



The Empire District Electric Company

A Liberty Utilities Company

Case No. ER-2019-0374

OPC Data Request – 1021

Data Request Received: 03/30/2020

Request No. 1021

Date of Response: 04/09/20

Respondent: Jill Schwartz

Submitted by: Robert Schallenberg

REQUEST:

From January 1, 2017 through January 31, 2021, does the Company have any contracts with non-affiliates that contain provisions similar to the “Charge” provisions in the currently effective ASA’s? If yes, please provide copies of those contracts.

RESPONSE:

This response is provided subject to and without waiving the previously served objections.

Assuming that Mr. Schallenberg is referring to Section 2.2 of the ASAs with Algonquin Power & Utilities Corp. (“APUC”), Liberty Utilities (Canada) Corp. (“LUCC”) and Liberty Utilities Service Corp. (“LUSC”) which states:

“All services rendered under this Agreement will be provided and charged to Liberty Utilities Entities in accordance with the then effective Algonquin Power & Utilities Cost Allocation Manual (“CAM”), which is set forth at <https://libertyutilities.com/lucam.html> and incorporated herein by reference. Charges for services consist of direct and indirect costs. Direct charges shall include direct labor, direct materials, direct purchased services associated with the related asset or services, and overhead amounts. Where service cannot be direct charged, [APUC/LUC/LUSC] shall charge the Liberty Utilities Entity based on the allocation factors and methodologies set forth in the CAM. All employee costs for [APUC/LUC/LUSC] employees who perform work for the Liberty Utilities Entity are to be paid by [APUC/LUC/LUSC] and direct charged to the Liberty Utilities Entity. Joint and common costs not associated with the provision of services listed above shall be charged based on a four-factor allocation methodology in the CAM.”

While Liberty-Empire’s contracts with non-affiliates would include provisions to identify what charges for services will include, they would not include provisions for direct charges and indirect charges, or any references to allocations of cost in accordance with the CAM.