	(32,004)	(8,138)	(63,780)	0	(3,706)	(28,596)	(126)	(48,692)	(43)	(4,844)	
4	Transmission	67	(10,982)	(5,201)	(1,036)	(251)	(1,921)	0	(92)	(874)	(4)	(1,412)	(1)	(171)	
5	Distribution	68	(36,809)	(22,700)	(4,479)	(907)	(3,162)	0	(5)	(1,678)	(10)	(1,836)	(2)	(2,030)	
6	Cust. Accts	70	(20,085)	(16,850)	(2,360)	(361)	(300)	0	0	(176)	(1)	(32)	0	0	
7	Cust. Asst.	17	(3,177)	(1,682)	(247)	(37)	(764)	0	(1)	(413)	(5)	(18)	0	(10)	
8	Sales Exp.	72	(1,023)	(816)	(120)	(19)	(42)	0	0	(23)	0	(2)	0	0	
9	A & G	73	(71,749)	(40,518)	(7,401)	(1,606)	(9,559)	0	(405)	(4,340)	(22)	(8,272)	(7)	(1,620)	
10	Total Cash Requirements		(494,303)	(248,333)	(47,647)	(11,325)	(79,528)	0	(4,209)	(36,100)	(170)	(58,264)	(53)	(8,675)	
	MATERIALS & SUPPLIES														
11	Production	38	7,082,793	3,360,785	669,324	162,198	1,240,905	0	58,787	564,499	2,833	912,264	708	110,492	
12	Transmission	39	1,053,571	499,894	99,557	24,126	184,576	0	8,797	83,985	421	135,693	105	16,435	
13	Distribution	40	6,216,318	3,839,382	715,828	143,232	627,124	0	5,248	277,567	1,469	294,723	630	311,138	
14	Total Material & Supplies		14,352,682	7,700,041	1,484,707	329,554	2,052,605	0	72,832	926,051	4,723	1,342,680	1,443	438,065	
	PREPAYMENTS														
15	Production	54	1,014,624	481,439	95,882	23,235	177,762	0	8,421	80,866	406	130,684	101	15,828	
16	Transmission	55	35,997	17,081	3,402	824	6,307	0	299	2,869	14	4,638	4	562	
17	Distribution	56	219,891	135,758	25,314	5,068	22,220	0	170	9,836	52	10,460	22	10,992	
18	General	57	506,094	267,827	51,820	11,619	74,293	0	2,762	33,556	171	49,435	51	14,561	
19	Total Prepayments		1,776,607	902,105	176,418	40,746	280,582	0	11,652	127,127	643	195,215	178	41,943	
20	TOTAL WORKING CAPITAL		24,807,385	12,062,663	2,354,609	575,090	4,052,194	0	230,880	1,795,284	7,648	2,974,109	3,195	551,714	
	CWIP														
21	Total CWIP		0	0	0	0	0	0	0	0	0	0	0	0	
22	RATEBASE ADJUSTMENTS														
23	Subtractive Adjustments		93,778,168	50,604,110	10,302,593	2,301,566	13,096,389	0	452,389	6,013,044	29,370	8,298,862	8,864	2,870,985	
24	Working Capital		24,807,385	12,062,663	2,354,609	575,090	4,052,194	0	230,880	1,795,284	7,648	2,974,109	3,195	551,714	
25	Total Rate Base Adjustments		(69,170,783)	(38,541,447)	(7,947,984)	(1,726,476)	(9,044,195)	0	(221,509)	(4,217,760)	(21,722)	(5,324,753)	(5,669)	(2,119,271)	
	RATE BASE CALCULATION														
26	Net Plant In Service		680,567,730	362,026,378	69,955,474	15,625,726	98,946,066	0	3,590,127	44,672,134	227,513	65,429,197	68,423	20,026,692	
27	Total Rate Base Adjustments		(69,170,783)	(38,541,447)	(7,947,984)	(1,726,476)	(9,044,195)	0	(221,509)	(4,217,760)	(21,722)	(5,324,753)	(5,669)	(2,119,271)	
28	Total CWIP		0	0	0	0	0	0	0	0	0	0	0	0	
29	TOTAL RATE BASE		611,396,947	323,484,931	62,007,490	13,899,250	89,901,871	0	3,368,618	40,454,374	205,791	60,104,444	62,754	17,907,421	
30	Rate Of Return Allowed		0.095400	0.095400	0.095400	0.095400	0.095400	0.000000	0.095400	0.095400	0.095400	0.095400	0.095400	0.095400	
31	RETURN ON RATE BASE		58,327,269	30,860,462	5,915,515	1,325,968	8,576,638	0	321,366	3,859,347	19,632	5,733,964	5,987	1,708,368	29 * 30
	Classification of Rate Base														
32	Demand		469,198,090	222,158,114	43,824,586	11,022,440	84,602,412	0	3,214,928	38,421,719	187,421	58,439,840	45,072	7,283,556	
33	Energy		8,834,514	3,651,006	729,576	212,803	1,771,198	0	148,450	766,339	2,413	1,472,042	1,603	79,084	
34	Customer		133,364,340	97,677,811	17,453,328	2,664,007	3,528,260	0	5,240	1,266,316	15,957	192,562	16,078	10,544,780	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 7 of 14	
	OPERATING AND MAINTENANCE EXPENSES															
	PRODUCTION O & M															
	Energy Related															
1	Fuel & PP Normalized	18	88,042,577	36,393,464	7,272,428	2,120,650	17,648,304	0	1,477,827	7,636,419	24,058	14,664,714	15,982	788,751		*
