The Empire District Electric Company Earnings Presentation



First Quarter and Twelve Months Ending March 31, 2014

May 2, 2014

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Forward Looking Statements

Certain matters discussed in this presentation 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 or may address future plans, objectives, expectations and events or conditions concerning various matters such as capital expenditures, earnings, pension and other costs, competition, litigation, our construction program, our generation plans, our financing plans, potential acquisitions, rate and other regulatory matters, liquidity and capital resources and accounting matters. Forward-looking statements may contain words like "anticipate", "believe", "expect", "project", "objective" or similar expressions to identify them as forward-looking statements. Factors that could cause actual results to differ materially from those currently anticipated in such statements include:

- > weather, business and economic conditions and other factors which may impact sales volumes and customer growth;
- the costs and other impacts resulting from natural disasters, such as tornados and ice storms;
- the amount, terms and timing of rate relief we seek and related matters;
- the results of prudency and similar reviews by regulators of costs we incur, including capital expenditures, fuel and purchased power costs, including any regulatory disallowances that could result from prudency reviews;
- > unauthorized physical or virtual access to our facilities and systems and acts of terrorism, including, but not limited to, cyber-terrorism;
- legislation and regulation, including environmental regulation (such as NOx, SO₂ mercury, ash and CO₂) and health care regulation;
- > the periodic revision of our construction and capital expenditure plans and cost and timing estimates;
- > costs and activities associated with markets and transmission, including the Southwest Power Pool (SPP) regional transmission organization (RTO) transmission development and SPP Day-Ahead Market;
- the impact of energy efficiency and alternative energy sources;
- electric utility restructuring;
- > rate regulation, growth rates, spending rates, terminal value calculations and other factors integral to the calculations utilized to test the impairment of goodwill, in addition to market and economic conditions which could adversely affect the analysis and ultimately negatively impact earnings;
- volatility in the credit, equity and other financial markets and the resulting impact on our short term debt costs and our ability to issue debt or equity securities, or otherwise secure funds to meet our capital expenditure, dividend and liquidity needs;
- the effect of changes in our credit ratings on the availability and cost of funds;
- > the performance of our pension assets and other post employment benefit plan assets and the resulting impact on our related funding commitments;
- > our exposure to the credit risk of our hedging counterparties;
- > the cost and availability of purchased power and fuel, including costs and activities associated with the SPP Day-Ahead Market, and the results of our activities (such as hedging) to reduce the volatility of such costs;
- interruptions or changes in our coal delivery, gas transportation or storage agreements or arrangements;
- > operation of our electric generation facilities and electric and gas transmission and distribution systems, including the performance of our joint owners;
- changes in accounting requirements;
- costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- performance of acquired businesses; and
- other circumstances affecting anticipated rates, revenues and costs.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time and it is not possible for management to predict all such factors or to assess the impact of each such factor on us. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

We caution you that any forward-looking statements are not guarantees of future performance and involve known and unknown risk, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the facts, results, performance or achievements we have anticipated in such forward-looking statements.

First Quarter 2014 Summary

	1st Quarter 2014	1st Quarter 2013	Twelve Months Ended March 31, 2014	Twelve Months Ended March 31, 2013
Net income (in millions)	\$20.9	\$12.6	\$71.7	\$58.5
Earnings Per Share	\$0.48	\$0.30	\$1.67	\$1.38

Highlights

- ➤ Coldest first quarter temperatures in over 30 years
- > 7.6% increase in quarter over quarter kilowatt hour sales
- > Full year of higher Missouri electric customer rates
- ➤ Increased operating, maintenance, depreciation and amortization, and property tax costs
- ➤ Transition to Southwest Power Pool (SPP) Integrated Marketplace, effective March 1

