

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 18th day of March, 2020.

In the Matter of the Request of The Empire)
District Electric Company and The Empire)
District Gas Company for Waiver of a Dual)
Branding Requirement Regarding the)
Continued Use of the Empire District Name)
for Electric, Gas, and Water Operations)

File No. AO-2020-0184

ORDER GRANTING PARTIAL WAIVER

Issue Date: March 18, 2020

Effective Date: April 17, 2020

On December 23, 2019, The Empire District Electric Company and The Empire District Gas Company (collectively "Empire") filed a request for waiver from a provision of the Commission's order in File No. EM-2016-0213, which approved the merger between The Empire District Electric Company, and Liberty Utilities and Liberty Sub Corp. Empire was designated as the surviving corporation. The Commission order approved a stipulation and agreement between the parties and became effective on October 7, 2016.

Section 6.06(e) of the Stipulation and Agreement provides:

Parent shall cause the Surviving Corporation and the Company Subsidiaries to maintain and operate their respective businesses under the 'Empire District' brand for a period of at least five (5) years following the Effective Time, provided that such use may also include 'a Liberty Utilities company' or similar co-branding designation." In the Agreement, Liberty Utilities (Central) Co. is defined as the Parent, and EDE is defined as the Surviving Corporation. The Effective Time is January 1, 2017.

Under the above provision, Empire is required to operate under the Empire District brand name, or dual-branding, until January 1, 2022. Empire seeks a waiver from this

provision to facilitate transitioning from the Liberty Utilities Empire District dual-branding to the Liberty Utilities brand.

In support of its position, Empire asserts that currently Empire utilizes both the Liberty Utilities and Empire District names, which the other Liberty Utilities subsidiaries operate under the name Liberty Utilities, and that Empires' customers are already familiar with the Liberty Utilities name. Empire states: "Continuing to include "Empire District" in the operating name for certain operations will interfere with the branding goals of delivering a clear message, confirming company credibility, and solidifying customer loyalty."

The Commission issued notice and set a deadline for intervention requests, but received none. On March 2, 2020, the Commission's Staff (Staff) filed its recommendation to approve Empire's request to discontinue dual-branding, with specified conditions. Empire responded that Staff's conditions were reasonable.

The Commission issued an order requesting additional information about Empire's plan to introduce the new brand to its customers and estimated costs. Empire responded to the Commission's order stating that Liberty Utilities intends to begin communication with customers about the name change beginning in May of 2020 with website pop-ups, bill inserts, hold messages, walk-in office posters or signs, and social media. The company would use new email addresses, update bill and payment interfaces, external office signage, fleet vehicles, and uniforms in July of 2020. In October of 2020, the company would change secondary signage, stationary, new customer welcome kits, and advertising. Additional web site changes, internal documentation templates, and remaining fleet vehicles and uniforms will occur in April of 2021. Empire estimates the

costs of removing “Empire District” from its branding would be minimal; paper products such as envelopes and billing statements will be transitioned as depleted, digital logos can be changed at no cost, there will be a \$600 total company charge to update messages for the Empire contact center, and under Staff’s proposed conditions the company will internally track all costs incurred as a result of removing “Empire District” from the companies’ brand.

The Commission has authority to grant a waiver of the dual-branding provision of its order under Section 386.490.2 RSMo, which states in part: “Every order or decision of the commission shall of its own force take effect and become operative thirty days after the service thereof, except as otherwise provided, and shall continue in force either for a period which may be designated therein or until changed or abrogated by the commission”. There is good cause to grant the requested relief in order to facilitate Empire’s transition to Liberty Utilities new branding with the rest of the Liberty Utilities’ companies.

Empire also seeks a waiver of the Commission’s 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D) so that it could file its waiver request quickly. Empire certifies that it has had no communication with the office of the commission regarding any substantive issue likely to be in this case during the preceding 150 days.

Based on the application, the unopposed recommendation of its Staff, and its own finding of good cause to do so, the Commission will grant the requested partial waiver.

THE COMMISSION ORDERS THAT:

1. The Empire District Electric Company and The Empire District Gas Company's request for variance from the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1)(D) is granted.

2. The Empire District Electric Company and The Empire District Gas Company's request for a waiver of Section 6.06(e) of the Stipulation and Agreement approved by the Commission in File No. EM-2016-0213 is granted. The following conditions apply:

- a. Empire shall keep Staff, interested stakeholders and the Commission apprised of any new corporate name and/or logo once adopted, including making a presentation to Staff and the Commission regarding its new brand and customer communication plan if applicable; and
- b. Empire shall internally "track" (i.e., maintain side accounting records) all costs incurred as a result of the branding change.

3. This order shall become effective on April 17, 2020.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC. concur

Clark, Senior Regulatory Law Judge