2	Other Variable	18	6,627,509	2,739,561	547,441	159,634	1,328,497	0	111,245	574,840	1,811	1,103,904	1,202	59,374		
3	Total Energy Related		94,670,086	39,133,025	7,819,869	2,280,284	18,976,801	0	1,589,072	8,211,259	25,869	15,768,618	17,184	848,125		
	Demand Related															
4	Purchase Power	1	13,287,564	6,304,949	1,255,675	304,285	2,327,981	0	110,287	1,059,019	5,315	1,711,438	1,329	207,286		*
5	Other	1	11,639,289	5,522,843	1,099,913	266,540	2,039,203	0	96,608	927,651	4,656	1,499,140	1,164	181,573		
6	Off System Expenses	2	6,455,099	3,062,945	610,007	147,822	1,130,933	0	53,577	514,471	2,582	831,417	646	100,700		
7	Total Demand Related		31,381,952	14,890,737	2,965,595	718,647	5,498,117	0	260,470	2,501,141	12,553	4,041,995	3,139	489,559		
8	Total Production Expense		126,052,038	54,023,762	10,785,464	2,998,931	24,474,918	0	1,849,542	10,712,400	38,422	19,810,613	20,303	1,337,684		
9	Total Prod. less F&PP		24,721,897	11,325,349	2,257,361	573,996	4,498,633	0	261,428	2,016,962	9,049	3,434,461	3,012	341,647		
	Classification of Production Exp.															
10	Demand		31,381,952	14,890,737	2,965,595	718,647	5,498,117	0	260,470	2,501,141	12,553	4,041,995	3,139	489,559		
11	Energy		94,670,086	39,133,025	7,819,869	2,280,284	18,976,801	0	1,589,072	8,211,259	25,869	15,768,618	17,184	848,125		
12	Customer															
	TRANSMISSION O & M															
13	Total Transmission Expense	39	3,229,514	1,532,328	305,174	73,952	565,783	0	26,965	257,379	1,292	415,941	323	50,378		
	Classification of Transmission Exp.															
14	Demand		3,229,515	1,532,328	305,174	73,952	565,783	0	26,965	257,379	1,292	415,941	323	50,378		
15	Energy															
16	Customer															
	DISTRIBUTION O & M															
	Operation Expenses															
17	Acct 581	40	0	0	0	0	0	0	0	0	0	0	0	0		
18	Acct 582	4a	324,182	154,155	30,602	8,416	56,656	0	0	28,533	119	40,019	27	5,655		
19	Acct 583	42	1,153,574	772,066	128,011	26,051	115,078	0	0	53,294	258	46,368	155	12,295		
20	Acct 584	43	360,707	271,610	42,089	7,371	19,321	0	0	9,006	53	8,250	16	2,992		
21	Acct 585	29	89,959	0	0	0	0	0	0	0	0	0	0	89,959		
22	Acct 586	44	1,514,561	1,108,347	270,395	48,765	5,425	0	884	49,201	579	30,935	0	0		
23	Acct 587	28	191,266	0	46,903	7,000	4,035	0	3	2,183	28	97	0	131,017		
24	Subtotal Operations		3,634,250	2,306,178	518,000	97,633	202,515	0	887	140,217	1,037	125,669	198	241,918		
25	Acct 580 + 588	SbOp	1,162,242	737,521	165,658	31,223	64,765	0	284	44,842	332	40,189	63	77,366		
26	Acct 589	47	1,728	1,073	184	41	207	0	0	94	0	106	0	23		
27	Total Operation Expense		4,798,219	3,044,772	683,842	128,897	267,487	0	1,171	185,153	1,369	165,964	261	319,307		
	Maintenance Expense															
28	Acct 591 + 592	4a	755,341	359,181	71,303	19,608	136,867	0	0	61,822	277	93,243	64	13,176		
29	Acct 593	45	4,030,043	2,533,083	431,384	93,713	460,117	0	273	209,914	1,020	249,094	257	51,189		
30	Acct 594	43	425,942	320,732	49,701	8,764	22,815	0	0	10,834	63	9,742	19	3,533		
31	Acct 595	46	138,856	103,438	16,420	2,962	10,129	0	0	4,894	23	0	37	952		
32	Acct 596	29	195,792	0	0	0	0	0	0	0	0	0	0	195,792		
33	Acct 597	44	194,907	142,632	34,797	6,279	898	0	114	6,332	74	3,981	0	0		
34	Subtotal Maintenance		5,740,881	3,459,066	603,605	131,266	630,426	0	387	293,596	1,457	356,060	377	264,642		
35	Acct 590 + 598	SbMn	304,769	183,633	32,044	6,969	33,488	0	21	15,586	77	18,902	20	14,049		
36	Total Maintenance Exp.		6,045,650	3,642,699	635,649	138,235	663,894	0	408	309,182	1,534	374,962	397	278,691		
37	Total Distribution Expense		10,843,870	6,687,471	1,319,491	267,132	931,381	0	1,578	494,335	2,903	540,927	658	597,998		
	Classification of Distribution Exp.															
38	Demand		8,062,351	5,074,468	864,076	186,881	918,160	0	287	419,850	2,024	495,778	658	100,167		
39	Energy															
40	Customer		2,781,523	1,613,003	455,415	80,251	13,220	0	1,291	74,485	879	45,148	0	497,831		

