

27-Jul-2012

Empire District Electric Co. (EDE)

02 2012 Earnings Call

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OTHER PARTICIPANTS

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Analyst, UBS Securities LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, ladies and gentlemen, and thank you for standing by. Welcome to the Empire District Electric Second Quarter 2012 Earnings Conference call. At this time, all participants are in listen-only mode. Following the presentation, we will conduct a question-and-answer session and instructions will be provided at that time. [Operator Instructions] I would like to remind everyone that this conference call is being recorded today Friday, July 27, 2012 at 1 PM Eastern Time.

I'll now turn the conference over to Ms. Jan Watson. Please go ahead.

Janet S. Watson

Secretary, Treasurer & Head-Investor Relations, Empire District Electric Co.

Thank you. Good afternoon and thank you for joining us for the Empire District Electric Company's teleconference to discuss the company's operations and to review the financial results for the second quarter and 12 months ended June 30, 2012.

First, some housekeeping notes. Presentation slides are available on our website as part of the live webcast for this call. The webcast and the slides are available at www.empiredistrict.com. These can be accessed by the link to the webcast located on the lower right side of the homepage or by clicking the Investor Section along the left side of the homepage and then selecting presentations on the drop down menu.

To participate in the Q&A portion of the webcast, however, you will still need to use the dial-in number as questions can't be submitted through the webcast. To change slides as we go along, please press the arrows located on the lower right edge of the slide. If you have a problem at accessing the slide, please call Janet Hunley at 417-625-6165 and she will try to assist you.

Giving our presentation this afternoon will be Brad Beecher, President and CEO; and Laurie Delano, Vice President and CFO. A Q&A session will follow this presentation.



Our press release announcing the dividend declaration and our second quarter earnings was issued yesterday afternoon. The press release may be accessed on our website. A replay of the call will be available for two weeks by dialing 800-406-7325 and entering pass code 4552204#. The webcast will also be available for replay on our website.

I need to remind you that certain matters discussed in this call 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 can differ materially from those currently anticipated by reason of the factors noted in our filings with the SEC, including our most recent Form 10-K and Form 10-Q.

The earnings per share impact of revenue and expense items are all discussed on an after-tax basis and compare the period referred to with the same period of the prior year. The estimated earnings per share impact of individual items is a non-GAAP presentation and the economic substance behind our non-GAAP earnings per share measure is to present the after tax impact of significant items and components of the statement of income on a per share basis before the impact of additional stock issuances.

We believe this presentation is useful to investors because the statement of income does not readily show the earnings per share impact of the various components, including the effect of new stock issuances which could limit the readers' understanding of the reasons for the earnings per share change from previous years. This information is useful to management and we believe it is useful to investors to better understand the reasons for the fluctuation in earnings per share between the prior and current years on a per share basis.

Although a non-GAAP presentation, we believe the presentation of gross margin is useful to investors and others in understanding and analyzing changes in our electric operating performance from one period to the next and had included the analysis as a complement to the financial information we provide in accordance with GAAP. This reconciliation in margins may not be comparable to other companies or more useful then the GAAP presentation included in the statements of income.

We also note that this presentation does not report to be an alternative to earnings per share that termed in accordance with GAAP as a measure of operating performance or any other measure of financial performance presented in accordance with GAAP. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business then GAAP results alone. The dilutive effect of using additional shares in the roll forward table reflects the impact of all shares issued and the respected periods presented.

I'd now like to turn the call over to Brad Beecher, President, and CEO to begin our presentation.

Bradley P. Beecher

President & Chief Executive Officer, Empire District Electric Co.

Thank you, Jan. Good afternoon everyone and welcome. Today, we will discuss matters from the board of directors meeting conducted yesterday, as well as our financial results for the second quarter and 12 months ended June 30, 2012. We will also update you on other company activities.

During their meeting yesterday, the board declared a quarterly dividend of \$0.25 per share payable September 15, 2012 for shareholders of record as of September 1. This represents an indicated 4.6 annual yield at yesterday's closing price of \$21.58 per share.



