

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 10th day of August, 2016.

In the Matter of The Empire District Electric Company, Liberty Utilities (Central) Co. and Liberty Sub Corp. Concerning an Agreement and Plan of Merger and Certain Related Transactions)	
)	<u>File No. EM-2016-0213</u>
)	
)	

ORDER APPROVING STIPULATIONS AND AGREEMENTS

Issue Date: August 10, 2016

Effective Date: August 10, 2016

On July 19, 2016, The Empire District Electric Company, Liberty Utilities (Central) Co. and Liberty Sub Corp. (“Joint Applicants”) jointly filed a separate non-unanimous stipulation and agreement (collectively, “Agreements”) with each of the following four parties – the City of Joplin, Empire District Retired Members & Spouses Association LLC, Laborer’s International Union of North America, and International Brotherhood of Electrical Workers Locals 1464 and 1474 (collectively, “Intervenors”). The Agreements constitute a settlement of the respective Intervenors’ issues relevant to the application filed by the Joint Applicants in this matter. The Agreements all describe conditions to the transaction proposed by the Joint Applicants’ application, which is still subject to Commission approval.

The Agreements are non-unanimous in that they were not signed by all parties. However, Commission Rule 4 CSR 240-2.115(2) provides that other parties have seven days in which to object to a non-unanimous stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement. More than seven days have passed since the

Agreements were filed, and no party has objected. Therefore, the Commission will treat the Agreements as unanimous stipulations and agreements. After reviewing the Agreements, the Commission independently finds and concludes that the Agreements are a reasonable resolution of the issues addressed by the Agreements and that such Agreements should be approved.

THE COMMISSION ORDERS THAT:

1. The *Stipulation and Agreement As To City of Joplin*, filed on July 19, 2016, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order as Attachment A and incorporated herein.

2. The *Stipulation and Agreement As To EDRA*, filed on July 19, 2016, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order as Attachment B and incorporated herein.

3. The *Stipulation and Agreement As To LiUNA*, filed on July 19, 2016, is approved as a resolution of the issues addressed in that stipulation and agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order as Attachment C and incorporated herein.

4. The *Stipulation and Agreement As To IBEW 1464 and 1474*, filed on July 19, 2016, is approved as a resolution of the issues addressed in that stipulation and

agreement. The signatory parties are ordered to comply with the terms of the stipulation and agreement. A copy of the stipulation and agreement is attached to this order as Attachment D and incorporated herein.

5. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
and Rupp, CC., concur.
Coleman, C., absent.

Bushmann, Senior Regulatory Law Judge

**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.) Case No. EM-2016-0213
Concerning an Agreement and Plan of Merger and)
Certain Related Transactions.)

STIPULATION AND AGREEMENT AS TO CITY OF JOPLIN

COME NOW The Empire District Electric Company (“Empire”), Liberty Utilities (Central) Co. (“LU Central”), and Liberty Sub Corp. (sometimes collectively hereinafter “Joint Applicants”), and the City of Joplin (“Joplin”), by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) rule 4 CSR 240-2.115, request that the Commission approve this agreement as a settlement of Joplin’s issues related to the Joint Application filed by Empire, LU Central and Liberty Sub Corp.

The Signatories hereto agree as follows:

The Signatories hereto recommend that the Commission approve the proposed Transaction subject to the following conditions:

Joplin Community

- (1) Empire will continue to make available employees for appointment on the City of Joplin’s municipal boards and commissions;
- (2) Empire will make available in Joplin, at least annually, the President of Liberty Utilities Co. for discussions with municipal officials;
- (3) Empire will continue its involvement with the Joplin Chamber of Commerce, economic development initiatives, construction projects, and other community development projects;

- (4) Empire and LU Central shall not effect an involuntary reduction in force or involuntary retirement program which results in workforce reduction of greater than 10% for a period of five years from the date of the Transaction. Should there be a decision to effect an involuntary reduction or an involuntary retirement program resulting in a reduction of 10% or more of the workforce thereafter, Empire will endeavor to provide the City of Joplin with advanced notice to the degree possible under applicable laws, statutes, regulations, contractual requirements pertaining to confidentiality and employment agreements;
- (5) Empire and LU Central shall not relocate its headquarters office for a minimum of 15 years from the date of the Transaction. Headquarters is defined as the location serving as the managerial and administrative center of LU Central. Should there be a decision to relocate the Joplin Street headquarters thereafter, Empire will provide the City of Joplin with notice at least one year prior to any such action. The Headquarters shall include 85% of the administrative supervisory, management and executive positions that are currently staffed at the Joplin location;
- (6) During the period of time in Paragraph 5, Sales tax collections and franchise tax collections will continue to be sourced at the headquarters and all payments for the TIF District shall be maintained in accordance with current obligations; and,
- (7) Empire and LU Central will use good faith efforts to consider and evaluate Joplin for the location of any and all new positions.