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 8 of 14
	CUSTOMER ACCOUNTING EXPENSE														
1	Acct 902	15	1,023,969	802,572	156,532	23,361	25,187	0	70	13,628	174	2,445	0	0	
2	Acct 903	10	3,411,752	2,919,098	428,677	63,977	0	0	0	0	0	0	0	0	
3	Acct 904	16	895,099	750,515	41,089	10,172	54,313	0	0	32,966	0	6,044	0	0	
4	Subtotal Cust Acct Exp		5,330,821	4,472,185	626,298	97,510	79,500	0	70	46,594	174	8,489	0	0	
5	Acct 901	SbCA	331,115	277,783	38,902	6,057	4,938	0	4	2,894	11	527	0	0	
6	Acct 905	SbCA	254,985	213,915	29,957	4,664	3,803	0	3	2,229	8	406	0	0	
7	Adj. (Interest on Cust Dep)	19	233,718	129,314	53,875	12,691	22,149	0	0	15,173	13	0	0	203	
8	Total Customer Accounting		6,150,639	5,093,196	749,032	121,222	110,390	0	78	66,890	206	9,422	0	203	
	CUSTOMER SERVICE & INFORMATION														
9	Acct 908	17	534,526	282,976	41,556	6,202	128,459	0	89	69,504	887	3,103	10	1,739	
10	Acct 909	10	108,337	92,693	13,612	2,032	0	0	0	0	0	0	0	0	
11	Subtotal (SbtCSE)		642,863	375,671	55,168	8,234	128,459	0	89	69,504	887	3,103	10	1,739	
12	Acct 907	SbCS	287,225	167,846	24,649	3,679	57,394	0	40	31,054	396	1,386	4	777	
13	Acct 910	SbCS	5,928	3,464	509	76	1,185	0	1	641	8	29	0	16	
14	Total Customer S & I		936,016	546,982	80,325	11,989	187,038	0	130	101,199	1,291	4,518	15	2,532	
15	SALES EXPENSE														
16	Acct 911	11	4,469	0	0	0	2,842	0	2	1,537	20	69	0	0	
17	Acct 912 & 916	10	297,012	254,124	37,319	5,570	0	0	0	0	0	0	0	0	
18	Total Sales Expense		301,482	254,124	37,319	5,570	2,842	0	2	1,537	20	69	0	0	
19	TOTAL CUSTOMER EXPENSE		7,388,137	5,894,302	866,676	138,781	300,270	0	209	169,625	1,518	14,009	15	2,735	
	Classification of Customer Exp.														
20	Demand														
21	Energy														
22	Customer		7,388,140	5,894,302	866,676	138,781	300,270	0	209	169,625	1,518	14,009	15	2,735	
	ADMINISTRATIVE & GENERAL EXPENSES														
23	Labor Related (excl. 924 & 928)														
24	Production	66	8,932,320	4,091,985	815,612	207,392	1,625,410	0	94,457	728,753	3,270	1,240,912	1,088	123,441	
25	Transmission	67	907,527	430,600	85,757	20,781	158,991	0	7,577	72,326	383	116,884	91	14,157	
26	Distribution	40	5,354,628	3,307,159	616,600	123,378	540,193	0	4,521	239,091	1,265	253,869	543	268,009	
27	Customer	72	3,557,045	2,837,833	417,264	66,816	144,566	0	101	81,667	731	6,745	7	1,317	
28	Total Labor Related A&G		18,751,520	10,667,577	1,935,233	418,367	2,469,160	0	106,656	1,121,837	5,629	1,618,410	1,729	406,924	
	Plant Related A&G (Acct 924 + 928)														
29	Production	54	1,013,992	481,139	95,822	23,220	177,851	0	8,416	80,815	406	130,602	101	15,618	
30	Transmission	55	353,621	167,793	33,417	8,098	61,954	0	2,935	28,184	141	45,546	35	5,516	
31	Distribution	56	922,831	569,619	106,212	21,265	83,233	0	713	41,268	218	43,887	93	46,121	
32	General	57	95,377	50,474	9,766	2,190	14,001	0	520	6,324	32	9,316	10	2,744	
33	Total Plant Related A & G		2,385,821	1,269,025	245,217	54,773	346,839	0	12,584	156,591	797	229,351	239	70,199	
34	TOTAL A & G EXPENSES		21,137,141	11,936,602	2,180,450	473,140	2,815,999	0	119,240	1,278,428	6,426	1,847,761	1,968	477,123	
	Classification of A & G Exp.														
35	Demand		11,032,068	5,317,456	1,055,936	262,370	1,944,990	0	68,462	887,276	4,395	1,310,177	1,018	179,990	
36	Energy		3,234,201	1,356,777	271,040	77,684	641,195	0	50,555	278,815	916	528,248	553	30,418	
37	Customer		6,870,868	5,262,369	853,473	133,086	229,815	0	223	112,337	1,115	11,336	399	266,715	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 9 of 14
	Total A & G Functionalized														
1	Production A&G		9,946,312	4,573,124	911,434	230,612	1,803,061	0	102,873	809,568	3,676	1,371,514	1,189	139,259	
2	Transmission A&G		1,261,148	598,393	119,174	28,879	220,945	0	10,512	100,510	504	162,430	126	19,673	
3	Distribution A&G		6,277,259	3,876,778	722,812	144,643	633,426	0	5,234	280,359	1,483	297,756	836	314,130	
4	General A&G		95,377	50,474	9,766	2,190	14,001	0	520	6,324	32	9,316	10	2,744	
5	Customer A&G		3,557,045	2,837,833	417,264	66,816	144,566	0	101	81,587	731	8,745	7	1,317	
6	Total A & G functionalized		21,137,141	11,936,602	2,180,450	473,140	2,815,999	0	119,240	1,278,428	6,426	1,847,761	1,968	477,123	
7	Total O & M by function (excl. A&G)														
8	Production O&M		126,052,038	54,023,782	10,785,464	2,998,931	24,474,918	0	1,849,542	10,712,400	38,422	19,810,613	20,303	1,337,684	
9	Transmission O&M		3,229,514	1,532,328	305,174	73,952	565,783	0	26,965	257,379	1,292	415,941	323	50,378	
10	Distribution O&M		10,843,870	6,687,471	1,319,491	267,132	931,381	0	1,578	494,335	2,903	540,927	858	597,998	
11	Customer O&M		7,388,137	5,894,302	866,676	138,781	300,270	0	209	169,625	1,518	14,009	15	2,735	
12	Total O & M functionalized		147,513,558	68,137,884	13,276,805	3,478,795	26,272,351	0	1,878,294	11,633,739	44,135	20,781,490	21,299	1,988,795	
13	Production Related		135,998,349	58,596,886	11,696,898	3,229,543	26,277,979	0	1,952,415	11,521,968	42,098	21,182,127	21,492	1,476,943	
14	Transmission Related		4,490,662	2,130,721	424,348	102,831	786,728	0	37,477	357,889	1,796	578,371	449	70,051	
15	Distribution Related		17,121,129	10,564,249	2,042,303	411,775	1,564,807	0	6,812	774,694	4,386	838,883	1,294	912,128	
16	Customer Related		10,945,182	8,732,135	1,283,940	205,597	444,836	0	310	251,292	2,249	20,754	22	4,052	
17	General Related		95,377	50,474	9,766	2,190	14,001	0	520	6,324	32	9,316	10	2,744	
18	TOTAL O&M EXPENSES		168,650,700	80,074,466	15,457,255	3,951,935	29,088,350	0	1,997,534	12,912,167	50,561	22,629,251	23,267	2,485,918	
	Classification of O & M Exp.														
19	Demand		53,705,887	26,814,989	5,190,781	1,241,850	8,927,050	0	356,184	4,065,646	20,264	6,263,891	5,137	820,095	
20	Energy		97,904,287	40,489,802	8,090,909	2,357,968	19,617,896	0	1,639,627	8,490,074	26,785	16,294,868	17,717	878,543	
21	Customer		17,040,531	12,769,674	2,175,564	352,118	543,304	0	1,723	356,448	3,512	70,493	414	787,280	
	DEPRECIATION EXPENSE														
22	Prod. Depreciation Exp.	38	18,885,122	8,960,990	1,784,644	432,469	3,308,673	0	156,747	1,505,144	7,554	2,432,404	1,689	294,608	
23	Trans. Depreciation Exp.	39	3,233,531	1,534,234	305,553	74,044	566,486	0	26,998	257,700	1,293	416,458	323	50,441	
24	Dist. Depreciation Exp.	41	23,040,061	14,241,981	2,854,869	530,652	2,317,978	0	18,893	1,025,802	5,434	1,086,262	2,337	1,155,854	
25	Gen. Depreciation Exp.	37	2,018,454	1,128,990	202,907	44,828	275,694	0	13,975	123,996	594	185,367	210	41,893	
26	TOTAL DEPR EXP		47,177,168	25,866,195	4,947,973	1,081,993	6,468,831	0	216,613	2,912,642	14,875	4,120,491	4,759	1,542,796	
	Classification of Depreciation Exp.														
