

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

In the Matter of the Application of The Empire District )  
Electric Company, The Empire District Gas Company, )  
Liberty Utilities (Midstates Natural Gas) Corp., and )  
Liberty Utilities (Missouri Water) LLC for an Affiliate )  
Transactions Rule Variance. )

**Case No. AO-2018-0179**

**THE OFFICE OF THE PUBLIC COUNSEL’S LIST OF ISSUES**

**COMES NOW** the Office of the Public Counsel and, because the parties do not concur on a list of issues although they agree on the order of openings, witnesses and cross-examination, separately lists the issues it views are before the Commission in this case:

**LIST OF ISSUES**

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?”

Respectfully,

/s/ Nathan Williams

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 12<sup>th</sup> day of April 2019.

/s/ Nathan Williams