General Provisions

- A. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.
- B. This Stipulation is being entered into for the purpose of disposing of Joplin's issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.
- C. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in

the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement.

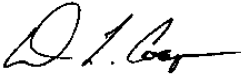
- D. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.
- E. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-filed testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand.

- F. Except as otherwise addressed in this Stipulation, Commission approval of the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding Empire's operations in a future rate proceeding.
- G. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire as contemplated by the Agreement and Plan of Merger is reasonable and not detrimental to the public interest and respectfully request that the

Commission approve this Stipulation and Agreement subject to the conditions contained herein.

Respectfully submitted,

<p>BRYDON, SWEARENGEN & ENGLAND P.C.</p> <p>By: </p> <p>Paul A. Boudreau - #33155 Dean L. Cooper - #36592 312 E. Capital Ave. P.O. Box 456 Jefferson City, MO 65102 Phone: (573) 635-7166 Fax: (573) 636-6450 Email: paulb@brydonlaw.com dcooper@brydonlaw.com ATTORNEYS FOR JOINT APPLICANTS</p>	<p>BLITZ, BARDGETT & DEUTSCH, L.C.</p> <p>By: <u> //S// Marc H. Ellinger by dlc </u> Marc H. Ellinger, #40828 Stephanie S. Bell, #61855 308 East High Street, Suite 301 Jefferson City MO 65101 Telephone No.: (573) 634-2500 Facsimile No.: (573) 634-3358 mellinger@bbdlc.com sbell@bbdlc.com</p> <p>ATTORNEYS FOR THE CITY OF JOPLIN</p>
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent via electronic mail, this 19th day of July, 2016, to the following:

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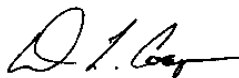
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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Empire District Electric Company,)
Liberty Utilities (Central) Co. and Liberty Sub Corp.) Case No. EM-2016-0213
Concerning an Agreement and Plan of Merger and)
Certain Related Transactions.)

STIPULATION AND AGREEMENT AS TO EDRA

COME NOW The Empire District Electric Company (“Empire”), Liberty Utilities (Central) Co. (“LU Central”), and Liberty Sub Corp. (sometimes collectively hereinafter “Joint Applicants”), and the Empire District Retired Members & Spouses Association LLC, by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) rule 4 CSR 240-2.115, request that the Commission approve this agreement as a settlement of the Empire District Retired Members & Spouses Association LLC’s issues related to the Joint Application filed by the Joint Applicants. In support thereof, the signatories hereto state the following:

The Signatories hereto agree as follows:

The Signatories hereto recommend that the Commission approve the proposed Transaction subject to the following conditions:

Retirees Plan

- (1) Empire will continue to provide current life insurance benefits (defined as the life insurance policy and cost sharing mechanism) previously elected by retirees, spouses, and surviving beneficiaries (referred to in this Stipulation as “retirees) so long as the product is available, or if no longer available, an alternative with comparable benefits. Should the Commission deny recovery in rates of the cost of any such product on the grounds that

it is an unreasonable or an imprudent expense despite Empire's best efforts to include it in cost of service, Empire shall have the discretion to discontinue the insurance benefit.

(2) For ten (10) years following the closing of the Transaction, Empire will not make any change to any benefit offering (defined as the health benefit design and cost sharing mechanism) that would be materially adverse to any person qualifying for such benefit as of that date, so long as (1) there is no material change of applicable state or federal law, rule or regulation, or the application of existing law, that would impair the ability of Empire to provide the benefit or substantially increases the cost to Empire of providing the benefit; or (2) there is no change to the Commission's current practice authorizing the tracking and cost recovery of benefit offerings and including such costs in cost of service for ratemaking purposes. Empire agrees to use its best efforts to include in cost of service the expense of the benefit offerings. After ten (10) years following the close of the transaction, retirees shall be given the same benefit offering as similarly situated retirees of Liberty Utilities.