27	Demand		34,629,417	16,870,917	3,298,182	831,700	6,147,875	0	216,151	2,797,200	13,429	4,103,248	3,273	547,443	
28	Energy														
29	Customer		12,547,751	9,195,278	1,649,791	250,293	320,956	0	462	115,442	1,446	17,245	1,486	995,353	
	REAL ESTATE & PROPERTY TAX														
30	Production	38	3,591,851	1,704,333	339,430	82,253	629,292	0	29,812	286,271	1,437	462,630	359	56,033	
31	Transmission	39	1,220,587	579,140	115,340	27,950	213,836	0	10,191	97,276	488	157,204	122	19,040	
32	Distribution	40	3,577,358	2,209,471	411,942	82,427	360,896	0	3,020	159,734	845	169,807	363	179,053	
33	General	48	383,754	205,510	39,644	8,811	55,073	0	1,968	24,850	127	36,109	39	11,624	
34	Total RE & Prop Tax		8,773,550	4,698,454	906,356	201,441	1,259,097	0	44,991	568,131	2,897	825,550	883	265,750	
	PAYROLL TAX														
35	Total Payroll Tax	37	1,753,543	980,816	176,276	38,945	239,511	0	12,141	107,722	516	161,039	183	36,394	
	MISCELLANEOUS TAX														
36	Miscellaneous	38	193,152	102,747	19,854	4,435	28,082	0	1,019	12,678	65	18,570	19	5,884	
37	City Tax Fee	31	3,103	1,976	447	92	383	1	0	159	1	19	0	26	
38	Total Misc Tax		196,256	104,723	20,301	4,527	28,465	1	1,019	12,837	66	18,589	19	5,710	
39	TOTAL TAX (excl IT & Rev Tax)		10,723,349	5,783,993	1,102,933	244,913	1,527,073	1	58,151	688,690	3,479	1,005,178	1,085	307,854	
40	TOTAL EXPENSES (excluding IT and Revenue Taxes)		226,551,217	111,724,654	21,508,161	5,278,841	37,084,254	1	2,272,298	16,513,499	68,915	27,754,920	29,111	4,316,568	
	Classification of Other Taxes														
41	Demand		7,896,778	3,783,227	749,469	188,028	1,401,588	0	53,506	637,242	3,069	956,328	763	123,559	
42	Energy		270,994	112,019	22,384	6,527	54,321	0	4,549	23,505	74	45,138	49	2,428	
43	Customer		2,555,577	1,888,747	331,080	50,357	71,164	0	96	27,943	338	3,714	273	181,867	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 10 of 14
1	FEDERAL INCOME TAXES	62	1,581,549	836,784	160,400	35,954	232,556	0	8,714	104,647	532	155,477	162	46,323	
2	STATE INCOME TAXES	62	(506,631)	(268,160)	(51,402)	(11,522)	(74,526)	0	(2,792)	(33,536)	(171)	(49,825)	(52)	(14,845)	
3	Tax on Increase	62	20,110,223	10,640,148	2,039,566	457,178	2,957,075	0	110,801	1,330,635	6,769	1,976,971	2,064	589,015	
4	Composite Tax Rate		0.383886	0.383886	0.383886	0.383886	0.383886	0.000000	0.383886	0.383886	0.383886	0.383886	0.383886	0.383886	
5	Tax On Diff. (Proposed Rates)		0	5,507,875	(789,001)	(149,086)	(2,621,219)	0	(131,489)	(1,015,515)	(10,603)	(979,447)	(7,221)	195,706	(1,20) *13
6	Tax On Diff. (Equal Increase Rates)		0	5,507,875	(789,001)	(149,086)	(2,621,219)	0	(131,489)	(1,015,515)	(10,603)	(979,447)	(7,221)	195,706	
	Classification of Income Taxes														
7	Demand		16,257,741	7,697,723	1,518,525	381,928	2,931,478	0	111,398	1,331,314	6,494	2,024,944	1,561	252,376	
8	Energy		306,116	126,508	25,280	7,374	61,372	0	5,144	26,554	84	51,006	56	2,740	
9	Customer		4,621,082	3,384,542	604,759	92,308	122,254	0	182	43,878	553	6,672	557	365,377	
	REVENUE CREDITS														
10	Forfeited Discounts	20	1,377,542	642,751	273,777	58,019	163,216	0	0	98,324	289	113,044	0	28,124	
11	Reconnection Charges	10	74,793	63,993	9,398	1,403	0	0	0	0	0	0	0	0	
12	Rental Income/Misc serv	47	289,444	179,645	30,868	6,824	34,826	0	12	15,785	78	17,791	19	3,796	
13	Misc. Revenue - Kepco	2	1,209,000	573,670	114,250	27,686	211,817	0	10,035	96,357	484	155,719	121	18,860	
14	Misc. Revenue - Other	21	171,086	19,522	31,682	8,093	51,960	0	0	24,632	146	32,556	0	2,495	
15	Off Sys.Revenue	2	11,161,061	5,305,413	1,056,610	256,048	1,958,922	0	92,803	891,131	4,472	1,440,121	1,118	174,425	
16	SubTotal Rev Credits		14,302,926	6,784,994	1,516,585	358,071	2,420,541	0	102,850	1,126,229	5,467	1,759,231	1,258	227,700	
17	Other Rev. Muni tax	31	0	0	0	0	0	0	0	0	0	0	0	0	
18		32	0	0	0	0	0	0	0	0	0	0	0	0	
19	Total Revenue Credits		14,302,926	6,784,994	1,516,585	358,071	2,420,541	0	102,850	1,126,229	5,467	1,759,231	1,258	227,700	
20			0	0	0	0	0	0	0	0	0	0	0	0	
21			0	0	0	0	0	0	0	0	0	0	0	0	
22			0	0	0	0	0	0	0	0	0	0	0	0	
23	IEC adjustment		(452)	(187)	(37)	(11)	(91)	0	(8)	(39)	0	(75)	0	(4)	
24	Franchise tax adjustment		(3,275)	(2,409)	(385)	(72)	(258)	0	0	(122)	(1)	0	(1)	(28)	
25	Lighting Excess Facilities Rev	29	696,075	0	0	0	0	0	0	0	0	0	0	696,075	
26	Other Excess Facilities Rev	50	934,981	687,824	110,000	20,510	73,564	0	0	34,753	173	0	167	7,990	
27	Total Revenue to Allocate		1,627,329	685,228	109,578	20,427	73,215	0	(8)	34,592	172	(75)	166	704,033	
	COST OF SERVICE CALCULATION														
28	Oper Expense Excl IT & Rev Tax		226,551,217	111,724,654	21,508,161	5,278,841	37,084,254	1	2,272,298	16,513,499	68,915	27,754,920	29,111	4,316,568	10 6
29	Return Allowable		58,327,269	30,860,462	5,915,515	1,325,988	8,576,638	0	321,366	3,859,347	19,632	5,733,964	5,987	1,708,368	6 10
30	Fit Allowable		1,581,549	836,784	160,400	35,954	232,556	0	8,714	104,647	532	155,477	162	46,323	10 10
31	Sit Allowable		(506,631)	(268,160)	(51,402)	(11,522)	(74,526)	0	(2,792)	(33,536)	(171)	(49,825)	(52)	(14,845)	10 11
32	Revenue Credits		14,302,926	6,784,994	1,516,585	358,071	2,420,541	0	102,850	1,126,229	5,467	1,759,231	1,258	227,700	10 27
33	COST OF SERVICE		271,850,278	136,368,746	26,016,089	6,271,190	43,398,381	1	2,496,736	19,317,728	83,441	31,835,305	33,950	5,828,714	(1..4) -5
	RATE OF RETURN														
	Capitalization Amounts														
34	Long Term Debt		336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	336,496,612	
35	Preferred Stock		48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	48,292,848	
36	Common Stock		381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	381,935,258	
37	Total		766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	766,724,718	
	Embedded Cost Of Capital														
38	Long Term Debt		0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	0.0725	
39	Preferred Stock		0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	0.0893	
40	Common Stock		0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	0.1165	
	Weighted Cost Of Capital														
41	Long Term Debt		0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	0.0318	
42	Preferred Stock		0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	0.0056	
43	Common Stock		0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580	
44	Total		0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	0.0954	
45	Federal Income Tax Rate		0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	
46	State Income Tax Rate		0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625	
47	FIT deductible from SIT		0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

