

Recommended Allowed Rate of Return for The Empire Electric Company

Capital Component	Percentage of Capital	Rate of Return	After-Tax ROR	Pre-Tax ROR
Common Equity	45.00%	9.25%	4.16%	5.47%
Long-Term Debt	<u>55.00%</u>	4.30%	<u>2.37%</u>	<u>2.37%</u>
Total	<u>100.00%</u>		<u>6.53%</u>	<u>7.83%</u>

Sources: Embedded Costs of Debt Provided in Response to Staff DR No. 0072
Tax Multiplier Provided with Company's Revenue Requirement Workpapers.