We reported second quarter 2012 earnings of \$10.7 million, or \$0.25 per share. This compares to the same period in 2011 when the earnings were \$9.2 million or \$0.22 per share. Weather was once again the driving force behind second quarter earnings. We experienced 57.9% more cooling degree days during the quarter than the 30-year normal. For the 12-month period ending June 30, 2012, earnings were \$54.4 million or \$1.29 per share, compared to June 30, 2011 12-month earnings of \$52.5 million, or \$1.26 per share.

I will turn the call over to Laurie for details of our financials.

Laurie A. Delano

VP, Chief Financial & Accounting Officer, Empire District Electric Co.

Thank you, Brad. Just to recap, as Brad stated, our 2012 second quarter earnings were \$10.7 million or earnings per share of \$0.27, compared to 2011 quarter earnings of \$9.2 million, or earnings per share of \$0.22.

As we usually do, I'd like to begin by providing a non-GAAP basic earnings per share reconciliation for the quarter on a consolidated basis. For those of you who have our press release in front of you, that will be the earnings per share reconciliation I'll follow. For those of you looking at our slides, this begins on slide four. As a reminder, these earnings per share figures throughout the call are provided on an after-tax estimated basis.

Slide four illustrates the reconciliation between the two quarters. Our earnings per share from second quarter 2011 was \$0.22. Total gross margin increased an estimated \$0.07 per share quarter-over-quarter. Consolidated operating and maintenance expense reduced earnings per share by about \$0.07.

Depreciation and amortization added about \$0.03 per share to earnings. Interest, taxes, AFUDC, other income and deductions, and the dilutive effect of common stock issuances did not have a significant impact on earnings, all in all, resulting in a second quarter 2012 earnings per share of \$0.25.

Now, I'll give you a little more detail on each of the components impacting earnings per share for the quarter.

Slide five contains a pop out table, which provides a further breakdown of the earnings per share impact. Our Electric gross margin component, which we define as Electric revenues, less fuel, and purchase power expense, increased earnings per share around \$0.08. Customer rate increases, most notably our latest increase in rates for our Missouri customers that became effective in June, 2011, added an estimated \$5.5 million to revenue during the quarter, or about \$0.07 per share increase in margins as shown in the table.

As you are aware, the second quarter of 2012 was another in a continuing string of unusual weather quarters. As Brad mentioned, above normal temperatures throughout the quarter resulted in the warmest second quarter in the past 30 plus years and the second warmest in modern record-keeping history. Thus our second quarter transitions from heating season to cooling season, the impact of the warmer than normal weather negatively affected sales and revenues during the earlier heating portion of the quarter and positively during the latter cooling portions of the quarter.

When compared to the 2011 second quarter, which also included unseasonably hot weather during the month of June and it's now become the second warmest quarter in the past 30 years, we estimate that quarter-to-quarter weather impact reduced revenues about \$1.3 million for a margin impact of about \$0.01 per share.

On a positive note, customer accounts have improved significantly since the May 2011 tornado and continued to improve. We are still about 1,100 customers below our system wide level just prior to the tornado. Our average customer accounts were higher during the 2012 quarter as opposed to the 2011 quarter adding an estimated \$1.5



million to second-quarter 2012 revenues or almost \$0.02 per share increase in the margin, offsetting the weather impacts I mentioned above.

Off system sales were lower this quarter, but had little impact on margin as they roll through our fuel adjustment mechanism. Electric fuel and purchased power expenses, the effect of which are reflected in our margin calculations I just discussed, did decrease during the first quarter by about \$1.7 million. Our gas volumes were up due to increased usage of our gas-fired generating units to take advantage of lower natural gas prices. But overall fuel and purchased power volumes were relatively flat when compared to the 2011 quarter. A slight reduction in fuel and purchased power expenses resulted primarily from regulatory adjustments and timing differences in our fuel recovery mechanisms.

Turning to our Gas segment margin impact, the mild weather also heavily impacted our gas service territory, as gas deliveries to customers declined over 21% when compared to the same quarter in 2011. Gas operating revenues declined about \$1.5 million decreasing gross margin about a penny when compared to 2011.

Turning back to the other earnings per share impact, I'll now focus on our operating and maintenance costs, which decreased margin about \$0.07 per share. Our Electric segment O&M saw increased operating cost of about \$3.8 million. This increase was primarily due to regulatory adjustments made in the second quarter of 2011 related to our 2011 Missouri rate case, increased pension and retiree healthcare expenses, increased transmission operating expenses and increased cost due to the recognition of previously deferred Iatan 2 and Plum Point operating expenses.

