

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of Liberty)
Utilities (Missouri Water) LLC d/b/a Liberty)
Utilities and The Empire District Electric Company) **File No.: WM-2020-0156**
for Authority for Liberty Utilities (Missouri Water), LLC)
d/b/a Liberty Utilities to Acquire the Water Franchises)
and Assets of The Empire District Electric Company.)

**ORDER DIRECTING NOTICE, SETTING INTERVENTION DATE, AND
DIRECTING STAFF TO FILE A RECOMMENDATION**

Issue Date: December 27, 2019

Effective Date: December 27, 2019

On December 27, 2019, Liberty Utilities (Missouri Water) LLC d/b/a Liberty Utilities (hereinafter, Liberty Water) and The Empire District Electric Company (hereinafter, Empire)¹ filed a joint application asking the Commission to approve a sale and transfer of water utility assets between the applicants whereby Empire will sell and transfer water utility assets, including all contracts, agreements, franchises, and Certificates of Convenience and Necessity, to Liberty Water.

The application states both applicants are subsidiaries of Liberty Utilities Co (Liberty Utilities) and both are part of the Liberty Utilities Central Region. Per the application, the involved property is located in Lawrence County, Missouri.

The Commission notes Section 393.190.1, RSMo 2016, requires the Commission to notify the county clerk of each county in which any portion of a political subdivision which will be affected by the proposed sale and transfer is located. The Commission will direct notice of the application be given to the Lawrence County Commission, local newspapers,

¹ Hereinafter collectively, the Applicants

members of the General Assembly representing residents of Lawrence County, and the General Counsel for the Missouri Department of Natural Resources. The Commission will also set a deadline for interested persons to intervene or file comments addressing the application. Finally, the Commission will direct Staff to file a recommendation on the application.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall provide a copy of this order and the application, excluding attachments, to the County Commission of Lawrence County, Missouri, and the General Counsel of the Missouri Department of Natural Resources.
2. The Commission's Public Information officer shall make notice of this order available to the members of the General Assembly representing Lawrence County, Missouri, and to the media serving that county.
3. Any person wishing to intervene in this matter shall file an application to intervene no later than January 31, 2020. Applications to intervene shall be filed in the Commission's Electronic Filing and Information System (EFIS) or with the Secretary of the Commission. Comments on the application may also be filed in EFIS.
4. The Commission's Staff shall file a recommendation on the application no later than March 2, 2020.
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

Paul T. Graham, Regulatory Law Judge, by
delegation of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri, on
this 27th day of December, 2019.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of)
Liberty Utilities (Missouri Water) LLC and)
The Empire District Electric Company for) Case No. WM-2020-0156
Authority for Missouri Water to Acquire)
Empire’s Water Franchises and Assets)

JOINT APPLICATION

COME NOW Liberty Utilities (Missouri Water) LLC (“Liberty Water”) and The Empire District Electric Company (“Empire”), both Liberty Utilities companies (collectively, the “Applicants”), and, pursuant to RSMo. §393.190 and Rules 20 CSR 4240-2.060 and 20 CSR 4240-10-105, respectfully state as follows to the Missouri Public Service Commission (“Commission”):

I. Background Information

1. Liberty Water is a Missouri limited liability company with its principal office located at 602 Joplin Street, Joplin, Missouri, 64801, and provides water and sewer services to customers in its Missouri service areas, as certificated by the Commission. Liberty Water is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined by RSMo. §386.020 and, therefore, is subject to the general regulatory jurisdiction of the Commission as provided by law. Liberty Water currently serves approximately 3,000 water and/or sewer customers in Missouri.

2. Empire is a Kansas corporation with its principal office and place of business at 602 Joplin Street, Joplin, Missouri, 62801. Empire is qualified to conduct business and is conducting business in Missouri, as well as in the states of Arkansas, Kansas, and Oklahoma. Empire is a “public utility” and, therefore, is subject to the general regulatory jurisdiction of the Commission as provided by law and is engaged, generally, in the business of generating, purchasing,

transmitting, distributing, and selling electricity in portions of the referenced four states. Empire is also a “water corporation,” and, through its subsidiary (The Empire District Gas Company), provides natural gas distribution service in Missouri. Empire’s small water utility currently serves approximately 4,400 water customers in Missouri.

