

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Empire District Electric Company,)
Liberty Utilities (Central) Co. and Liberty Sub Corp.) Case No. EM-2016-0213
Concerning an Agreement and Plan of Merger and)
Certain Related Transactions.)

AMENDED STIPULATION AND AGREEMENT
AS TO DIVISION OF ENERGY AND RENEW MISSOURI

COME NOW The Empire District Electric Company (“Empire”), Liberty Utilities (Central) Co. (“LU Central”), and Liberty Sub Corp. (sometimes collectively hereinafter “Joint Applicants”), and the Missouri Division of Energy (“DE”) and Earth Island Institute d/b/a Renew Missouri (“Renew Missouri”), by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) rule 4 CSR 240-2.115, request that the Commission approve this agreement as a settlement of DE and Renew Missouri’s issues relevant to the Joint Application filed by Empire, LU Central and Liberty Sub Corp.

The Signatories hereto agree as follows:

The Signatories hereto recommend that the Commission approve the proposed Transaction subject to the following conditions:

- (1) **Demand-side management (“DSM”) programs.** Empire will work with DE, the Staff of the Commission (“Staff”), the Office of the Public Counsel (“OPC”) and other parties through the existing DSM Advisory Group to review and consider the viability of adopting additional energy efficiency programs for its customers. Within one year of the Commission’s finding of substantial compliance of the Empire Integrated Resource Plan that follows Commission approval of a Statewide Technical Reference Manual (TRM), Empire will develop and submit an application for approval of a portfolio of DSM programs under the Missouri Energy Efficiency

Investment Act (MEEIA), so long as any such portfolio is a part of Empire's adopted preferred resource plan in its Integrated Resource Plan, or has been analyzed through the integration process required by 4 CSR 240-22.060, and the portfolio and any DSIM submitted in the application is fully compliant with the MEEIA statute and applicable regulations.

(2) **Combined Heat and Power ("CHP").** Within one year of the completion of the merger transaction, Empire will assist DE and the US DOE Midwest CHP Technical Assistance Partnership ("CHP TAP") in completing an outreach effort for screening potential CHP customers within The Empire District Gas Company's ("EDG," a wholly owned subsidiary of Empire) service territory in Missouri. The screening tool to be provided by the CHP TAP is a survey to help determine if CHP is a good fit for the customers from a financial and technical perspective. Target sectors will include public, commercial, institutional and industrial facilities with consistent gas consumption throughout the year, indicative of consistent thermal load requirements. Example customers that may generally fit this profile include hospitals, large residential facilities such as nursing homes and correctional facilities, universities, and food manufacturers. Those surveyed customers with favorable evaluations will be encouraged to take the next step of contacting the CHP TAP for follow-up technical assistance services, which could include a more detailed CHP feasibility study. Detailed process/roles are as follows:

- (i) Empire will utilize its knowledge of the EDG service territory and customers to develop a list of customers in the target sectors territory-wide, with outreach occurring beyond the form of a bill insert. Empire will review the types of customers and number of customers of each type in the target sectors with the EDG Demand Side Management

Advisory Group (“DSMAG”). The DSMAG will be able to provide feedback regarding the types and number of customer’s identified, as well as how to optimize outreach efforts.

- (ii) CHP TAP/DE will provide Empire with an educational packet explaining CHP and a tailored CHP Screening Survey tool, to include explanation of the use that will be made of the customer data.
- (iii) Empire will email or mail and personally follow up by phone with customers to encourage completion of the survey, and, if requested, will assist customers with obtaining past billing information.
- (iv) Interested customers will complete the CHP Screening Survey tool and email or mail them to CHP TAP.
- (v) CHP TAP will score the surveys and share the results with surveyed customers, and offer those who “scored well” a follow-up conversation to discuss next steps and other available CHP TAP services, which could include a more detailed CHP feasibility study.
- (vi) CHP TAP will provide Empire with a survey report, with information aggregated to a level that does not disclose customer-specific information.
- (vii) Empire will share the report with interested stakeholders, including Staff, the Office of the Public Counsel and DE.
- (viii) If Empire determines that the requirements of this provision cannot be reasonably completed without additional CHP TAP assistance, Empire will ensure CHP TAP has complied with all statutes and Commission

rules regarding the handling of confidential information prior to releasing any customer specific information to CHP TAP.

- (3) Any recovery of third party or non-reoccurring costs associated with the Combined Heat and Power survey will not exceed five-thousand dollars (\$5,000).
- (4) Microgrid Industrial Consortium. Within six (6) months following the completion of the Transaction and the publication of best practices recommendations for microgrid interconnection by the Missouri University of Science and Technology's Microgrid Industrial Consortium, Empire will meet with DE to consider a microgrid interconnection strategy consistent with the best practices recommendations of the Microgrid Industrial Consortium.
- (5) Empire will review and consider the viability of offering a community solar or solar subscription program that provides its customers with the option of purchasing blocks of electricity generated from solar installations constructed and/or owned by Empire within the state of Missouri. Empire will solicit input and feedback on proposals and will work with Staff, OPC, DE, Renew Missouri, and other interested stakeholders to design a successful customer solar program, with the goal of submitting a formal proposal to the Commission within one year of the completion of the Transaction.

General Provisions

- A. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without

prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.

- B. This Stipulation is being entered into for the purpose of disposing of DE and Renew Missouri's issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.
- C. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement.

- D. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.
- E. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-filed testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand.
- F. Except as otherwise addressed in this Stipulation, Commission approval of the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses,

revenues and/or other ratemaking findings, regarding Empire's operations in a future rate proceeding.

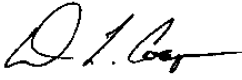
- G. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire as contemplated by the Agreement and Plan of Merger is reasonable and not detrimental to the public interest and respectfully request that the Commission approve this Amended Stipulation and Agreement subject to the conditions

contained herein.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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