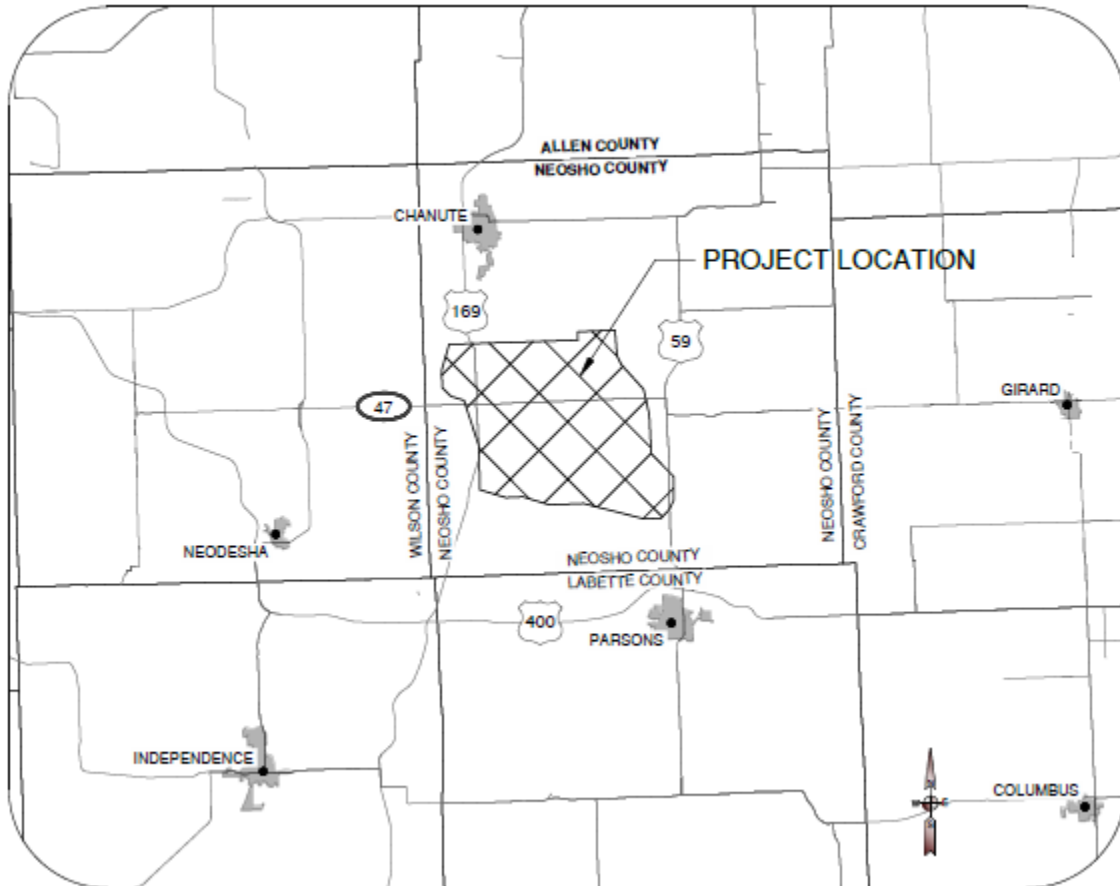


Neosho Ridge Wind Project

Neosho County, Kansas



Project Progress Report No. 1

April - June 2019

****Indicates Confidential** Pursuant to 20 CSR 4240-2.135(2)(A)5**

***HC*Indicates Highly Confidential*HC* Pursuant to 20 CSR 4240-2.135(4)**



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1.0 Summary

From a transaction perspective, this was an eventful period, with both Seller and Liberty Utilities achieving a number of contractual milestones. On the development front, significant progress was made on a number of the required permits, especially at the County level with the approval of the major agreements required for the project and the securing of the land for the project. Engineering during the report period consisted of geotechnical investigation and advancement of early stage design for all disciplines of the project.

2.0 Safety

No safety incidents to report at this time. More detailed reports regarding safety will be provided in the future as the construction phase commences.

3.0 Project Schedule

To date, most contractual milestones have been met by both the Seller and Liberty Utilities on or before the deadlines established by the Purchase and Sale Agreement (PSA) and associated amendments. Contractual milestones achieved during the report period are as follows:

- *Seller:*
 - *Achievement of Initial Milestone Satisfaction Date (including all associated documents/agreements) – April 17*
- *Liberty Utilities:*
 - *Achievement of Initial Milestone Satisfaction Date (including all associated documents/agreements) – April 17*
 - *Deliver draft FERC 203 application to Seller – March 29*

Contractual milestones missed during the report period are as follows:*HC*

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Contractual milestones to be achieved in the next report period (July - September 2019) and their deadlines are as follows: *HC*

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Both parties have made sufficient progress to achieve the milestones due in the next report period on or before their respective deadlines. The project is on track to achieve commercial operations on or before December 31, 2020; thereby receiving the full value of Production Tax Credits available to the project.

A more detailed schedule analysis will be provided in future reports following commencement of construction activities.

4.0 Development Activities

Development activities for the period were focused on primarily on land control and permitting at the Federal, State, and Neosho County level.

As of the end of this quarter, Seller has retained full site control to be able to construct the project. Optimization of the layout occurred during this reporting period and the current layout (layout #60) is believed to be near final with potential minor changes forthcoming. A landowner event is planned for late July/earlier August to introduce the layout and discuss question, comments, or concerns.

From a permitting perspective, Seller was able to obtain approval from the Neosho County Commissioners for four major agreements: 1) Road Use Agreement, 2) Decommissioning Agreement, 3) Contribution Agreement, and 4) Agreement Regarding Wind Project and Transmission Facilities; approval from the Commissioners came on 06.06.19 and the documents were fully executed on 06.19.19. These agreements allow the project use of the public road system in Neosho County which was critical for the project.

Seller was able to obtain the Determination of No Hazard (DNHs) from the FAA for the majority of the turbine locations with two additional locations expected to receive DNHs next quarter. As mentioned, Seller was not able to obtain written confirmation from the USFWS that an incidental eagle take permit is not required for the project; correspondence with the USFWS indicates that the decision to obtain an eagle take permit is at the discretion of the applicant and should be based on adequate field studies. As such a Bird and Bat Conservation Strategy (BBCS) is being developed by Seller and a second year of avian studies is being undertaken. Additional consultation with the Federal Communications Commission and

National Telecommunications Information Agency and corresponding reports has been undertaken with no concerns raised.

Various field level studies were undertaken and presented to both USFWS and Kansas Department of Wildlife, Parks and Tourism (KPWPT) including: wetland delineation reports, meads milkweed and spotted skunk surveys, field cultural surveys, eagle and bat habitat assessments, bat acoustics study, raptor nest surveys, avian use survey, phase I environmental site assessment; no major issues raised.

5.0 Construction Activities

Construction activities during the report period largely consisted of geotechnical investigations and engineering.

The potential EPC contractor has nearly completed the geotechnical investigation (99% complete) and have provided a draft geotechnical report. Engineering for the various disciplines has advanced as follows: 1) Structural (turbine foundations) – 90%, 2) Civil – 90%, 3) Electrical (Collection System) – 30%, 4) Substation – 30%, and 5) Transmission Line – 30%.

6.0 Project Cost Report

Project expenditures to date are ** _____ ** of the total budgeted expenditure of ** _____ **. There have been no increases to the anticipated total capital expense at completion. See the next page for a report detailing expenses by budget category

Neosho Ridge *HC*Confidential in its Entirety*HC*

7.0 Progress Photos

No photographs to share at this time.

Appendices