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JUL 8 2019

Missouri Public
Service Commission



Liberty Utilities®
EMPIRE DISTRICT

16

The Empire District Electric Company

a Liberty Utilities Company

Case No. AO-2018-0179

OPC Data Request – 1098

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Data Request Received: 05/22/19

Request No. 1098

Date of Response: June 10, 2019

Respondent: Mark Timpe

REQUEST:

Note: for ease of review and identification, the original questions have numbered to assist with matching to the responses provided.

- 1). If any of the Missouri Applicants does not participate in the LUCo Money Pool, then will it be charged any LUCo utility Money Pool Agreement section 1.07(b) cost? If so, please explain the method that will be followed to determine the amount that will be charged to a non-participating Missouri applicant.
- 2). Referring to LUCo utility money pool section 1.07 (b) costs, are any of these costs, in whole or in part, charged to the non-regulated money pool or retained by LUCo to support its non-money pool borrowings(e.g. \$90 million borrowing to refinance Empire's first mortgage bonds)? If so, please describe the method used to determine these costs and whether these charges reduce the amount allocated to utility eligible borrowers. If not, please explain why the non-regulated money pool or LUCo non-money pool borrowings should not be charged any LUCo 1.07(b) costs.
- 3). Also, if so, will LUCo utility money pool section 1.07 need to be revised?
- 4). Is LUCo a potential borrower in the non-regulated LUCo money pool?
- 5). Is the non-regulated LUCo money pool currently operating and including all LUCo's non-regulated subsidiaries? If no, please identify any LUCo non-regulated subsidiary that is not included in the non-regulated LUCo money pool.
- 6). Will LUCo be treated the same as the other non-utility participants regarding section 1.07 (b) in the non-regulated LUCo money pool?

RESPONSE:

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

- 1). A Missouri Applicant not participating in the Liberty Money Pool will not be charged Section 1.07 costs. However, if for some reason a non-participant still receives direct funding from Liberty Utilities Co. then it is logical to expect that such entity would be charged a proportionate share of funding source costs (e.g. line of credit fees/rating agency fees).

OPC Exhibit No. 16
Date 6/27/19 Reporter JN
File No. AO-2018-0179



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- 2). The participants in the non-regulated money pool will also incur Section 1.07 costs and the same proportionate cost allocation formula exists in both agreements.
- 3). No response required.
- 4). LUCo is a permitted borrower under the non-regulated money pool agreement.
- 5). The non-regulated money pool is not yet fully operational and has only one non-regulated entity participating at this time.
- 6). LUCo will not receive an allocation of Section 1.07 costs for the reasons previously given in Mr. Timpe's Surrebuttal Testimony in this matter dated March 6, 2019.