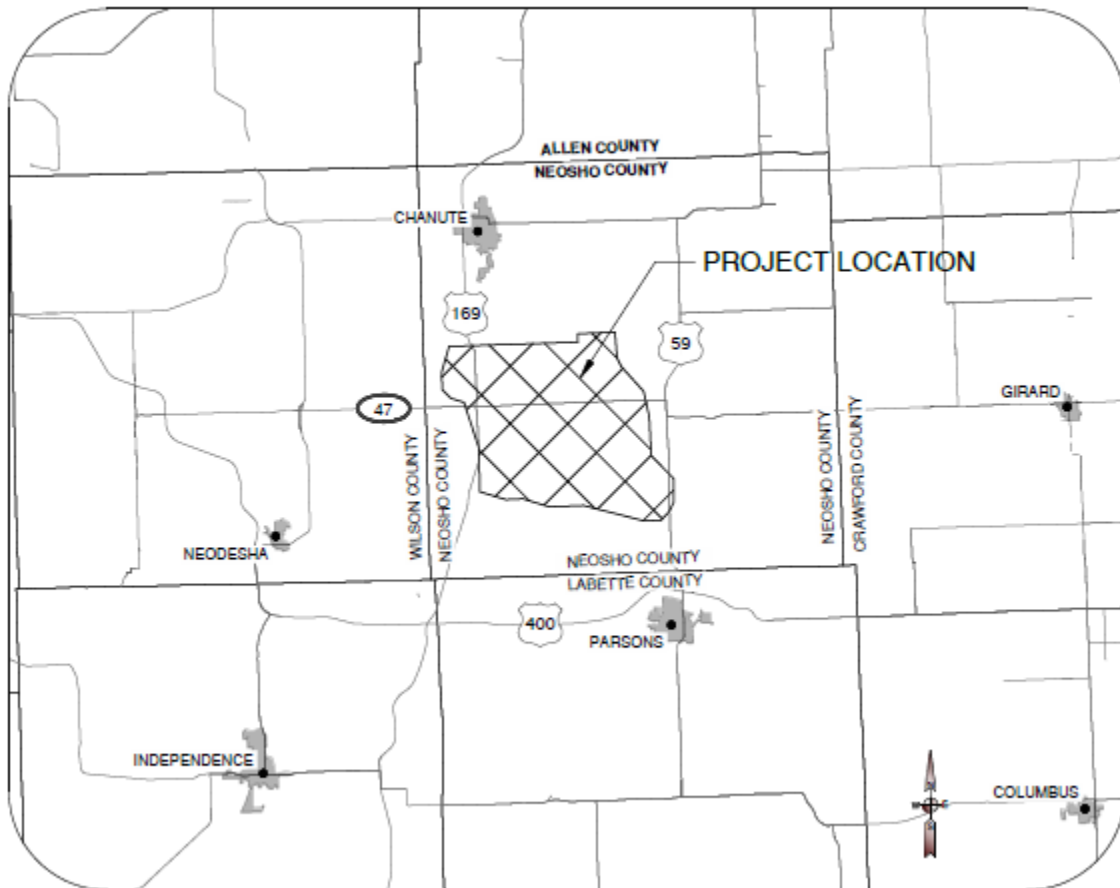


Neosho Ridge Wind Project

Neosho County, Kansas



Project Progress Report No. 3

September - October 2019

****Indicates Confidential** Pursuant to 20 CSR 240-2.135(2)(A)5**

***HC*Indicates Highly Confidential*HC* Pursuant to 20 CSR 240-2.135(4)**



*Liberty Utilities – Empire District
602 S. Joplin Ave.
Joplin, MO 64802*

Neosho Ridge Wind Project Project Progress Report No. 3

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1.0 Summary

The draft Interim Generator Interconnection Agreement (IGIA) was received from SPP along with the draft System Impact Study inclusive of the Westar Facility Study. Negotiations on the IGIA are currently underway with execution expected in December. Additionally, the Construction Financing, Tax Equity, and Hedge Agreements are all in near final form and are expected to be executed in November. From a development perspective, aside from construction related permits, all material permits for the Project are in place. Engineering continued to progress during the report period with many disciplines moving to late stage design or Issued for Construction (IFC).