As a reminder, the increased pension and retiree healthcare costs and the Iatan 2 and plum point costs were included in our June 2011 customer rate. Maintenance expenses were relatively unchanged in total compared to the 2011 quarter. On the Gas side of our business, operating and maintenance costs increased only slightly with very little impact on earnings per share.

Moving onto depreciation and amortization. Overall changes increased earnings per share about \$0.03 during the quarter. Our Electric segment depreciation and amortization decreased approximately \$1.8 million, due primarily to the reduction in the regulatory amortization that was granted under our Missouri Regulatory Plan. We recorded approximately \$3 million of this regulatory amortization in the second quarter of 2011 and this amortization ceased in June 2011 when our latest Missouri customer rates became effective. This was offset by increased depreciation from additional Electric segment plant in service, when compared to the 2011 period. Our Gas segment depreciation was relatively unchanged during the quarter.

On a company-wide basis, interest expense was relatively flat during the quarter compared to last year. We reduced our long-term debt interest expense about \$1 million due to refinancing of approximately \$88 million of debt at a more favorable interest rate. This reduction was offset by a reduction in deferred construction carrying charges that we recorded for Iatan 2 under our Missouri Regulatory Plan. These carrying charges which reduced interest cost during 2011 ended June 15, 2011, when we began recovering the cost of the plant in customer rates.

Moving onto slide six, I'll briefly go over the 12 months after tax earnings per share reconciliation. Again, for those of you who don't have the slides this information is also in our press release. Earnings for the 12 month period ending June 30, 2012 were \$1.29 per share, this compares with \$1.26 per share for the previous 12 month period. Again looking at the reconciliation beginning with the 12 months ended June 30, 2011, earnings of \$1.26, we saw increase in total gross margin of \$0.32 per share during the 12 month period.

Increased operating and maintenance expense brought earnings per share down about \$0.24. Reduced depreciation and amortization, again primarily due to the reduction of regulatory amortization, added about \$0.11.

Increased property and municipal franchise taxes reduced earnings approximately \$0.09. Interest expense reduced earnings another \$0.05, again due to the ending of Iatan 2 carrying charges. The change in AFUDC brought earnings per share down \$0.02, other income and deductions added approximately \$0.01 to earnings and the dilutive effect of common stock issued during the period brought earnings per share down about a penny.

On slide seven, we once again breakout the factors that drove the change in gross margin. As you can see from the slide, the positive effects of rate increases were offset by decreased sales volume due to the winter weather impacts and reduced customer accounts caused by the tornado. Electric rate increases added revenues of \$36.8 million or an estimated margin impact of \$0.56 per share. Weather impacts decreased revenues an estimated \$13.9 million or \$0.15 in margin impact per share. Decreased customer accounts from the tornado reduced revenues approximately \$7 million or \$0.08 per share, when comparing the two 12-month period. Miscellaneous items added about \$0.03 per share to margins.

Our total electric fuel and purchased power expenses, again which are reflected in the margin impacts I just discussed were down approximately \$16.2 million. Overall our electric margin increased for the 12 month period of 2012 by approximately \$23 million.

Turning to the Gas segment, our gas margin declined an estimated \$0.04 per share during this period compared to last period. Gas revenues were also negatively impacted by the mild winter weather during the fourth quarter of 2011 and the first quarter of 2012 and decreased approximately \$8.6 million when compared to the two 12 months period.

I'll take just a moment to update you on a couple of balance sheet items. Our retained earnings balance at June 30 is \$33.1 million. As to our liquidity position, we had \$17.9 million outstanding related to short-term debt borrowing out of the \$150 million in capacity as of June 30 and we are at about \$12.5 million outstanding today.

Now I'd like to update you on our financing activities. On June 1, we completed the second settlement of \$50 million related to our private placement of \$88 million principal amount of 3.58% series first mortgage bonds which are due 2027. The first settlement of \$38 million had occurred on April 2, 2012. These proceeds were used to refinance higher interest rate debt.

