



The Empire District Electric Company

a Liberty Utilities Company

Case No. AO-2018-0179

OPC Data Request – 1123

Page 1 of 1

Data Request Received: 05/22/19

Date of Response: June 10, 2019

Request No. 1123

Respondent: Mark Timpe

REQUEST:

Empire lists on page 429, line 3 of its 2018 FERC Form 1 report that Liberty Utilities Canada (LUC) charged Empire \$450,000 for Debt Issuance Costs recorded in account 181. Was this charge all or a portion of the \$452,967 total expense reported on the Long-Term Debt (account 221,222,223, and 224) schedule \$452,967 line 28, column (c) associated with the 4.53% Series, LUCo Note Payable due in 2033 and recorded in account 181.104? If so, was the \$450,000 directly charged or allocated to Empire? If directly charged to Empire, please provide copies of the source documentation that supports the \$450,000 direct charge to Empire. Please provide copies of all accounts and records sufficient to show that this transaction was compliant with the MoPSC affiliate transaction rules.

RESPONSE:

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

The \$450,000 fee directly charged to Empire by LUCo amounted to a fee of 50 basis points which is equivalent to both the private debt placement fee paid by LUCo for its last private debt placement and by Empire for its last private debt placement in August 2015. Had Empire gone to the capital markets for this financing, it would have incurred a like fee. In order to respond to the question regarding compliance with the MoPSC affiliate transaction rules ("Rules"), we request further information regarding those certain subparts of the Rules which are of concern to OPC and what actions OPC believes may have not been in compliance with the Rules.