



The Empire District Electric Company

a Liberty Utilities Company

Case No. AO-2018-0179

OPC Data Request – 1122

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Data Request Received: 05/22/19
Request No. 1122

Date of Response: June 10, 2019
Respondent: Mark Timpe

REQUEST:

Did Empire consider refinancing the \$90 million debt by using its commercial paper in lieu of indirectly using LUCo's credit facility? If so, why did Empire not use its commercial paper, instead of relying on LUCo borrowing against its credit facility?

RESPONSE:

This response is provided subject to and without waiving the objections served on May 25, 2019.

Please see the response to OPC DR1119. Furthermore, since the maturing financing was long-term debt and the assets being financed are long-lived utility assets, the appropriate financing vehicle is long-term debt. Issuing a 15-year note at that time removed any interest rate risk associated with this indebtedness and avoided imprudent interest rate speculation.