From:
Page Line
Page 11 of 14

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	
	ALLOCATION FACTORS														
1	Demand Values -Prod		1.0000	0.4745	0.0945	0.0229	0.1752	0.0000	0.0083	0.0797	0.0004	0.1288	0.0001	0.0156	
2	Allocator	1	1.0000000	0.4745000	0.0945000	0.0229000	0.1752000	0.0000000	0.0083000	0.0797000	0.0004000	0.1288000	0.0001000	0.0156000	
3	Demand Values -Trans		1.0000	0.4745	0.0945	0.0229	0.1752	0.0000	0.0083	0.0797	0.0004	0.1288	0.0001	0.0156	
4	Allocator	2	1.0000000	0.4745000	0.0945000	0.0229000	0.1752000	0.0000000	0.0083000	0.0797000	0.0004000	0.1288000	0.0001000	0.0156000	
5	Zero at issue		1	0	0	0	0	0	0	0	0	0	0	0	
6	Allocator	3	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	
7	NCD@ Primary Station		916834	432504	85859	23611	164566	0	7098	74442	333	112278	77	15868	
8	Allocator	4	1.0000000	0.4718394	0.0936677	0.0257584	0.1795329	0.0000000	0.0077435	0.0812123	0.0003633	0.1224895	0.0000840	0.0173090	
9	NCD@ Primary Station X Prax		909536	432504	85859	23611	164566	0	0	74442	333	112278	77	15868	
10	Allocator	4a	1.0000000	0.4755216	0.0943987	0.0259594	0.1809340	0.0000000	0.0000000	0.0818461	0.0003661	0.1234454	0.0000847	0.0174441	
11	NCD@ Primary Lines		880876	419341	82939	22892	158969	0	0	71987	323	108991	75	15359	
12	Allocator	5	1.0000000	0.4760500	0.0941551	0.0259878	0.1804869	0.0000000	0.0000000	0.0817221	0.0003667	0.1237302	0.0000851	0.0174381	
13	NCD@ Secondary		749610	407785	80375	22261	154055	0	0	69832	316	0	73	14913	
14	Allocator	6	1.0000000	0.5439982	0.1072224	0.0296968	0.2055135	0.0000000	0.0000000	0.0931578	0.0004216	0.0000000	0.0000974	0.0198943	
15	All Customers		137054	114707	16845	2514	1449	0	1	784	10	35	4	705	
16	Allocator	7	1.0000000	0.8369475	0.1229078	0.0183431	0.0105725	0.0000000	0.0000073	0.0057204	0.0000730	0.0002554	0.0000292	0.0051440	
17	Primary Customers		137053	114707	16845	2514	1449	0	0	784	10	35	4	705	
18	Allocator	8	1.0000000	0.8369536	0.1229087	0.0183433	0.0105726	0.0000000	0.0000000	0.0057204	0.0000730	0.0002554	0.0000292	0.0051440	
19	Secondary Customers		137018	114707	16845	2514	1449	0	0	784	10	0	4	705	
20	Spec. Assn.	9	1.0000000	0.8371674	0.1229401	0.0183480	0.0105753	0.0000000	0.0000000	0.0057219	0.0000730	0.0000000	0.0000292	0.0051453	
21	Res.& Comm. Customers		134066	114707	16845	2514	0	0	0	0	0	0	0	0	
22	Spec. Assn.	10	1.0000000	0.8556010	0.1256471	0.0187520	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	
23	Industrial Customers		2279	0	0	0	1449	0	1	784	10	35	0	0	
24	Allocator	11	1.0000000	0.0000000	0.0000000	0.0000000	0.6358652	0.0000000	0.0004388	0.3440105	0.0043879	0.0153576	0.0000000	0.0000000	
25	Comm. & Ind. Customers		21838	0	16845	2514	1449	0	1	784	10	35	0	0	
26	Spec. Assn.	12	1.0000000	0.0000000	0.7784915	0.1161845	0.0669655	0.0000000	0.0000462	0.0362328	0.0004621	0.0016175	0.0000000	0.0000000	
27	Customer Service Drop		158320	114707	22962	3427	14739	0	0	2424	31	0	30	0	
28	Spec. Assn.	13	1.0000000	0.7245262	0.1450364	0.0216457	0.0930937	0.0000000	0.0000000	0.0153103	0.0001953	0.0000000	0.0001924	0.0000000	
29	Weighted Meter Investment		11679642	8547093	2085168	376288	41834	0	6816	379420	4464	238560	0	0	
30	Allocator	14	1.0000000	0.7317641	0.1785301	0.0322174	0.0035817	0.0000000	0.0005836	0.0324856	0.0003822	0.0204253	0.0000000	0.0000000	
31	Meter Read Expense		146350	114707	22372	3339	3600	0	10	1948	25	349	0	0	
32	Allocator	15	1.0000000	0.7837851	0.1528682	0.0228145	0.0245876	0.0000000	0.0000682	0.0133086	0.0001898	0.0023878	0.0000000	0.0000000	
33	Uncollectibles		947463	794421	43493	10767	57490	0	0	34894	0	6398	0	0	
34	Allocator	16	1.0000000	0.8384718	0.0459047	0.0113640	0.0606778	0.0000000	0.0000000	0.0368289	0.0000000	0.0067528	0.0000000	0.0000000	
35	Customer Asst. Expense		588731	311674	45770	6831	141485	0	98	76562	976	3418	11	1916	
36	Allocator	17	1.0000000	0.5294002	0.0777437	0.0116027	0.2403224	0.0000000	0.0001659	0.1300295	0.0016585	0.0058049	0.0000185	0.0032537	
37	Energy (KWH @ Gen.)		4083259157	1687864572	337282340	98352022	818497158	0	68538883	354163605	1115782	880123528	740295	36580872	
38	Allocator	18	1.0000000	0.4133621	0.0826013	0.0240866	0.2004519	0.0000000	0.0167854	0.0867355	0.0002733	0.1665639	0.0001813	0.0089587	
39	Customer Deposits		3631572	2009322	837121	201863	344155	0	0	235760	200	0	0	3151	
40	Allocator	19	1.0000000	0.5532927	0.2305119	0.0555855	0.0947676	0.0000000	0.0000000	0.0649196	0.0000551	0.0000000	0.0000000	0.0008677	
41	Forfeited Discounts		1364724	636770	271229	57479	161697	0	0	97409	286	111992	0	27862	
42	Allocator	20	1.0000000	0.4665925	0.1987427	0.0421177	0.1184833	0.0000000	0.0000000	0.0713763	0.0002096	0.0820620	0.0000000	0.0204158	
43	Miscellaneous Revenue		6547089	747083	1212401	309702	1988400	0	0	942604	5585	1245850	0	95484	
44	Allocator	21	1.0000000	0.1141081	0.1851817	0.0473036	0.3037075	0.0000000	0.0000000	0.1439730	0.0008531	0.1902907	0.0000000	0.0145842	
45	Spec Assg -Prax		1	0	0	0	0	0	1	0	0	0	0	0	
46	Allocator	22	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page Line Page 12 of 14
1	Spec Assg -362-														
2	Allocator	23													
3															
4	Allocator	24													
5	Spec Assg -Trans Depr-														
6	Allocator	25													
7															
8	Allocator	26													
9															
10	Allocator	27													
11	Spec Assg -371-		1.000	0.000	0.245	0.037	0.021	0.000	0.000	0.011	0.000	0.001	0.000	0.685	
12	Allocator	28	1.0000000	0.0000000	0.2452248	0.0365981	0.0210941	0.0000000	0.0000146	0.0114133	0.0001456	0.0005095	0.0000000	0.6850000	
13	Spec Assg -373-		1	0	0	0	0	0	0	0	0	0	0	1	
14	Allocator	29	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	1.0000000	
15	Spec Assg -Rate Revenue-		237747282	108355406	24826981	5825281	43599132	0	1978004	19094865	96592	29854791	44840	4271390	
16	Allocator	30	1.0000000	0.4557588	0.1035847	0.0245020	0.1833844	0.0000000	0.0083198	0.0803158	0.0004063	0.1255736	0.0001888	0.0179661	
17	Spec Assg-Interruptible Revenue		443232	0	0	0	0	0	443232	0	0	0	0	0	
18	Allocator	30a	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	1.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	
19	Spec Assg -City Tax-		4640280	2955146	667745	137914	572519	1,390	0	237388	1202	28307	5	38664	
20	Allocator	31	1.0000000	0.6368465	0.1439019	0.0297211	0.1233803	0.0002996	0.0000000	0.0511581	0.0002590	0.0061003	0.0000011	0.0083323	
21	Spec Assg -Excess Facility-		1647865	0	3112	108	233019	0	864	109859	0	696075	0	601882	
22	Allocator	32	1.0000000	0.0000000	0.0018885	0.0000655	0.1414066	0.0000000	0.0005243	0.0666461	0.0000000	0.4224102	0.0000000	0.3652496	
23	Transformer Demand Alloc.		1193455	682186	130690	32191	227387	0	0	108487	413	0	64	12038	
24	Allocator	33	1.0000000	0.5716056	0.1095056	0.0269729	0.1905283	0.0000000	0.0000000	0.0909016	0.0003461	0.0000000	0.0000532	0.0100867	
25	Spec Assg -Present Revenues-		238190514	108355406	24826981	5825281	43599132	0	2421238	19094865	96592	29854791	44840	4271390	
26	Allocator	34	1.0000000	0.4549107	0.1033919	0.0244564	0.1830431	0.0000000	0.0101651	0.0801664	0.0004055	0.1253400	0.0001883	0.0179327	
27	Spec Assg -Proposed Rev-		290576404	132186306	30043260	7106451	53188008	0	2953745	23294451	117836	36420837	54702	5210808	
28	Allocator	35	1.0000000	0.4549107	0.1033919	0.0244564	0.1830431	0.0000000	0.0101651	0.0801664	0.0004055	0.1253400	0.0001883	0.0179327	
29	Sec Cust /Transformers		137066	114707	16845	2514	1449	0	0	784	10	0	52	705	
30	Allocator	36	1.0000000	0.8368742	0.1228970	0.0183415	0.0105715	0.0000000	0.0000000	0.0057199	0.0000730	0.0000000	0.0003794	0.0051435	