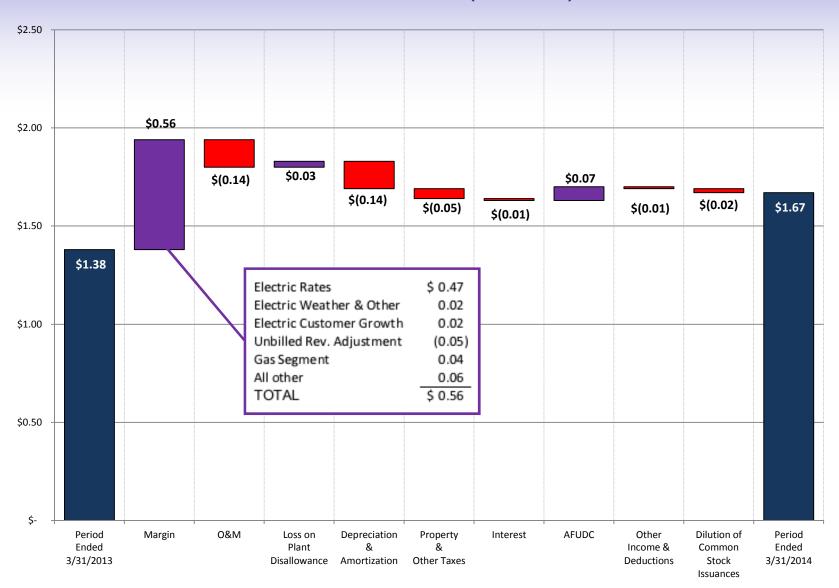
1st Quarter 2014 Earnings Reconciliation

Consolidated EPS after tax increase (decrease)



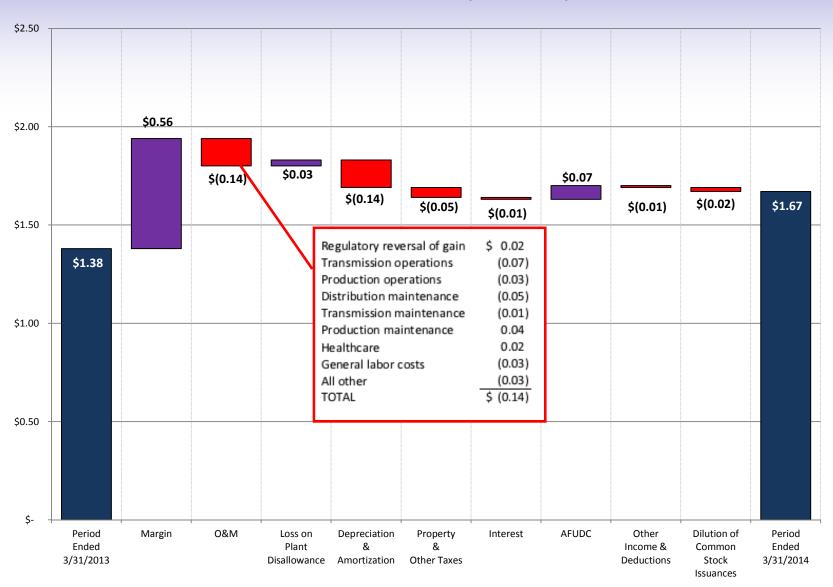
3/31/2014 TME Earnings Reconciliation

Consolidated EPS after tax increase (decrease)



3/31/2014 TME Earnings Reconciliation

Consolidated EPS after tax increase (decrease)



Capital Investment Projects



Planned Riverton Addition (artist rendition)

Exterior of new Asbury Baghouse Nearing Completion



Regulatory Activity

- Missouri Public Service Commission (MPSC) deems Integrated Resource Plan (IRP) substantially complete
- MPSC grants motion to suspend Missouri Energy Efficiency Investment Act (MEEIA) demand-side management portfolio filing pending further technical and financial review
- Federal Energy Regulatory Commission (FERC) directs North American Electric Reliability Corporation (NERC) to develop reliability standards to address physical security risks
- Arkansas rate case proceeding
- U. S. Supreme Court reverses lower court decision on Cross-State Air Pollution Rule (CSAPR)

Long-Term Strategy

- Remain high quality, pure-play, regulated electric and gas utility
- Manage favorable energy supply portfolio
- > Ensure constructive regulatory relationships
- Experienced management team
- Continue low-risk rate base growth plan

Making lives better every day with reliable energy and service.

