

THE EMPIRE DISTRICT ELECTRIC COMPANY  
PROFORMA CAPITAL STRUCTURE

SECTION 7  
SCHEDULE A

THIS SCHEDULE IS CONFIDENTIAL per Kelly with Empire

**The Empire District Electric Company**  
**Statement Of Capitalization And Capitalization Ratios**

**Section 7**  
**Schedule B**

	Prior Year		Test Year	
	6/30/2008	Cost of Debt	6/30/2009	Cost of Debt
<i>Long Term Debt:</i>				
First Mortgage Bonds/Unsecured Debt:				
5.2% Pollution Control Series, Due 2013	\$ 5,200,000	\$ 281,012	\$ 5,200,000	\$ 281,012
5.3% Pollution Control Series, Due 2013	8,000,000	432,326	8,000,000	432,326
8-1/8% Series, Due 2009	20,000,000	1,080,816	20,000,000	1,080,816
6-3/8% Series, Due 2018	90,000,000	4,863,670	90,000,000	4,863,670
6.82% Series, Due 2036	55,000,000	2,972,243	55,000,000	2,972,243
7.20% Series, Due 2016	25,000,000	1,351,019	25,000,000	1,351,019
6 1/2% Series, Due 2010	50,000,000	2,702,039	50,000,000	2,702,039
4-1/2% Series, Due 2013	98,000,000	5,295,996	98,000,000	5,295,996
6.7% Series, Due 2033	62,000,000	3,350,528	62,000,000	3,350,528
7.05% Series, Due 2022	49,203,000	2,658,968	48,851,000	2,639,946
7.00% Series, Due 2024		0	75,000,000	4,053,058
5.8% Series, Due 2035	40,000,000	2,161,631	40,000,000	2,161,631
5.875% Series, Due 2037	80,000,000	4,323,262	80,000,000	4,323,262
Unamortized Bond Premium-Discount & Expense	\$ (21,377,121)	\$ (1,155,236)	\$ (21,504,492)	\$ (1,162,119)
Total First Mortgage Bonds/Unsecured Debt	\$ 561,025,879	\$ 30,318,274	\$ 635,546,508	\$ 34,345,426
Commercial Paper	\$ 12,000,000	\$ 648,489	\$ 72,000,000	\$ 3,890,936
Company Obligated Mandatorily Redeemable				
Trust Preferred Securities Of Subsidiary	\$ 50,000,000	\$ 2,702,039	\$ 50,000,000	\$ 2,702,039
Holding Solely Parent Debentures - 8 1/2%	\$ (1,424,372)	\$ (76,974)	\$ (1,361,532)	\$ (73,578)
Total Preferred Securities	\$ 48,575,628	\$ 2,625,065	\$ 48,638,468	\$ 2,628,461
<i>Common Stock Equity:</i>				
Common Stock	\$ 33,860,214	\$ 1,829,832	\$ 34,267,124	\$ 1,851,822
Capital In Excess Of Par Value	482,038,094	26,049,712	486,954,898	26,315,420
Installments Received On Common Stock				
Accumulated Other Comprehensive Income (Loss) (Net)	30,379,411	1,641,727	-2,628,212	-142,031
Retained Earnings	7,374,437	398,520	10,260,058	554,461
Total Common Stock Equity	\$ 553,652,156	\$ 29,919,792	\$ 528,853,868	\$ 28,579,673
Total Capitalization	\$ 1,175,253,663	\$ 63,511,619	\$ 1,285,038,843	\$ 69,444,496
Capitalization Ratios:				
First Mortgage Bonds/Unsecured Debt	47.74%	47.74%	49.46%	49.46%
Commercial Paper	1.02%	1.02%	5.60%	5.60%
Trust Preferred Securities Of Sub	4.13%	4.13%	3.78%	3.78%
Common Stock Equity	47.11%	47.11%	41.15%	41.15%
Total	100.00%	100.00%	100.00%	100.00%

As A Percent Of Total Company Gross Plant In Service.

\* On Basis Of Allocated Kansas Gross Plant In Service (Section 12, Schedule B, Line 7, Col. G)

As A Percent Of Total Company Gross Plant In Service.

**The Empire District Electric Company  
Capital Cost**

**Section 7  
Schedule C**

	<b>6/30/2009 Amount Outstanding</b>	<b>Annual Cost</b>
5.2% Pollution Control Series, Due 2013	\$ 5,200,000	\$ 270,400
5.3% Pollution Control Series, Due 2013	8,000,000	424,000
8-1/8% Series, Due 2009	20,000,000	1,625,000
6-3/8% Series, Due 2018	90,000,000	5,737,500
6.82% Series, Due 2036	55,000,000	3,751,000
7.20% Series, Due 2016	25,000,000	1,800,000
6 1/2% Series, Due 2010	50,000,000	3,250,000
4-1/2% Series, Due 2013	98,000,000	4,410,000
6.7% Series, Due 2033	62,000,000	4,154,000
7.05% Series, Due 2022	48,851,000	3,443,996
7.00% Series, Due 2024	75,000,000	5,250,000
5.8% Series, Due 2035	40,000,000	2,320,000
5.875% Series, Due 2037	80,000,000	4,700,000
Unamortized Bond Premium-Discount & Expense	(21,504,492)	(1,162,119)
Total First Mortgage Bonds/Unsecured Debt:	<u>\$ 635,546,508</u>	<u>\$ 39,973,776</u>
Annual Cost Rate		6.2897%
Commercial Paper	72,000,000	73,607
Annual Cost Rate		1.45%
Trust Preferred Securities Of Subsidiary Holding Solely Parent Debentures - 8 1/2%	50,000,000	4,250,000
Premium And Expense	(1,361,532)	62,840
Total Company Obligated Manditorily Redeemable	<u>48,638,468</u>	<u>4,312,840</u>
Annual Dividend Requirement Rate		8.87%
Long-Term Debt and Trust Preferred Securities	684,184,975	44,286,616
Annual Cost Rate		6.47%

The Empire District Electric Company  
 Historical Interest Coverage Under Bond Indenture

Section 7  
 Schedule D

	Calendar Years			Test Year 6/30/2009
	12/31/2006	12/31/2007	12/31/2008	
Gross Electric Operating Revenues	\$ 382,652,896	\$ 268,160,292	\$ 446,465,604	\$ 439,525,307
Less Electric Operating Inc Exp Other Than Income Taxes Balance	291,990,742	342,567,556	356,466,040	357,357,474
	90,662,154	(74,407,264)	89,999,564	82,167,833
Water Net Revenue Before Income Taxes	317,354	604,139	493,583	493,583
Net Non-Operating Revenue Before Taxes	(17,484,392)	(15,507,727)	(18,337,499)	(18,337,499)
Net Nonelectric Income	(17,167,038)	(14,903,588)	(17,843,916)	(17,843,916)
Less Nonelectric Income In Excess Of 15% Of Net Earnings	-	-	-	-
Net Nonelectric Income Allowable	(17,167,038)	(14,903,588)	(17,843,916)	(17,843,916)
Total Revenue Available For Interest	73,495,116	(89,310,852)	72,155,648	64,323,917
Annual Interest Requirement	17,602,700	14,771,785	10,454,400	10,454,400
Interest Coverage Ratio (Must Be 2 Or Greater)	4.18	(6.05)	6.90	6.15
				7.71

Note: Nonoperating Income And Other Operating Combined Are Limited To 15% Of Net Earnings