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page	From: Line
															Page 13 of 14	
	WAGES AND SALARIES															
1	Production Energy		4,250,200	1,756,871	351,072	102,373	851,961	0	71,341	368,643	1,181	707,930	771	38,076	18	
2	Production Demand		5,934,798	2,718,791	541,908	137,795	1,079,953	0	62,759	484,197	2,172	824,485	723	82,017	66	
3	Transmission		1,034,800	490,988	97,784	23,696	181,288	0	8,840	82,469	414	133,276	103	16,142	67	
4	Distribution		6,105,587	3,770,959	703,072	140,680	615,951	0	5,155	272,822	1,443	289,472	619	305,595	40	
5	Total PTD Labor		17,325,385	8,737,609	1,693,836	404,544	2,729,153	0	147,895	1,207,931	5,190	1,955,163	2,216	441,830		
6	Allocator PTD Labor		1.0000000	0.5043247	0.0977663	0.0233498	0.1575236	0.0000000	0.0085363	0.0697204	0.0002996	0.1128497	0.0001279	0.0255019		
7	Customer Accounting		3,076,793	2,581,214	361,481	58,280	45,885	0	40	26,893	100	4,900	0	0	70	
8	Cust Serv & Inform		714,980	417,814	61,357	9,158	142,870	0	99	77,301	987	3,451	11	1,934	69	
9	Sales		264,116	222,628	32,694	4,880	2,490	0	2	1,347	18	60	0	0	71	
10	Total PTDCS Labor		21,381,254	11,959,265	2,149,368	474,862	2,920,398	0	148,036	1,313,472	6,295	1,963,574	2,227	443,764		
11	Allocator PTDCS Labor		1.0000000	0.5593341	0.1005258	0.0222093	0.1365868	0.0000000	0.0069236	0.0614310	0.0002944	0.0918362	0.0001042	0.0207548		
12	Administrative & General		6,120,871	3,423,612	615,308	135,940	836,030	0	42,379	376,011	1,802	562,118	638	127,038		
13	Total Wages & Salaries		27,502,125	15,382,877	2,764,674	610,802	3,756,428	0	190,415	1,689,483	8,097	2,525,692	2,865	570,802		
14	Allocator Labor	37	1.0000000	0.5593341	0.1005258	0.0222093	0.1365868	0.0000000	0.0069236	0.0614310	0.0002944	0.0918362	0.0001042	0.0207548		
	INTERNAL ALLOCATORS															
15	Gross Prod PIS Plant	38	1.00000	0.47450	0.09450	0.02290	0.17520	0.00000	0.00830	0.07970	0.00040	0.12880	0.00010	0.01560	2	2
16	Gross Trans PIS Plant	39	1.00000	0.47448	0.09450	0.02290	0.17519	0.00000	0.00835	0.07970	0.00040	0.12879	0.00010	0.01560	2	5
17	Gross Dist PIS Plant	40	1.00000	0.61763	0.11515	0.02304	0.10088	0.00000	0.00084	0.04465	0.00024	0.04741	0.00010	0.05005	2	44
18	Gross Dist Plant - land	41	1.00000	0.61814	0.11523	0.02303	0.10061	0.00000	0.00082	0.04452	0.00024	0.04715	0.00010	0.05017	3	1
19	PIS Accts 364,365,368	42	1.00000	0.66928	0.11097	0.02258	0.09976	0.00000	0.00000	0.04620	0.00022	0.04019	0.00013	0.01086	3	2
20	PIS Accts 366,367	43	1.00000	0.75299	0.11669	0.02043	0.05356	0.00000	0.00000	0.02497	0.00015	0.02287	0.00004	0.00829	3	3
21	PIS Acct 370	44	1.00000	0.73179	0.17853	0.03222	0.00358	0.00000	0.00058	0.03249	0.00038	0.02043	0.00000	0.00000	2	40
22	PIS Accts 364,365	45	1.00000	0.62855	0.10704	0.02325	0.11417	0.00000	0.00007	0.05209	0.00025	0.06181	0.00006	0.01270	3	4
23	PIS Acct 368	46	1.00000	0.74493	0.11826	0.02133	0.07294	0.00000	0.00000	0.03524	0.00017	0.00000	0.00027	0.00686	2	37
24	PIS Acct 364	47	1.00000	0.62066	0.10885	0.02358	0.11983	0.00000	0.00004	0.05454	0.00026	0.06147	0.00007	0.01312	2	17
25	Gross G&I Plant	48	1.00000	0.53552	0.10331	0.02296	0.14351	0.00000	0.00513	0.06475	0.00033	0.09410	0.00010	0.03029	3	12
26	Total Gross Plant	49	1.00000	0.53552	0.10331	0.02296	0.14351	0.00000	0.00513	0.06475	0.00033	0.09410	0.00010	0.03029	3	13
27	Sec PIS 364,365,368	50	1.00000	0.73566	0.11765	0.02194	0.07868	0.00000	0.00000	0.03717	0.00018	0.00000	0.00018	0.00855	2	6
28	Total Gross T&D Plant	51	1.00000	0.58121	0.10990	0.02301	0.11979	0.00000	0.00275	0.05357	0.00028	0.06811	0.00010	0.04129	3	5
29	Total Gross PTD Plant	52	1.00000	0.53552	0.10331	0.02296	0.14351	0.00000	0.00513	0.06475	0.00033	0.09410	0.00010	0.03029	3	6
30	PTD - land	53	1.00000	0.53616	0.10340	0.02296	0.14318	0.00000	0.00510	0.06460	0.00033	0.09374	0.00010	0.03044	3	8
31	Net Prod Plant	54	1.00000	0.47450	0.09450	0.02290	0.17520	0.00000	0.00830	0.07970	0.00040	0.12880	0.00010	0.01560	4	35
32	Net Trans Plant	55	1.00000	0.47450	0.09450	0.02290	0.17520	0.00000	0.00830	0.07970	0.00040	0.12880	0.00010	0.01560	4	38
33	Net Dist Plant	56	1.00000	0.61739	0.11512	0.02305	0.10105	0.00000	0.00077	0.04473	0.00024	0.04757	0.00010	0.04999	4	41
34	Net G & I Plant	57	1.00000	0.52920	0.10239	0.02296	0.14680	0.00000	0.00546	0.06630	0.00034	0.09768	0.00010	0.02877	4	45
35	Tot Net Plant	58	1.00000	0.53185	0.10279	0.02296	0.14539	0.00000	0.00528	0.06564	0.00033	0.09614	0.00010	0.02943	4	48
36	Net Orig Cost Rate Base	59	1.00000	0.53072	0.10166	0.02271	0.14630	0.00000	0.00535	0.06589	0.00034	0.09736	0.00010	0.02958	5	8
37	Prepayments	60	1.00000	0.50777	0.09930	0.02293	0.15793	0.00000	0.00656	0.07156	0.00036	0.10988	0.00010	0.02361	5	28
38	Working capital	61	1.00000	0.49021	0.09569	0.02337	0.16467	0.00000	0.00938	0.07296	0.00031	0.12086	0.00013	0.02242	5	29
39	Rate Base	62	1.00000	0.52909	0.10142	0.02273	0.14704	0.00000	0.00551	0.06617	0.00034	0.09831	0.00010	0.02929	6	8
40	Energy Exp Production	63	1.00000	0.41336	0.08280	0.02409	0.20045	0.00000	0.01679	0.08674	0.00027	0.16656	0.00018	0.00896	6	20
41	Demand Exp Production	64	1.00000	0.47450	0.09450	0.02290	0.17520	0.00000	0.00830	0.07970	0.00040	0.12880	0.00010	0.01560	6	24
42	Prod. O & M Expenses	65	1.00000	0.42858	0.08556	0.02379	0.19417	0.00000	0.01467	0.08498	0.00030	0.15716	0.00016	0.01061	6	25
43	Prod Exp minus Fuel & PP	66	1.00000	0.45811	0.09131	0.02322	0.18197	0.00000	0.01057	0.08159	0.00037	0.13892	0.00012	0.01382	6	26
44	Trans O & M Expenses	67	1.00000	0.47448	0.09450	0.02290	0.17519	0.00000	0.00835	0.07970	0.00040	0.12879	0.00010	0.01560	6	30

Run Time: 11:16 AM
Run Date: 23-Apr-04
DOCKET NO.