We expect our internally generated funds and commercial paper borrowings, which are supported by our credit facility, to be sufficient to meet our construction financing needs through the remainder of this year. We plan to refinance our current maturity of \$98 million of long-term debt prior to its June 1 maturity date. Our future needs will be met with debt and equity to maintain an approximate 50-50 mix, as has been our practice in the past.

From a credit rating standpoint, Fitch ratings affirmed our ratings since our last call.

And finally, the updated full-year 2012 earnings guidance range of \$1.13 to \$1.27 per share we provided during our April call remains unchanged. Our range update continues to assume our service territory's 30 year average weather and relatively flat customer growth outside the tornado area through the remainder of the year.

In addition, the other factors that may impact earnings include the speed of recovery in the tornado area and unanticipated or unplanned events that may impact operating and maintenance costs.



I'll now turn the presentation back to Brad.

Bradley P. Beecher

President & Chief Executive Officer, Empire District Electric Co.

Thank you, Laurie. The second quarter was active for our regulatory staff. On May 18, we filed with the Federal Energy Regulatory Commission or FERC proposed revisions to our Open Access Transmission Tariff to implement a cost based transmission formula rate to become effective August 1. We expect FERC to issue an order on this filing before the end of the month.

On May 21, we filed to increase rates for our water customers. The requested annual increase is \$516,000 or about 29.6% and includes increases in utility plan investment, as well as increases in operating and maintenance expenses. Our current water rates became effective in February 2006. We filed this request under the small-company rule, so there is not a definite procedural schedule. New rates could be in effect as early as the 1 of December 2012.

We filed a request for new Missouri electric rates on July 6. We have requested an annual increase in base rate revenues of approximately \$30.7 million. Combined with the recent decrease in the Fuel Adjustment Clause revenue of \$8.6 million this results in a net impact to customers of \$22.1 million or about 5.3%. In this filing, we are asking for recovery primarily surrounding five areas, the majority of which are the result of outside events, including the tornado and other regulatory mandates and requirements.

First, we are seeking recovery of operation and maintenance expenses and capital costs associated with the May 22 tornado, as well as increased cost of service post-tornado due to the decrease in customers. A total of \$6.2 million of this case is associated with the tornado.

Second, the FERC has encouraged development of new transmission lines to better facilitate power markets in the development of renewable energy. Though none of the new lines are located within our geographic footprint, we are allocated a share of their cost. As such, we have included in this case expenses for our increased allocation of Southwest Power Pool transmission charges associated with construction of new transmission within the pool.

Third, we have included additional vegetation management costs beyond those currently in permanent rates associated with Missouri Public Service Commission's rulemaking, which require us – requires us to inspect and trim trees every four years in urban areas and every six years in rural areas.

Fourth, we're asking for new depreciation rates. As you may recall, our plans are to retire the coal-fired units Riverton 7 & 8 instead of undergoing costly retrofits due to EPA regulations. The request for change in ongoing depreciation includes the recognition of increased depreciation expense on Riverton unit 7 & 8 to align their depreciation schedule with their expected retirement date in 2016.

Fifth, we are also asking to recover our ERP system replacement expenses. We're installing new software systems as our existing systems are approaching the end of their useful lives and vendor support is no longer offered.

We are also asking to continue the use of the Fuel Adjustment Clause. This allows us to adjust customer bills twice each year on June 1 and December 1 based on the varying cost of fuel used to generate electricity at our generating facilities and electric energy we purchase on behalf of our customers.

We asked the Commission to implement the \$6.2 million portion of the case related to tornado costs and post-tornado cost of service through interim rates effective 30 days after filing. The Missouri Public Service



Commission did not allow the interim tariffs to go into effect, but instead suspended the tariffs until December 3. We're working on the procedural schedule for this interim portion of the case and would expect hearings during September. We anticipate any new permanent rates resulting from the case approved by the Missouri Public Service Commission would not become effective until June 2013.

As I mentioned earlier, work continues on our installation of our new ERP system. The human resource and payroll module was implemented on July 23, the financial asset management and work management packages are in the midst of interface testing. The financial system is expected to go live October 1.

As Laurie mentioned, tornado recovery continues across the entirety of our system. We're down about a 1,100 customers from pre-tornado levels. Mercy Hospital has now opened a component hospital that will serve the community until the new Mercy Hospital, which is now under construction, is completed in 2015.