Construction continues on-site and has progressed with the following activities to date:

- Trailer and services installed in laydown yard
- Public road improvements nearly complete, maintenance and repairs on-going
- Completed survey work for civil construction
- Turbine Access Roads
 - Stripping: 130,160' of 195,360' = 66.6%
 - Cement Stabilized: 82,130' of 195,360' = 42.0%
 - Stoned: 48,220' of 195,360' = 24.7%
- Turbine Foundations
 - Sites Stripped: 81 of 139 = 58.3%
 - Excavated: 20 of 139 = 14.4%
 - Mud Mats: 18 of 139 = 12.9%
 - Rebar Installation 8 of 139 = 5.8%
 - Poured: 5 of 139 = 3.6%

2.0 Safety

There were no safety incidents to report for this period. To date there has been one safety incident recorded for the Project; see below for list of safety statistics.

	Lost Time	Recordable	First Aid	Property Damage	Near Miss	Vehicle Incidents	Totals
This Period	0	0	0	0	0	0	0
Cumulative	0	0	0	0	0	1	1

3.0 Commercial Activities

3.1 Purchase and Sale Agreement

The Purchase and Sale Agreement between The Empire District Electric Company and Neosho Ridge Wind JV, LLC was executed on November 16, 2018 and includes eight amendments; the eighth amendment was executed on October 24th. The amendment accomplished the following: *HC*

HC

Contractual milestones achieved during the report period are as follows:

- *Seller:*
 - *Interconnection Milestone – October 24th.*
 - *See above for timing of Earned Milestone Payment related to this contractual milestone.*

Contractual milestones to be achieved in the next report period and their deadlines are as follows:*HC*

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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.

3.2 Construction Financing

A draft Construction Loan Financing Agreement has been produced and is currently being negotiated. The Agreement will be executed between Neosho Ridge Wind, LLC and a syndicate of banks, primarily comprising of Bayern LB and Santander Bank, N.A.. The agreement is expected to be executed in November.

3.3 Tax Equity

A draft Equity Capital Contribution Agreement has been produced and is currently being negotiated. The Agreement will be executed between The Empire District Electric Company and Wells Fargo Central Pacific Holdings, Inc., and JPM Capital Corporation. The agreement is expected to be executed in November.

3.4 Hedge Agreement

A draft Hedge Agreement has been produced and is currently being circulated for final review. The Agreement will be executed between The Empire District Electric Company and Neosho Ridge Wind, LLC and is expected to be executed in November.

4.0 Development Activities

Development activities for the period were focused primarily on the project site plan and permitting at the Federal, State, and Neosho County level.

IEA and APEX construction management met with landowners in late July and early August to review the project site plan and allow the landowners an opportunity to ask questions about the layout and address any their concerns. IEA and APEX construction management worked to incorporate comments or requests received from the landowners, to the extent possible. In order to determine if modifications to the layout were acceptable, additional wetland delineation and cultural survey field investigations were undertaken and completed during this reporting period. The initial results of the studies were received in October and it is anticipated that the project will continue to qualify under the Nationwide Permit. The final report is expected to be received in November. The site plan is now deemed to be substantially final and any additional modifications will be minor in nature.

SPP provided the IGIA and Interim SIS on 10.21.19 which included *HC*

HC The Seller notified SPP within the prescribed 5 day period, confirming the project's intention to execute the IGIA. Seller is currently entering into negotiation with Westar with estimated execution expected in December.

IEA continues to work towards obtaining all permits necessary to facilitate construction. The Highway Collection System and Crane Crossing Permits will be submitted upon completion of collection design. All other construction related permits such as stream obstruction permits and floodplain fill permits are on track with no issues.

A non-participating landowner group has filed for an injunction against the project siting nuisance and loss of enjoyment of property. Neosho Ridge Wind, LLC filed a motion to dismiss which was denied. **_

** Both parties have submitted initial disclosures identifying witnesses and Subject Matter Experts. Discovery of information is underway and will continue until February 28, 2020. The trial is scheduled for November 2020.

5.0 Construction Activities

Construction activities during the report period largely consisted of engineering and site work.

Engineering for the various disciplines has advanced as follows: 1) Geotechnical – 100%, 2) Structural (turbine foundations) – IFC, 3) Civil – IFC (REV1), 4) Electrical (Collection System) – 90%, 5) Substation – 90%, and 6) Transmission Line – 90%.

IEA continue construction on-site. To date construction activities have included the following:

- Trailer and services installed in laydown yard
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6.0 Project Cost Report

Project expenditures to date are ** _____ ** plus ** _____ ** of recorded commitments of the total budgeted expenditure of ** _____ **. Empire has recorded commitments under US GAAP on the basis of milestones achieved by the JV payable at closing as specified in the Purchase and Sale Agreements. See the next page for a report detailing expenses by budget category.

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



7.0 Progress Photos

Stripping Access Road



Cement Stabilization





Proof Roll



Stone Added



Foundations





Pour Complete/Covered Foundation

