

## **AFFILIATE SERVICES AGREEMENT – Liberty Utilities Co.**

This Affiliate Services Agreement (this “Agreement”) is effective as of the 1<sup>st</sup> day of January, 2017 by and between Liberty Utilities Co., a Delaware corporation (the “Provider Company”), which company is engaged, in part, in the rendering of services to companies in the Algonquin Power & Utilities Corp. holding company system, and The Empire District Electric Company, The Empire District Gas Company, and Empire District Industries, Inc. (each a “Receiving Company” and collectively, the “Receiving Companies”). The parties to this Agreement are otherwise collectively referred to as the “Parties” or individually referred to as a “Party.”

WHEREAS, the organization, conduct of business and method of cost allocation of the Provider Company is designed to result in the performance of services and the provision of goods economically and efficiently for the benefit of the Receiving Company at costs that are fairly and equitably allocated.

THEREFORE, the Parties further agree as follows:

### **Section 1 – Provision of Services**

Section 1.1 *Consultants.* The Provider Company will, from time to time, arrange for services of non-affiliated experts, consultants, accountants and attorneys.

Section 1.2 *Liberty Utilities Co.* Liberty Utilities Co. agrees to provide and the Receiving Companies agree to accept financing including guarantees, short-term loans, and long-term capital debt financing on terms and conditions that the Parties memorialize in a written agreement or agreements, which are separately subject to any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction, including the approval of any federal or state regulatory body that is a legal prerequisite to the execution and performance of the agreement(s). In addition, Liberty Utilities Co. may provide certain indemnity services to the Receiving Companies which the Receiving Companies agree to accept. The Receiving Companies shall reimburse Liberty Utilities Co. for any monies expended by it in respect of any indemnification services provided.

### **Section 2 – Records and Charges**

Section 2.1 *Records.* All services rendered under this Agreement will be provided at actual cost thereof. Records will be maintained by the Provider Company in order to accumulate all costs of doing business and to determine the cost of service. These costs will include wages and salaries of employees and related expenses such as insurance, taxes, pensions and other employee welfare expenses, and rent, light, heat, telephone, supplies, and other housekeeping costs. In addition, records will be maintained of general administrative expenses, which will include the costs of operating the Provider Company as a corporate entity.

The Provider Company shall maintain adequate books and records with respect to

the transactions subject to this Agreement to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in the rates of the Receiving Companies. The Provider Company shall be responsible for maintaining internal controls to ensure the costs associated with transactions covered by the Agreement are properly and consistently allocated and billed in accordance with the terms and provisions of this Agreement. The Receiving Companies shall each maintain books and records so that the amounts billed by the Provider Company can be readily determined.

Section 2.2 *Charges.* Financing charges are charged based on the stand-alone credit agreements/promissory notes, which have been separately approved. Any charges associated with indemnity provided by Liberty Utilities Co. will be a direct pass through of any and all costs and expenses associated with same.

### **Section 3 - Term**

Section 3.1 *Term.* The effective date of this Agreement shall be the date noted above and shall continue unless terminated by any of the Receiving Companies or the Provider Company giving thirty days' written notice to the other of such termination at the end of any month. Any such termination shall not affect the terminating Party's accrued rights and obligations under this Agreement arising prior to the effective date of termination. This Agreement shall not be amended except by a written instrument signed by an authorized representative of each of the Parties hereto.

### **Section 4 – Confidential Information**

Section 4.1 *Confidential Information.* Each Party shall treat in confidence all information that it shall have obtained regarding the other Parties and their respective businesses during the course of the performance of this Agreement. Such information shall not be communicated to any person other than the Parties to this Agreement, except to the extent disclosure of such information is required by a governmental authority. If a Party is required to disclose confidential information to a governmental authority, such Party shall take reasonable steps to make such disclosure confidential under the rules of such governmental authority. Information provided hereunder shall remain the sole property of the Party providing such information. The obligation of a Party to treat such information in confidence shall not apply to any information which (i) is or becomes available to such party from a source other than the Party providing such information, or (ii) is or becomes available to the public other than as a result of disclosure by such Party or its agents.

### **Section 5 – Miscellaneous**

Section 5.1 *Compliance with Governing Law.* This Agreement will be subject to termination or modification at any time to the extent its performance may conflict with any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction. This Agreement shall be subject to approval of any federal or state regulatory body whose approval is a legal prerequisite to its execution and performance.

Cost allocations and the methods of allocation provided herein may also be subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) under Section 1275 of the Energy Policy Act of 2005 and the rules promulgated thereunder and, to the extent applicable, FERC determinations regarding the allocation of costs shall be dispositive.

Section 5.2 *Limitation of Liability.* Each Party acknowledges and agrees that any services provided by the Provider Company hereunder are so provided WITHOUT ANY WARRANTY (WHETHER EXPRESS, IMPLIED OR STATUTORY AND NOTWITHSTANDING ANY ORAL OR WRITTEN STATEMENT BY A PARTY’S EMPLOYEES, REPRESENTATIVES OR AGENTS TO THE CONTRARY) WHATSOEVER. ALL SUCH WARRANTIES INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) ARE HEREBY DISCLAIMED AND EXCLUDED.

Section 5.2 *Exclusive Benefit.* This Agreement is intended for the exclusive benefit of the Parties hereto and is not intended and shall not be deemed or construed, to create any rights in, or responsibilities to, third parties.

Section 5.4 *Assignment.* This Agreement may not be assigned by any party without the prior written consent of all parties.

Section 5.5 *Severability.* Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or enforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 5.6 *Waiver.* Failure by any Party to insist upon strict performance of any term or condition herein shall not be deemed a waiver of any rights or remedies that such Party may have against any other Party nor in any way affect the validity of this Agreement or any part hereof or the right of such Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other subsequent breach.

Section 5.7 *Entirety.* This Agreement constitutes the entire Agreement between the Parties pertaining to the subject matter hereof and supersedes all prior Agreements, understandings, negotiations and discussions, whether oral or written between the Parties with respect to the subject matter hereof.

Section 5.8 *Counterparts.* Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original instrument, as if all Parties to all counterparts had signed the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above mentioned.

LIBERTY UTILITIES CO.

By:   
Name: Greg Sorensen  
Title: President

By: \_\_\_\_\_  
Name: Richard Lehr  
Title: Secretary/Treasurer

THE EMPIRE DISTRICT ELECTRIC COMPANY

By: \_\_\_\_\_  
Name: David Swain  
Title: Authorized Signing Officer

THE EMPIRE DISTRICT GAS COMPANY

By: \_\_\_\_\_  
Name: David Swain  
Title: Authorized Signing Officer

EMPIRE DISTRICT INDUSTRIES, INC.

By: \_\_\_\_\_  
Name: David Swain  
Title: Authorized Signing Officer

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*Handwritten mark or signature*

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