THE EMPIRE DISTRICT ELECTRIC COMPANY
MISSOURI COST OF SERVICE
Twelve Months Ended December 31, 2003

Section N
Schedule 1

		Alloc	MISSOURI RETAIL	Residential	Comm Service	Comm Small Heat	General Power	Power Furnace	Praxair	Tot/Elec Building	Feed Mill	Large Power	Misc Services	Lighting	From: Page	Line
															Page 14 of 14	
1	Dist O & M Expenses	68	1.00000	0.61671	0.12168	0.02463	0.08589	0.00000	0.00015	0.04559	0.00027	0.04988	0.00008	0.05515	7	22
2	Cust Ser & Inform Exp	69	1.00000	0.58437	0.08582	0.01281	0.19982	0.00000	0.00014	0.10812	0.00138	0.00483	0.00002	0.00271	8	15
3	Cust Accounting Exp	70	1.00000	0.83893	0.11749	0.01829	0.01491	0.00000	0.00001	0.00874	0.00003	0.00159	0.00000	0.00000	8	5
4	Sales Expenses	71	1.00000	0.84292	0.12379	0.01848	0.00943	0.00000	0.00001	0.00510	0.00007	0.00023	0.00000	0.00000	8	18
5	Total Customer Expense	72	1.00000	0.79781	0.11731	0.01876	0.04064	0.00000	0.00003	0.02296	0.00021	0.00190	0.00000	0.00037	8	19
6	A & G Expenses	73	1.00000	0.56472	0.10316	0.02238	0.13323	0.00000	0.00054	0.06048	0.00030	0.08742	0.00009	0.02257	9	6
7	Tot O & M Expenses	74	1.00000	0.47479	0.08165	0.02343	0.17248	0.00000	0.01184	0.07656	0.00030	0.13418	0.00014	0.01462	9	18
8	Prod Depreciation Exp	75	1.00000	0.47450	0.09450	0.02290	0.17520	0.00000	0.00830	0.07970	0.00040	0.12880	0.00010	0.01560	9	22
9	Trans Depreciation Exp	76	1.00000	0.47448	0.09450	0.02290	0.17519	0.00000	0.00835	0.07970	0.00040	0.12879	0.00010	0.01560	9	23
10	Dist Depreciation Exp	77	1.00000	0.61814	0.11523	0.02309	0.10061	0.00000	0.00082	0.04452	0.00024	0.04715	0.00010	0.05017	9	24
11	General Depreciation Exp	78	1.00000	0.55933	0.10053	0.02221	0.13659	0.00000	0.00892	0.06143	0.00029	0.09184	0.00010	0.02075	9	25
12	Total Depreciation Exp	79	1.00000	0.54828	0.10488	0.02293	0.13712	0.00000	0.00459	0.06174	0.00032	0.08734	0.00010	0.03270	9	26
13	Re & Property Tax	80	1.00000	0.53552	0.10331	0.02296	0.14351	0.00000	0.00513	0.06475	0.00033	0.09410	0.00010	0.03029	9	34
14	Total Expense Allocator	81	1.00000	0.49315	0.09494	0.02330	0.16369	0.00000	0.01003	0.07289	0.00030	0.12251	0.00013	0.01905	10	6
15	Payroll Tax Allocator	82	1.00000	0.55933	0.10053	0.02221	0.13659	0.00000	0.00892	0.06143	0.00029	0.09184	0.00010	0.02075	10	1
16	Cost of Service Ratios	83	1.00000	0.50200	0.09577	0.02309	0.15976	0.00000	0.00919	0.07111	0.00031	0.11719	0.00012	0.02148	11	6
	CLASSIFICATION ALLOCATORS															
17	Production Plant	D	411,156,718	195,093,862	38,854,310	9,416,489	72,034,657	0	3,412,801	32,769,190	164,483	52,956,985	41,116	6,414,045		
18	Transmission Plant	D	139,719,736	66,293,705	13,202,856	3,199,422	24,477,676	0	1,166,591	11,135,107	55,885	17,995,004	13,971	2,179,519		
19	Distribution Plant	D	194,682,565	95,748,885	18,878,957	5,140,236	35,788,298	0	337,708	16,297,517	71,858	19,117,430	16,099	3,285,577		
20		C	214,815,140	157,167,681	28,275,800	4,295,120	5,523,248	0	8,029	1,987,094	24,911	297,323	25,410	17,210,524		
21	General Plant	D	39,129,337	18,743,671	3,722,956	931,847	6,943,563	0	258,054	3,159,585	15,337	4,727,134	3,736	623,456		
22		C	11,274,191	8,248,666	1,484,005	225,422	289,878	0	421	104,289	1,307	15,604	1,334	903,263		
23	Production Expenses	D	11,839,289	5,622,843	1,099,913	266,540	2,039,203	0	96,606	927,661	4,656	1,499,140	1,164	181,573		
24	less fuel & pp	E	6,627,509	2,739,561	547,441	159,634	1,328,497	0	111,245	574,840	1,811	1,103,904	1,202	59,374		
25	Dist Operation Exp Sub	D	1,838,466	1,197,831	200,702	41,838	193,055	0	0	88,833	430	94,637	198	20,942		
26		C	1,795,786	1,108,347	317,298	55,795	9,460	0	887	51,384	607	31,032	0	220,976		
27	Dist Maintenance Exp Sub	D	5,350,183	3,316,434	568,808	124,987	529,728	0	273	287,264	1,383	352,079	377	88,850		
28		C	390,699	142,632	34,797	6,279	698	0	114	6,332	74	3,981	0	195,792		
29	Labor	D	14,622,188	7,014,765	1,361,116	347,592	2,597,368	0	118,744	1,173,657	5,318	1,803,068	1,536	199,024		
30		E	4,250,199	1,756,871	351,072	102,373	851,961	0	71,341	368,643	1,161	707,930	771	38,076		
31		C	8,629,747	6,611,241	1,052,486	160,837	307,100	0	330	147,183	1,618	14,694	558	333,701		
32	Cost of Service Classified	D	157,694,550	76,370,863	14,979,708	3,705,197	27,556,714	0	1,047,623	12,532,181	61,313	18,980,656	15,078	2,445,238		
33		E	85,021,284	34,291,640	6,691,590	2,034,099	17,482,121	0	1,560,631	7,487,012	21,706	14,772,212	16,716	663,556		
34		C	49,487,869	36,556,705	6,426,241	999,222	1,394,275	0	2,982	664,517	7,368	116,495	4,263	3,315,850		
35		total	292,203,733	147,219,208	28,097,540	6,738,518	46,433,110	0	2,611,216	20,683,689	90,387	33,869,364	36,058	6,424,643		
36	Net Cost of Service Classified	D	156,742,016	75,900,276	14,902,262	3,688,998	27,487,815	0	1,047,630	12,499,307	61,156	18,980,729	14,959	2,158,883		
37		E	85,006,737	34,263,907	6,690,301	2,033,786	17,480,678	0	1,560,632	7,486,356	21,703	14,772,214	16,712	660,447		
38		C	48,827,652	36,349,797	6,395,398	995,307	1,391,402	0	2,962	663,434	7,355	116,496	4,221	2,901,280		
39		total	290,576,405	146,533,980	27,987,962	6,718,091	46,359,895	0	2,611,224	20,649,097	90,215	33,869,439	35,892	5,720,610		
	KWH @ Sales adj		3,800,302,170	1,538,024,997	305,316,122	86,690,911	769,317,809	0	67,387,032	329,001,987	919,622	669,066,136	738,545	33,839,009		

The Empire District Electric Company
MO CP Class Demands
rate case tye 12/31/03
load research tye 09/30/03

Rate	-2002- Oct	Nov	Dec	- 2003- Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	TOTALS
RG	294,638	278,140	319,687	429,315	410,096	433,262	279,702	287,710	285,581	346,826	417,281	293,903	4,076,141
CB	74,408	44,301	55,385	56,731	69,610	46,551	36,071	52,344	79,086	77,146	75,889	70,592	738,114
SH	15,670	10,552	14,320	21,472	22,783	16,516	9,711	11,921	15,662	16,006	17,408	16,442	188,463
GP	135,418	110,536	110,330	122,486	123,420	112,570	94,262	112,651	140,807	142,771	151,822	128,083	1,484,956
PF	0	212	0	1,035	367	1,571	0	0	0	0	0	0	3,185
Prax	6,974	6,839	6,830	6,945	6,989	7,048	7,045	6,962	7,711	7,706	7,717	7,037	85,803
TEB	55,876	55,654	70,263	72,471	67,880	60,545	46,713	46,077	58,910	56,144	60,696	56,181	707,410
PFM	170	162	124	58	231	143	97	126	127	200	146	223	1,807
LP	98,098	80,890	83,280	96,093	94,187	91,772	88,193	89,295	108,278	113,296	104,644	112,213	1,160,239
MS	79	80	81	83	81	79	80	78	80	80	80	80	961
SPL,PL,SPL	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	681,331	587,366	660,300	806,689	795,644	770,057	561,874	607,164	696,042	760,175	835,683	684,754	8,447,079
Interruptible (Praxair)									7,600	7,600	7,600		