3. Empire’s documents of incorporation from Kansas and certificate of authority from Missouri were previously filed with the Commission in Case No. EF-94-39. A copy of Liberty Water’s Certificate of Good Standing was attached as Appendix A to the Joint Application filed in Commission File No. WM-2018-0023. In Commission File No. SN-2014-0036, Liberty Water filed a fictitious name certificate showing the name “Liberty Utilities” is registered to Liberty Utilities (Missouri Water) LLC. These documents are incorporated by reference and made a part of this Application for all purposes.

4. The Applicants have no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against the Applicants, or either of them, from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

II. The Asset Transfer

5. Because Empire is a regulated water corporation doing business in the state of Missouri, it is subject to the provisions of RSMo. §393.190.1, which states in pertinent part, that “no . . . water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do.”

6. Effective November 12, 2019, Liberty Water and Empire entered into an Asset Purchase Agreement, a copy of which is attached hereto as **Application Exhibit A**. As set forth therein, Liberty Water proposes to purchase from Empire, and Empire proposes to sell and transfer to Liberty Water, Empire's water utility assets, including all contracts, agreements, franchises, and Certificates of Convenience and Necessity ("CCNs") that are currently necessary or useful to Empire's provision of water service to its customers. Application Exhibit A has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

7. The resolution of Empire's board of directors authorizing the proposed action is attached hereto as **Application Exhibit B**. The resolution of the Board of Managers for Liberty Water is attached hereto as **Application Exhibit C**.

8. Since Liberty Water is subject to the jurisdiction of the Commission, pursuant to Rule 20 CSR 4240-10.105(1)(E), attached as **Application Exhibit D** are a balance sheet and an income statement with adjustments showing the results of the asset transfer. Application Exhibit D has been designated as Confidential pursuant to Rule 20 CSR 4240-2.135(2)(A)(5) and (8).

III. Tariffs/Rates/Financing

9. For service provided to customers within Empire's existing service area, Liberty Water proposes to adopt Liberty Water's existing tariffed Rules and Regulations, so that one set of Rules and Regulations will apply to all water customers.

10. As to rates and service charges, Liberty Water proposes to continue to use the existing rates and service charges for all customers within Empire's existing service area until such time as they are changed in a general rate case proceeding.

11. No financing approval or encumbrance of assets is being requested at this time.

IV. The Public Interest

12. The proposed sale and transfer of the assets is not detrimental to the public interest, and, in fact, will be beneficial to the public interest, as Liberty Water is fully qualified, in all respects, to own and operate the systems currently being operated by Empire, and to otherwise provide safe and reliable service.

13. Both Applicants are subsidiaries of Liberty Utilities Co. (“Liberty Utilities”), and both Applicants are part of the Liberty Utilities Central Region. The Central Region encompasses a number of other Liberty Utilities subsidiaries, including The Empire District Gas Company, Liberty Utilities (Pine Bluff Water) Inc., Liberty Utilities (Arkansas Water) Corp., and Liberty Utilities (Midstates Natural Gas) Corp.

14. Liberty Utilities is a Delaware corporation that owns and operates regulated utilities in the United States and is an indirect subsidiary of Algonquin Power & Utilities Corp. (“APUC”). APUC is the ultimate corporate parent and is publicly traded on the Toronto and New York Stock Exchanges.

15. Liberty Water has sufficient operating cash to sustain ongoing operations and is committed to providing water and sewer services to Liberty Water customers for years to come. Further, the financial support and backing of Liberty Utilities and APUC demonstrates that Liberty Water has and will continue to have sufficient access to capital for ongoing operations and infrastructure needs.

16. Additionally, the combining of the Empire and Liberty Water operations into one, with all water and sewer assets held by Liberty Water, may benefit customers through the consolidation of duties and may simplify cost allocation matters for Empire.

17. The sale and transfer of assets as contemplated herein will have no material impact on the tax revenues of the political subdivisions in which any structures, facilities, or equipment of the companies involved in the sale and transfer are located.

WHEREFORE, the Applicants respectfully request that the Commission issue its order authorizing Empire to sell and transfer and Liberty Water to acquire the Empire water assets identified herein, including all water service franchises and CCNs for water service currently held by Empire. The Applicants request such additional relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ Diana C. Carter

Diana C. Carter MBE #50527

Liberty Utilities

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 27th day of December, 2019, and sent by electronic transmission to the Staff of the Commission and the Office of the Public Counsel.

/s/ Diana C. Carter

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 27th day of December 2019.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 27, 2019

File/Case No. WM-2020-0156

**Missouri Public Service
Commission**

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**Empire District Electric
Company, The**

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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.