

The Empire District Electric Company Files for New Missouri and Oklahoma Electric Rates

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JOPLIN, Mo.--(BUSINESS WIRE)--The Empire District Electric Company (NYSE:EDE) announced today it has filed a request with the Missouri Public Service Commission (MPSC) for changes in rates for its Missouri electric customers. The Company is seeking an annual increase in base rate revenues of approximately \$33.4 million, or about 7.3 percent. If approved by the MPSC, a residential customer using 1,000 kilowatt hours would see a monthly increase of about \$12.54.

The most significant factor driving the rate request is the cost associated with the conversion of the Riverton Unit 12 natural gas combustion turbine to combined cycle operation. The conversion replaces the production capacity of retiring coal-fired generators at Riverton and carries a cost of between \$165 and \$175 million. Scheduled to be complete in early to mid-2016, the project consists of a new heat recovery steam generator, steam turbine generator, auxiliary boiler, cooling tower and other balance of plant equipment. The conversion was necessary to comply with Mercury Air Toxics Standards (MATS) mandated by the Environmental Protection Agency.

Other factors in the case include increased transmission expense, administrative and maintenance expense and costs incurred as a result of a mandated solar rebate program. The request also reflects cost-savings for customers resulting from revised depreciation rates and lower average interest costs.

In the coming months, the MPSC will perform an audit of Empire's operations, hold public hearings, and conduct an evidentiary hearing. Any new rates granted would take effect at the conclusion of this process, typically in approximately 11 months, or late-summer 2016.

In this same filing, the Company is asking to continue the use of the Fuel Adjustment Clause (FAC). The FAC provides for semi-annual adjustments to customers' bills, based on the varying costs of fuel and purchased power used to serve customers. The proposed FAC adjustment for the semi-annual period

beginning December 1, 2015, coupled with adjustments reflected on customers' bills over the previous 12 months, will result in a cumulative monthly reduction of \$3.46 for a customer using 1,000 kilowatt hours.

In making the announcement, Brad Beecher, president and CEO, stated, "The Riverton Combined Cycle Unit was the most economic option to replace the coal units at Riverton and comply with MATS. This new configuration captures the exhaust heat from the existing natural gas unit and uses it to power a new steam turbine. This highly efficient process will help us hold down fuel costs for customers while lowering emissions and protecting the environment."

A corresponding filing will also be made with the Oklahoma Corporation Commission (OCC) using the Missouri proposed tariffs. An administrative rule providing rate reciprocity to any electric company who serves less than ten percent of its total customers within the State of Oklahoma took effect in August 2015. The rule is intended to provide cost savings for customers related to rate case expenditures. As a result, future Commission approved increases in Missouri rates will be effective for Empire's Oklahoma customers subject to approval of the OCC.

Based in Joplin, Missouri, The Empire District Electric Company (NYSE: EDE) is an investor-owned, regulated utility providing electric, natural gas (through its wholly owned subsidiary The Empire District Gas Company), and water service, with approximately 218,000 customers in Missouri, Kansas, Oklahoma, and Arkansas. A subsidiary of the company provides fiber optic services. For more information regarding Empire, visit www.empiredistrict.com.

Certain matters discussed in this press release are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address future plans, objectives, expectations, and events or conditions concerning various matters. Actual results in each case could differ materially from those currently anticipated in such statements, by reason of the factors noted in our filings with the SEC, including the most recent Form 10-K and Form 10-Q.

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