The Empire District Electric Company

SECTION N
Schedule 2

The Empire District Electric Company

Missouri Loss Percentages
Test Year Ending December 31, 2003

Rate Group	Missouri Losses as a % of Missouri Kwh @ Gen
Res Gen	3.12
Comm	0.59
Comm SH	0.24
Gen Pow	1.18
Elec Furn	0.00
Prax	0.04
TEB	0.50
Feed Mill	0.00
Large Pow	0.59
Misc Lts	0.00
Oth Lts	0.06

The Empire District Electric Company
MO NCP Class Demands
rate case tye 12/31/03
load research tye 09/30/03

Actual	-2002-			- 2003-								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Rate												
RG	322,890	292,881	341,478	439,928	445,844	433,262	320,553	296,402	333,566	372,331	438,626	352,492
CB	77,816	60,564	64,725	69,515	74,040	65,831	67,320	69,148	84,242	77,146	88,819	75,594
SH	15,769	14,994	17,749	21,972	24,339	18,852	15,774	13,857	15,662	16,006	23,389	17,222
GP	150,092	119,495	119,953	130,779	129,802	122,688	132,536	139,720	149,692	150,483	170,239	145,605
PF	2,290	2,122	1,743	1,988	1,920	2,052	2,034	1,868	2,281	2,451	2,327	2,366
Prax	7,221	7,298	6,859	6,981	7,030	7,074	7,084	6,968	7,089	7,079	7,044	7,041
TEB	62,048	55,654	71,207	76,929	69,363	64,059	55,118	54,672	60,302	58,358	60,648	63,675
PFM	246	342	305	338	310	271	251	222	213	264	333	298
LP	101,042	94,778	95,781	98,471	95,099	96,176	98,250	101,118	111,113	115,799	114,024	115,608
MS	79	80	81	83	81	79	80	78	80	80	80	80
SPL,PL,SPL	9,816	9,424	8,945	10,989	12,691	9,418	10,809	12,426	15,899	15,745	12,921	11,056

The Empire District Electric Company

rate case tye 12/31/03
load research tye 09/30/03
NCP at Voltage Level

Rate	Secondary	Secondary + Sec Losses	Primary + Pri Losses	NCP @Generation	month
RG	407,785	419,341	432,504	445,844	02/03
CB	80,375	82,939	85,859	88,819	08/03
SH	22,261	22,892	23,611	24,339	02/03
GP	154,055	158,969	164,566	170,239	08/03
PF	0	2,291	2,370	2,451	07/03
Prax	0	0	7,098	7,298	11/02
TEB	69,832	71,987	74,442	76,929	01/03
PFM	316	323	333	342	11/03
LP	0	108,991	112,278	115,608	07/03
MS	73	75	77	80	01/03
SPL,PL,SPL	14,913	15,359	15,866	16,380	06/03

THE EMPIRE DISTRICT ELECTRIC COMPANY
DISTRIBUTION ALLOCATION

Combined Work Order Study and Zero Intercept Approach

Acct		PRIMARY %			SECONDARY %	
		Feeder	Customer	Demand	Customer	Demand
364	Poles, Towers & Fixtures	29.08	30.09	40.83	56.25	43.75
365	Overhead Conductors	31.41	36.53	32.06	66.63	33.37
366	Underground Conduit	16.28	71.71	12.01	82.78	17.22
367	Underground Conductors	16.28	71.71	12.01	82.78	17.22
368	Transformers	0	0	0	65.34	34.66

COST OF SERVICE ALLOCATORS

to be allocated	method of allocation
Production Plant	Capacity Utilization
Transmission Plant	Capacity Utilization
Distribution Plant	
Acct 360	Noncoincident Demand At Primary Station
Acct 361	Noncoincident Demand At Primary Station
Acct 362	Specifically Assigned If possible.
	Noncoincident Demand At Primary Station Excluding Praxair
Acct 364 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 365 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 366 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 367 Pri Dem	NCD At Primary Lines
Pri Cust	Primary Customers
Sec Dem	Noncoincident Demand At Secondary
Sec Cust	Secondary Customers
Acct 368 Dem	Transformer Demand
Cust	Secondary Customers Weighted for Transformers
Acct 369	Weighted Customer Service Drop Investment
Acct 370	Specifically Assigned If possible.
	Weighted Meter Investment
Acct 371	Specifically Assigned
Acct 373	Specifically Assigned
General & Intangible	
Production	Gross Prod Plant
Transmission	Gross Trans Plant
Distribution	Gross Dist Plant less land
Depreciation Reserve	Same as Plant
Customer Advances	Residential and Commercial Customers
Interest Offset	Total Net Plant
Income Tax Offset	Total Net Plant
Deferred Tax	Total Gross Plant
Investment Tax Credit	Total Gross Plant
Customer Deposits	Specifically Assigned
Fuel	TOU Energy
Cash Requriements	Functionalized Expenses
Materials and Supplies	Functionalized Gross Plant
Prepayments	Functionalized Net Plant

to be allocated	method of allocation
Production Expenses	
Variable	TOU Energy
Fixed -On Sys	Capacity Utilization
-Off Sys	10 CP Demand (Highest 10 hours)
Transmission Expenses	Gross Trans Plant
Distribution Expenses	
Acct 580	Subtotals Oper Dist Expenses
Acct 581	Gross Dist Plant
Acct 582	Noncoincident Demand At Primary Station
Acct 583	PIS Accounts 364, 365, 368
Acct 584	PIS Accounts 366, 367
Acct 585	Zero at Issue
Acct 586	PIS Acct 370
Acct 587	Specifically Assigned
Acct 588	Subtotals Oper Dist Expenses
Acct 589	PIS Acct 364
Acct 590	Subtotals Maint Dist Expenses
Acct 591	Noncoincident Demand At Primary Station
Acct 592	Noncoincident Demand At Primary Station
Acct 593	PIS Accounts 364, 365
Acct 594	PIS Accounts 366, 367
Acct 595	PIS Acct 368
Acct 596	Zero at Issue
Acct 597	PIS Acct 370
Acct 598	Subtotals Maint Dist Expenses
Acct 901	Subtotals Customer Acct
Acct 902	Weighted Meter Reading Expenses
Acct 903	Customers
Acct 904	Specifically Assigned
Acct 905	Subtotals Customer Acct
Acct 907	Subtotals Customer Acct
Acct 908	Customers
Acct 909	Residential & Commercial Customers
Acct 910	Subtotals Customer Acct
Acct 911	Industrial Customers
Acct 912	Industrial Customers
A& G Expenses	
924 & 928	Net Plant in Service
A&G other than 924, 928	Labor
Depreciation Expense	
Production	Gross Prod Plant
Transmission	Gross Trans Plant
Distribution	Gross Dist Plant less land
General	Labor

TO ALLOCATE:	METHOD OF ALLOCATION:
Real Estate & Property Tax	
Production	Gross Prod Plant
Transmission	Gross Trans Plant
Distribution	Gross Dist Plant
General	Gross General & Intangible Plant
Payroll Tax	Labor
Miscellaneous Tax	Net Distribution Plant
Federal Income Tax	Rate Base
State Income Tax	Rate Base
Tax on Proposed Changes	Rate Base
Forfeited Discounts	Specifically Assigned
Reconnection Charges	Residential & Commercial Customers
Rental Income	Acct 364
Misc Rev KEPCO	10 CP Demand (Highest 10 hours)
Misc Rev Other	Sales Tax
Off System Revenue	10 CP Demand (Highest 10 hours)
Revenues	
Present	Specifically Assigned
Muni Tax	Specifically Assigned
Excess Facilities	Specifically Assigned
Proposed	Specifically Assigned