The City of Joplin has as the result of input by the Citizens Advisory Recovery Team engaged a master developer, Wallace Bajjali Development Partners of SugarLand, Texas. They proposed 12 potential projects that would total about \$800 million in investment if they are all constructed. The projects include housing, a new arts and entertainment center, a new library and movie theater complex, a medical office building and a few others. They envision funding these projects through public-private partnership.

Work is underway to implement the compliance plan and strategy contained in our most recent IRP. The plan was developed to ready our generation facilities to comply with the forthcoming environmental regulations and will allow us to meet the Mercury Air Toxics Standard or MATS that became effective on April 16, 2012 and requires compliance by April 2015.

Due to favorable natural gas prices and the pending MATS requirements, we are transitioning our Riverton Power Plant's Units 7 and 8 from operation on coal to full operation on natural gas by the end of 2012 when we will have depleted our coal inventory at the plant. Riverton Units 7 and 8 along with Riverton Unit 9, a small combustion turbine that requires startup steam from Unit 7 or 8 will be retired upon the conversion of Riverton Unit 12, a simple cycle gas turbine to combined cycle configuration. This conversion is currently scheduled to be completed in 2016.

While our plan was to retire the Riverton coal units, our plan included a retrofit at our Asbury coal plant. We have begun the installation of scrubber, fabric filter, and powder activated carbon injection system in Asbury. The addition of this air quality control equipment is expected to be complete by early 2015 at a cost ranging from \$112 million to \$130 million excluding AFUDC. The addition of this air quality control equipment will require the retirement of Asbury Unit 2, an 18 megawatt steam turbine that is currently used for peaking purposes.

Finally, we will be developing and filing a new IRP in 2013.

On a positive front, we have two new businesses expanding in the Joplin Crossroads Industrial Park, Coca-Cola is establishing a regional distribution warehouse and Don's Cold Storage will add 35 new jobs and an estimated 2.2 megawatts in peak demand.

We also have a new look and feel to our website. I encourage you to visit us at www.empiredistrict.com. On the Investors tab, you will find the presentation associated with this call as well as PDF versions of our most recent SEC filings.

I will now turn the call back to the operator for your questions.



QUESTION AND ANSWER SECTION

Operator: Thank you. Ladies and gentlemen, we'll now conduct the question-and-answer session. [Operator Instructions Your first question comes from Jim von Riesemann from UBS. Please go ahead. Jim D. von Riesemann Analyst, UBS Securities LLC Hey, guys. How are you? Bradley P. Beecher President & Chief Executive Officer, Empire District Electric Co. Good, fine Jim. Good afternoon. Jim D. von Riesemann Analyst, UBS Securities LLC Good afternoon. Can you – at the end Brad, you were mentioning a lot of stuff about the Riverton and the Unit 9 and retiring those units. Could you start us out with what the latest rate base numbers are? And then maybe what you expect that rate base number to be by the time Riverton 9 retire? Do you have those handy? Kelly S. Walters Chief Operating Officer-Electric & Vice President, Empire District Electric Co. Jim, this is Kelly Walters. I'm Vice President and COO with the company. From a rate base perspective for Riverton 7, 8, and 9, we would be looking at plant and service led to cumulative depreciation. There will be some impact there as far as if not completely depreciated, but there won't be a large impact to rate base as a result of using the net for that. Does that help? Jim D. von Riesemann Analyst, UBS Securities LLC So, do you have any actual numbers on in terms of what - say call it June 30, 2012 rate base figures were and maybe where you expect that rate base number to be just for the company as a whole, call it 2016, 2014? Kelly S. Walters Chief Operating Officer-Electric & Vice President, Empire District Electric Co. I don't have that level of detail through 2016. Laurie, would you have any information on that? Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co. Jim, you're trying to get at what the rate base values are for those... Jim D. von Riesemann Analyst, UBS Securities LLC Not [indiscernible] (27:28) I'm actually asking, what's your current rate base and what do you expect your rate base to be call it by 2014 or out to 2016 when you know number nine is retired for the consolidated company?