Notice of any disputes or controversy concerning the continued availability of a benefit offering shall be provided to the opposing party in writing not less than thirty (30) days prior to the initiation of any adjudicative action or proceeding to enforce this commitment, including arbitration .

Arbitration will only be used to resolve any dispute by the mutual agreement of the parties. If arbitration is agreed to by the parties, then the American Arbitration Association (AAA) rules shall govern such proceeding, with a petition to be filed with the AAA unless the parties mutually agree to waive such requirement. Each party shall select one (1) AAA approved arbitrator, and the two (2) party selected AAA arbitrators shall then select a neutral third AAA approved arbitrator, with such third neutral AAA approved arbitrator costs to be shared by the parties. All arbitrators shall be experts in the field of the dispute. Each party shall bear the costs associated with the arbitration, including, but not limited to, legal fees and arbitrator costs for the arbitrator that party selects. All arbitrations shall be held in Joplin, Missouri or in such other location as the parties may agree. All procedural schedules shall be set by the arbitration panel, with the final order issued no later than one-hundred fifty (150) days from the date of the written notice of dispute. All arbitration awards are binding on the parties.

- (3) Empire will continue to fund its pension plan in accordance with the procedures found in Appendix C to the Unanimous Stipulation and Agreement filed on May 12, 2010, in Case No. ER-2010-0130, and approved by Commission order issued May 19, 2010. Such annual contributions to the pension plan are at least equal to the greater of either minimum funding requirements of ERISA, or the accrued cost of the pension plan, as required by the Commission.

(4) In recognition of the unique concerns of Empire's retirees with regard to their pension and health benefits:

- (i) Empire will continue the Healthcare Trustees, expanded to allow for representation by Liberty Utilities and the Empire District Retired Members & Spouses Association, LLC with the Empire District Retired Members & Spouses Association LLC representative's reasonable travel expenses to be paid by Empire; and
- (ii) Empire commits to continue management participation in the retirees' periodic retirement meetings in order to provide an ongoing opportunity for dialogue and sharing of information.

I. General Provisions

- A. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.
- B. This Stipulation is being entered into for the purpose of disposing of the Empire District Retired Members & Spouses Association LLC's issues in this case. The

Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

- C. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement.
- D. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.

- E. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-filed testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand.
- F. Except as otherwise addressed in this Stipulation, Commission approval of the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding Empire's operations in a future rate proceeding.
- G. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the

Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire as contemplated by the Agreement and Plan of Merger is reasonable and not detrimental to the public interest and respectfully request that the Commission approve this Stipulation and Agreement subject to the conditions contained herein.

By: /s/ Paul A. Boudreau
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Attorney for Empire District Retired
Members & Spouses Association LLC

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent via U.S. Mail, postage prepaid, hand-delivery, electronic filing system, or electronically, this 19th day of July, 2016, to the following:

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/s/ Paul A. Boudreau
Paul A. Boudreau

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STIPULATION AND AGREEMENT AS TO LIUNA

COME NOW The Empire District Electric Company (“Empire”), Liberty Utilities (Central) Co. (“LU Central”), and Liberty Sub Corp. (sometimes collectively hereinafter “Joint Applicants”), and the Laborer’s International Union of North America (“LiUNA”), by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) rule 4 CSR 240-2.115, request that the Commission approve this agreement as a settlement of LiUNA’s issues relevant to the Joint Application filed by Empire, LU Central and Liberty Sub Corp.

The Signatories hereto agree as follows:

The Signatories hereto recommend that the Commission approve the proposed Transaction subject to the following conditions:

Construction and Maintenance Projects

Empire commits to implementing a Responsible Contractor Policy for construction and maintenance projects that include fixed-price contracts in excess of \$1 million. The policy shall consider the inclusion of the following principles and guidelines including experience with past projects; robustness of safety programs; commitment to quality; a skilled workforce; financial integrity; cost and overall prudence; and local sourcing. When assessing bids from contractors who meet the principles included herein, Empire will consider additional cost-savings on a project as a result of contractor-funded training, apprenticeship, and certification programs. To

further this objective, Empire will quantify the costs associated with providing similar training, apprenticeship, and certification services in-house.

General Provisions

- A. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.
- B. This Stipulation is being entered into for the purpose of disposing of LiUNA's issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.
- C. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with

respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement.

- D. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.
- E. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-

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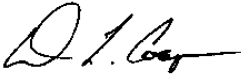
F. Except as otherwise addressed in this Stipulation, Commission approval of the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding Empire's operations in a future rate proceeding.

G. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire as contemplated by the Agreement and Plan of Merger is reasonable and not detrimental to the public interest and respectfully request that the

Commission approve this Stipulation and Agreement subject to the conditions contained herein.

Respectfully submitted,

<p>BRYDON, SWEARENGEN & ENGLAND P.C.</p> <p>By: </p> <p>Paul A. Boudreau - #33155 Dean L. Cooper - #36592 312 E. Capital Ave. P.O. Box 456 Jefferson City, MO 65102 Phone: (573) 635-7166 Fax: (573) 636-6450 Email: paulb@brydonlaw.com dcooper@brydonlaw.com ATTORNEYS FOR JOINT APPLICANTS</p>	<p><u> //S// John B. Coffman by dlc</u> John B. Coffman MBE #36591 John B. Coffman, LLC 871 Tuxedo Blvd. St. Louis MO 63119-2044 john@johncoffman.net ATTORNEY FOR LIUNA</p>
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent via electronic mail this 19th day of July, 2016, to the following:

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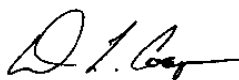
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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Empire District Electric Company,)
Liberty Utilities (Central) Co. and Liberty Sub Corp.) Case No. EM-2016-0213
Concerning an Agreement and Plan of Merger and)
Certain Related Transactions.)

STIPULATION AND AGREEMENT AS TO IBEW 1464 AND IBEW 1474

COME NOW The Empire District Electric Company (“Empire”), Liberty Utilities (Central) Co. (“LU Central”), and Liberty Sub Corp. (sometimes collectively hereinafter “Joint Applicants”), and the International Brotherhood of Electrical Workers (“IBEW”) Local 1464 and IBEW Local 1474, by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) rule 4 CSR 240-2.115, request that the Commission approve this agreement as a comprehensive settlement of IBEW 1464 and IBEW 1474’s issues relevant to the Joint Application filed by Empire, LU Central and Liberty Sub Corp.

The Signatories hereto agree as follows:

The Signatories hereto recommend that the Commission approve the proposed Transaction subject to the following conditions:

(1) There will be no layoff of any current bargaining unit members from either IBEW Local 1464 or 1474 as a result of the Transaction.

(2) Joint Applicants will fully comply with, and not cause any amendment or termination of the Empire District Electric Company Employees’ 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).

(3) All Empire employees formerly employed by Aquila Energy will continue to be covered under their current retirement benefit plan.

(4) 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.

General Provisions

- A. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.
- B. This Stipulation is being entered into for the purpose of disposing of IBEW 1464 and IBEW 1474's issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

- C. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement.
- D. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.
- E. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review

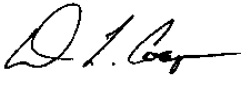
pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-filed testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand.

- F. Except as otherwise addressed in this Stipulation, Commission approval of the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding Empire's operations in a future rate proceeding.
- G. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire as contemplated by the Agreement and Plan of Merger is reasonable and not detrimental to the public interest and respectfully request that the

Commission approve this Stipulation and Agreement subject to the conditions contained herein.

Respectfully submitted,

<p>BRYDON, SWEARENGEN & ENGLAND P.C.</p> <p>By:  _____ Paul A. Boudreau - #33155 Dean L. Cooper - #36592 312 E. Capital Ave. P.O. Box 456 Jefferson City, MO 65102 Phone: (573) 635-7166 Fax: (573) 636-6450 Email: paulb@brydonlaw.com dcooper@brydonlaw.com ATTORNEYS FOR JOINT APPLICANTS</p>	<p>BLAKE & UHLIG, P.A.</p> <p>By: <u> //S// Jon R. Dedon by dlc </u> Michael E. Amash, Mo Bar No. 58478 Jon R. Dedon, Mo Bar No. 62221 2500 Holmes Kansas City MO 64108 (816) 472-8883 jrd@blake-uhlig.com</p> <p>ATTORNEYS FOR IBEW 1464 AND IBEW 1474</p>
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent via electronic mail, this 19th day of July, 2016, to the following:

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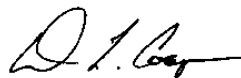
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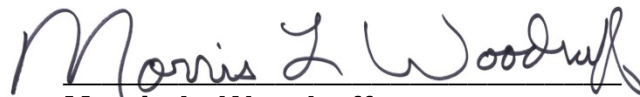
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 10th day of August 2016.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

August 10, 2016

File/Case No. EM-2016-0213

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.