

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of The Empire)
District Electric Company, The Empire District)
Gas Company, Liberty Utilities (Midstates Natural) Case No. AO-2018-0179
Gas) Corp., and Liberty Utilities (Missouri Water))
LLC for an Affiliate Transactions Rule Variance.)

**MOTION FOR ADDITIONAL TIME, REQUEST FOR EXPEDITED TREATMENT,
AND REQUEST FOR RULING**

COME NOW the applicants, The Empire District Electric Company, The Empire District Gas Company, Liberty Utilities (Midstates Natural Gas) Corp., and Liberty Utilities (Missouri Water) LLC, and in support of their Motion for Additional Time, Request for Expedited Treatment, and Request for Ruling, respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. On April 12, 2019, Staff and the Applicants submitted a List of Issues herein. The only issue presented is:

Should the Commission grant the Applicants a variance from sections 4 CSR 240-20.015(3)(A) and 4 CSR 240-40.015(3)(A), the bidding requirements of the Commission’s electric and gas affiliate transaction rules?

2. Also on April 12, 2019, the Office of the Public Counsel submitted its own List of Issues, asserting that the following six issues should be tried to and decided by the Commission in this matter:

1. Have The Empire District Electric Company, The Empire District Gas Company, and Liberty Utilities (Midstates Natural Gas) Corp shown good cause for the Commission to grant them variances from the bidding requirements of the Commission’s affiliate transactions rules (4 CSR 240-20.015(3)(A) and 4 CSR 240-40.015(3)(A)) for the purpose of them joining and participating in LUCo’s money pool with its regulated subsidiaries?

2. Do the terms of Section 1.07(b) of LUCo’s money pool agreement with its regulated subsidiaries for allocating to the Applicants specific costs of

their affiliate LUCo's credit lines that may fund that money pool comply with the Commission's affiliate transactions rules standards which require that "[a] regulated electrical [or gas] corporation shall not provide a financial advantage to an affiliated entity" (4 CSR 240-20.015(2)(A) and 4 CSR 240-40.015(2)(A))?

3. Are the terms of Sections 2.01 and 2.06 of LUCo's money pool agreement with its regulated subsidiaries sufficiently vague that how LUCo may select the basis for charging operational money pool costs and the method to determine its costs provides a preference to LUCo that does not comply with the Commission's affiliate transactions rules standards which require that "[e]xcept as necessary to provide corporate support functions, the regulated electrical [or gas] corporation shall conduct its business in such a way as not to provide any preferential service, information or treatment to an affiliated entity over another party at any time (4 CSR 240-20.015(2)(B) and 4 CSR 240-40.015(2)(B))"? Will any increased interest, investment revenues or decreased borrowing costs to The Empire District Electric Company, The Empire District Gas Company, and Liberty Utilities (Midstates Natural Gas) Corp due to their participation in LUCo's money pool with its regulated subsidiaries benefit their captive retail customers? Will interest, investment revenues be offset by LUCo's money pool expenses?

4. Have The Empire District Electric Company, The Empire District Gas Company, Liberty Utilities (Midstates Natural Gas) Corp, and Liberty Utilities (Missouri Water) LLC complied with the Commission's rules and orders since they became subsidiaries of Algonquin Power & Utilities Corp.?

5. Does LUCo's money pool agreement with its regulated subsidiaries address the Applicants' record-keeping requirements and access to LUCo's books and records for the Commission to ensure compliance with the Commission's affiliate transactions rules as expressed in rules 4 CSR 240-20.015(5)&(6) and 4 CSR 240-40.015(5)&(6)?

6. Is The Empire District Electric Company complying with the following conditions the Commission imposed on it in Case No. EM-2016-0213:

- a. Empire will not obtain financing services from an affiliate unless such services comply with Missouri's Affiliate Transaction Rules 4 CSR 240-20.015 and 4 CSR 240-40.015;
- b. "Empire shall maintain corporate officers who have a fiduciary duty to Empire"; and
- c. "Empire shall maintain its own board of directors with a majority of non-management independent directors?"

3. The issue presented by Staff and the Applicants and OPC's Issue No. 1 are essentially the same. The Applicants, however, object to OPC Issue Nos. 2-6 being made a part of this proceeding at this time.
4. With their original application, the Applicants sought two variances from the Commission's affiliate transaction rules with regard to what is known as a "money pool." At this time, and pursuant to the Nonunanimous Stipulation and Agreement filed herein by Staff and the Applicants, the Applicants are seeking only a variance regarding competitive bidding requirements in relation to the money pool. At no time did the Applicants request approval of the money pool as a whole.
5. Applicants believe that OPC Issue Nos. 2-6 are irrelevant. Additionally, making these issues a part of the Applicants' variance request proceeding would improperly shift the burden of proof. Lastly, the addition of these issues at this time would interfere with the Applicants' due process rights.
6. Positions statements are currently due herein by April 18, 2019. This date was established when the hearing was scheduled for April 25, 2019. The hearing has been cancelled, and a new hearing date has not yet been set.
7. In order to properly prepare and submit a Positions Statement in this matter, the Applicants need to know what issues will be tried to and decided by the Commission in this matter. The Applicants seek an expedited ruling only as to the Motion for Additional Time and Request for Expedited Treatment.
8. The Applicants filed their Motion for Additional Time and Request for Expedited Treatment as soon as possible after OPC filed its separate Issues List, and no harm will result from the granting of the Motion for Additional Time. The Applicants are not seeking

a delay in the processing of this case and request that this matter be set for an evidentiary hearing just as soon as possible (taking the parties' conflict dates into consideration).

WHEREFORE, the Applicants request expedited treatment and an order extending the due date for the filing of positions statements in this matter until after the Commission establishes the issues to be tried and determined herein. The Applicants request such other and further relief as is just and proper under the circumstances.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

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CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document was filed in EFIS on this 17th day of April, 2019, with notice of the same being sent to all counsel of record.

/s/ Diana C. Carter