



PRESS RELEASE

FOR IMMEDIATE RELEASE

Contact:

MEDIA COMMUNICATIONS

Julie Maus
Director of Corporate Communications
417-625-5101
jmaus@empiredistrict.com

INVESTOR RELATIONS

Dale Harrington
Director of Investor Relations
417-625-5222
dharrington@empiredistrict.com

THE EMPIRE DISTRICT ELECTRIC COMPANY FILES FOR NEW KANSAS ELECTRIC RATES

JOPLIN, MO – September 16, 2016 – The Empire District Electric Company (NYSE:EDE) announced today it has filed a request with the Kansas Corporation Commission (KCC) for changes in rates for its Kansas customers. The Company is seeking an annual increase in base rate revenues of approximately \$6.4 million, or about 25.7 percent. If approved by the KCC, a residential customer using 1,000 kilowatt hours would see a monthly increase of about \$31.85. The Environmental Recovery charge currently collected for Kansas customers will be discontinued at the time the new rates are effective.

In the case, the Company has requested continuation of the Energy Cost Adjustment (ECA), which is adjusted monthly to reflect the actual cost of fuel and purchased power used to serve customers. The request also seeks to include Southwest Power Pool (SPP) and Midwest System Operator transmission costs in the ECA. Through its participation in the SPP Integrated Marketplace, established in March 2014, and Empire's fuel procurement strategy, the Company has realized fuel and purchased power cost savings of approximately \$1.5 million since 2010, which has been passed on to Kansas customers through the ECA.

Empire's last general rate increase in Kansas took effect in January 2012, using an abbreviated rate case procedure which was based upon 2009 operational expense levels. Primary drivers for this case include the \$112 million Air Quality Control System (AQCS) at the Asbury Power Plant, the \$168 million combined cycle generating unit at the Riverton Power Plant, upgrades to financial, asset and work management software systems, reconstruction related to the 2014 Baxter Springs tornado, and other reliability and system improvements to serve customers.

In the coming months, the KCC will perform an extensive 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 eight months.

In making the announcement, Brad Beecher, President and CEO, stated, "Since 2011, we have made approximately \$670 million in capital improvements to serve customers which are not yet included in base rates. The largest of these investments were the Asbury AQCS and the Riverton Combined Cycle Unit. These projects were the most economic options for Empire to comply with environmental mandates related to SO₂, mercury and particulate matter. They also ensure the plants remain in operation, providing locally sourced energy, jobs and other economic benefits to the region while lowering emissions and protecting the environment."

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.