

AFFILIATE SERVICES AGREEMENT

This Affiliate Services Agreement (this “**Agreement**”) is entered into and effective as of the 15th day of February, 2017, by and between Liberty Utilities (Park Water) Corp., a California corporation (“**Liberty Park Water**”) and The Empire District Electric Company, The Empire District Gas Company, and Empire District Industries, Inc. (collectively, “**Empire**”). The parties to this Agreement are otherwise collectively referred to as the “**Parties**” or individually referred to as a “**Party**”.

WHEREAS, Liberty Park Water and Empire are regulated utilities that are subsidiaries within the Liberty Utilities Co. family of companies;

WHEREAS, Liberty Park Water may perform information technology services for Empire (“**Services**”) and may incur certain expenses related to such Services (“**Expenses**”);

WHEREAS, certain of the Services and Expenses may be charged directly by Liberty Park Water to Empire, while other Services and Expenses may be allocated and charged by Liberty Park Water to Empire through the application of the four-factor allocation methodology implemented by the California Public Utilities Commission (“**CPUC**”);

WHEREAS, the Parties wish to memorialize the terms of their agreement with respect to the provision of the Services;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby covenant and agree as follows:

Section 1 – Provision of Services

Section 1.1 *Services Provided.* Liberty Park Water hereby agrees to provide to Empire, in a professional and competent manner, the Services and any other services reasonably arising out of or related to such Services.

Section 2 – Records and Charges

Section 2.1 *Records.* Liberty Park Water shall maintain adequate books and records with respect to the transactions subject to this Agreement to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in the rates of Empire. Each Party shall be responsible for maintaining internal controls to ensure the costs associated with transactions covered by the Agreement are properly and consistently allocated and billed in accordance with the terms and provisions of this Agreement. Liberty Park Water shall maintain its own books and records in a transparent manner which allows the amounts billed by it to the other Party to be readily determined.

Section 2.2 *Costs and Charges.* All Services rendered by Liberty Park Water under this Agreement will be provided at actual cost thereof and shall be done on a time sheet basis to the extent possible. All employee costs for employees who are dedicated to and perform work for Empire are to be paid by Liberty Park Water and direct charged to Empire. Direct charges shall include direct labor, direct materials, direct purchased services associated with the related asset or services, and overhead amounts. Hourly rates for employees shall be fully loaded, *i.e.*, will include wages/salaries of employees and related expenses such as insurance, taxes, pensions and other employee welfare expenses. Employee costs not included within the fully loaded hourly rate, *e.g.*, a worker's compensation claim, shall be charged based on the amount of time that the employee dedicates to Empire. Where a Service cannot be direct charged, Liberty Park Water shall charge to Empire based on the CPUC's four factor allocation method. Costs associated with direct charges shall not be included in the costs that are allocated.

Section 3 - Term

Section 3.1 *Term.* This Agreement shall continue unless terminated by either Party giving thirty days' written notice to the other of such termination at the end of any month. Any such termination shall not affect the terminating Party's accrued rights and obligations under this Agreement arising prior to the effective date of termination, or the right of the other Party to obtain any and all records from the other Party regarding its provision of services under this Agreement. This Agreement shall not be amended except by a written instrument signed by an authorized representative of each of the Parties hereto.

Section 4 -Information

Section 4.1 *Confidential Information.* The Parties recognize that each employee who is dedicated to, or otherwise performs any of the services delineated in Section 1.1 above may have access to confidential and commercially-sensitive information relating to Empire's utility operations and customers ("**Confidential Information**"). Liberty Park Water agrees that such employees performing services for Empire shall use any such Confidential Information only for the purpose of performing Section 1.1 services. Each Party shall treat in confidence all information that it shall have obtained regarding the other Party and their respective businesses. Subject to the disclosure obligations set forth in Section 4.2, if a Party is required to disclose confidential information to a governmental authority, such Party shall take reasonable steps to make such disclosure confidential under the rules of such governmental authority. The obligation of a Party to treat such information in confidence shall not apply to any information which (i) is or becomes available to such party from a source other than the party providing such information, or (ii) is or becomes available to the public other than as a result of disclosure by such Party or its agents.