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Kelly S. Walters Chief Operating Officer-Electric & Vice President, Empire District Electric Co. For this year, Jim, I can tell you that the rate base number is not significantly different than it was in the latthat we filed. What we did was we projected rate base through the end of year for our rate case filing and the padditions was mainly offset by bonus depreciation that is in the cumulative deferred income tax.	
Jim D. von Riesemann Analyst, UBS Securities LLC	Q
Okay.	
Kelly S. Walters Chief Operating Officer-Electric & Vice President, Empire District Electric Co.	A
For 2012, I can help you with that number.	
Jim D. von Riesemann Analyst, UBS Securities LLC	0
So what's that number going to be?	
Kelly S. Walters Chief Operating Officer-Electric & Vice President, Empire District Electric Co.	А
Just give me one second.	
Jim D. von Riesemann Analyst, UBS Securities LLC	0
Okay.	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	Д
Jim, while Kelly is getting that together, to get to the 2016 level will be our total projected capital expen-	ditures
Jim D. von Riesemann Analyst, UBS Securities LLC	0
Right.	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	Д
Our annual depreciation of course.	
Jim D. von Riesemann Analyst, UBS Securities LLC	0
In terms of percentage growth, how do you think about rate base growing between now and then?	



VP, Chief Financial & Accounting Officer, Empire District Electric Co.

Laurie A. Delano

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And then less our deferred taxes. Again, we don't really have that projected number in front of us, but I think if you add up all of our projected capital expenditures, you're going to get about 500 to 600...

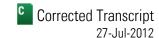
Bradley P. Beecher President & Chief Executive Officer, Empire District Electric Co.	A
5% to 6%	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	A
5% to 6% increase.	
Jim D. von Riesemann Analyst, UBS Securities LLC	Q
Okay. Second question, while Kelly is still looking at some of that up is weather had a \$15 trailing 12 months. Can you tell – that's \$0.23 a share, so can you tell me what it was for just of this year?	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	A
For the first six months of this year	
Jim D. von Riesemann Analyst, UBS Securities LLC	0
Correct.	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	А
Where we are behind normal weather?	
Jim D. von Riesemann Analyst, UBS Securities LLC	Q
Exactly.	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	A
Okay. We estimate that number to be about \$0.11.	
Jim D. von Riesemann Analyst, UBS Securities LLC	0
\$0.11?	
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co. On a year-to-date basis.	A

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Jim D. von Riesemann Analyst. UBS Securities LLC	0	
Okay. Very helpful. And then just I guess the last question is going to be on financing from the dividend and the dividend reinvestment program. Can you just refresh our memories as to what your plans are now that you've had a dividend reinstated for three quarters? You're going to turn on the DRIP again?		
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	A	
Yes. It's already – it never was off, it's already on.		
Jim D. von Riesemann Analyst, UBS Securities LLC	Q	
Okay.		
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	A	
We didn't mention any of that. So that's in place again and		
Jim D. von Riesemann Analyst, UBS Securities LLC	Q	
What was that dollar amount?		
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co.	A	
I think if you look at what we've experienced so far this year, it's about \$5 m double that and be	illion, so I think it would just about	
Jim D. von Riesemann Analyst, UBS Securities LLC	Q	
Okay. So run rate – basically a run rate of \$10 million a year for the DRIP?		
Laurie A. Delano VP, Chief Financial & Accounting Officer, Empire District Electric Co. Right.	A	
Jim D. von Riesemann	\cap	
Analyst, UBS Securities LLC Got it. That's all I had.	Q	
Kelly S. Walters Chief Operating Officer-Electric & Vice President, Empire District Electric Co.	A	
And our Missouri jurisdictional rate base and the test year is about \$1 billion.		
Jim D. von Riesemann Analyst, UBS Securities LLC	Q	

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Great. Thank you.

Bradley P. Beecher

President & Chief Executive Officer, Empire District Electric Co.

Thank you, Jim.

Operator: [Operator Instructions] There are no further questions at this time. Please continue.

Bradley P. Beecher

President & Chief Executive Officer, Empire District Electric Co.

Thank you for your time today. We appreciate the opportunity to present our information and answer your questions. Have a great afternoon.

Operator: Ladies and gentlemen, this concludes the conference call for today. Thanks for participating. You may now disconnect your lines.

Disclaime

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