

**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) EM-2016-0213
Concerning an Agreement and Plan of Merger and)
Certain Related Transactions)

NOTICE OF COMMUNICATION

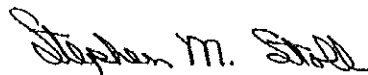
Issue Date: August 16, 2016

This notice is being filed on behalf of all the Commissioners at the Missouri Public Service Commission ("Commission") along with the attached letter we received from Mark J. Rhoads of The Rhoads Company, LLC, regarding the above referenced case.

The Commission has promulgated rules denoted as the "Standards of Conduct" at 4 CSR 240-4.010 and 4.020. Section 4 CSR 240-4.20 specifically deals with Ex Parte and Extra-Record Communication Rules. This notice is filed in conformance with the rule.



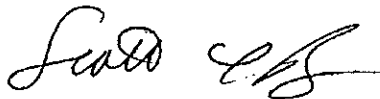
Daniel Y. Hall
Chairman



Stephen M. Stoll
Commissioner



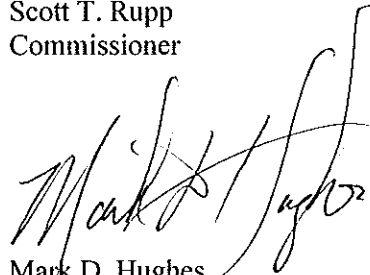
William P. Kenney
Commissioner



Scott T. Rupp
Commissioner



Maida J. Coleman
Commissioner




Mark D. Hughes
Adviser to Commissioner Stoll



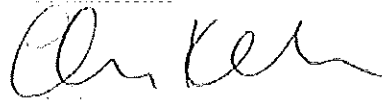
Rachel M. Lewis
Advisor to Commissioner Kenney



Amy E. Moore
Advisor to Chairman Hall



Rachel G. Hassani
Advisor to Commissioner Rupp



Charlene R.M. Ketchum
Advisor to Commissioner Coleman

Dated at Jefferson City, Missouri
On this 16th day of August, 2016

Mark J. Rhoads
P.O. Box 1162
Jefferson City, MO 65102-1162
Phone: (573) 635-0505
Fax: (573) 761-4285



Overnight
112 East High Street
Jefferson City, MO 65101

The Rhoads Company, LLC Government Relations

August 9, 2016

The Honorable Daniel Y. Hall
Chairman, Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65101

Hand Delivered RE: Algonquin / Empire District Electric Company Merger
Case No=EM-2016-0213

Dear Chairman Hall:

I write to you on behalf of my father, Glenn D. (Tom) Rhoads, a pensioner with Empire District Electric Company. Dad worked as a lineman and crew supervisor for Empire District for 38 years and retired in 1998. He is currently 88 years of age and relies heavily upon the monthly pension that he receives from Empire District.

As you prepare for the formal evidentiary hearing scheduled to begin on August 29, I wanted to express my concern that the merger, if approved, could have the serious consequence of impacting my father and hundreds of other Empire District pensioners. As my sister, brothers and I have looked at some of the public documents filed in this matter, we note that it is estimated that Algonquin will have negative retained earnings of approximately \$608 million post-merger.

We support the stipulation filed with the Commission on July 19 as to the IBEW 1464 and IBEW1474 which states that "Joint applicants will fully comply with, and not cause any amendment or termination of the Empire District Electric Company's Retirement Plan, including but not limited to the double Pay Credits provisions of the Cash-Balance formula (commonly referred to as the 'catch up' provisions."

Condition (4) of that stipulation states that "For a period of ten years, the Joint Applicants will continue to abide by all agreements currently in force related to employee healthcare for bargaining unit members from IBEW Local 1464 and 1474, unless there is an application of or amendment to the Affordable Care Act, that would impair the ability of Empire to provide the benefit or that substantially increases the cost to Empire of providing such benefits." This can be interpreted to relate to current employees of Empire and not to retirees who also receive healthcare benefits. It is our hope that the Commission will consider the same protections for retirees.

Keith Wilkins, a utility consultant representing the Empire District SERP Retirees, filed rebuttal testimony with the Commission on July 20, 2016. His testimony is that “the combined organization as a result of the proposed merger is a riskier business model than the stand-alone Empire business model”. He continues by stating that “In light of this, the SERP recipients are seeking additional measures to provide some security that they will continue to receive their earned and promised benefits.”

Mr. Wilkins summarizes the risk in his rebuttal testimony referencing the fact that an insolvency by Algonquin would place pensioners in the same class as unsecured creditors and requests that the Commission, if it approves the merger, establish a mechanism known as a “Rabbi Trust” as a vehicle for accumulating assets needed to pay pensioners promised benefits.

I would urge you and your colleagues to consider the well-being of all the elderly retirees of Empire District who dedicated their professional lives to building Empire District Electric Company into a corporation that is attractive enough to others wishing to purchase it. These retirees are individuals who have provided years of reliable electrical service to Missourians and were always there to restore service after ice storms, thunderstorms and even tornadoes. I ask for your favorable consideration of pension and healthcare benefits for Empire retirees. My father deserves protections that only the Missouri Public Service Commission can ensure.

I very much appreciate the opportunity to express our concerns.

Sincerely,


Mark J. Rhoads

Cc: Commissioner Steven M. Stoll
Commissioner William P. Kenney
Commissioner Scott T. Rupp
Commissioner Maida J. Coleman