Section 4.2. Requests for Information. Liberty Park Water is responsible for responding fully and timely to any such reasonable requests for information by Empire relating to its provision of Services under this Agreement. Empire further agree that they will not assert an objection to a request by any regulatory agency with jurisdiction over them on the basis either that: (i) the information is held by and needs to be obtained from Liberty Park Water; or (ii) employees of Liberty Park Water perform the functions necessary for the Empire to provide public utility service. Empire does not waive any other legal rights and/or objections relating to information requests, except as noted in this paragraph. Without waiving any legal rights, Liberty Park Water agrees that it will provide any and all necessary supporting information relating to the Services to Empire as requested by the relevant regulatory agency.

Section 5 – Miscellaneous

Section 5.1 Compliance with Governing Law. This Agreement will be subject to termination or modification at any time to the extent its performance may conflict with any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction. Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original instrument, as if all Parties to all counterparts had signed the same instrument.

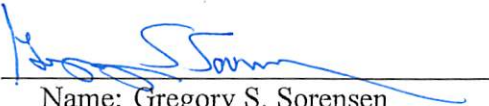
Section 5.2 Exclusive Benefit. This Agreement is intended for the exclusive benefit of the Parties hereto and is not intended and shall not be deemed or construed, to create any rights in, or responsibilities to, third parties.

Section 5.3 Severability. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or enforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 5.5 Indemnification. Each Party shall defend, indemnify, and hold harmless the other Party and its directors, officers, employees, agents, representatives, parents, shareholders, members, affiliates, and subsidiaries (collectively, the “**Indemnified Parties**”) from and against all liabilities and losses incurred by them, arising out of any acts or omissions by or on behalf of the other Party that result in a breach of this Agreement, except to the extent such liabilities or losses arise out of the gross negligence or willful misconduct of the Indemnified Parties, but only to the extent of actual damages caused by any such breach.

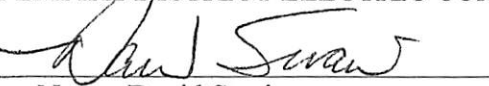
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above mentioned.

LIBERTY UTILITIES (PARK WATER) CORP.

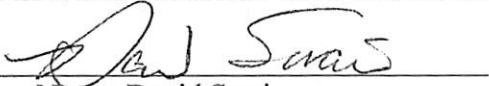
By: 
Name: Gregory S. Sorensen
Title: President

By: _____
Name: Todd Wiley
Title: Secretary

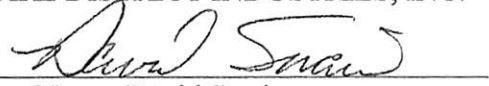
THE EMPIRE DISTRICT ELECTRIC COMPANY

By: 
Name: David Swain
Title: Authorized Signing Officer

THE EMPIRE DISTRICT GAS COMPANY

By: 
Name: David Swain
Title: Authorized Signing Officer

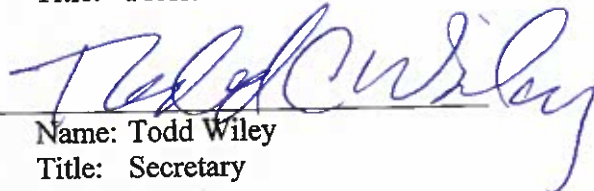
EMPIRE DISTRICT INDUSTRIES, INC.

By: 
Name: David Swain
Title: Authorized Signing Officer

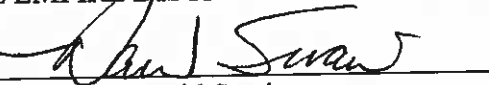
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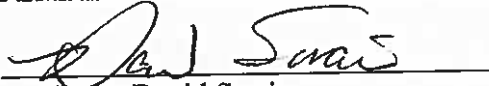
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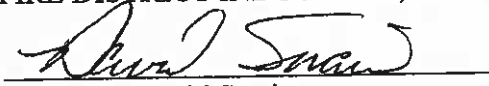
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