

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Empire District Electric Company,)
Liberty Utilities (Central) Co. and Liberty Sub Corp.) Case No. EM-2016-0213
Concerning an Agreement and Plan of Merger and)
Certain Related Transactions.)

STIPULATION AND AGREEMENT AS TO LIUNA

COME NOW The Empire District Electric Company (“Empire”), Liberty Utilities (Central) Co. (“LU Central”), and Liberty Sub Corp. (sometimes collectively hereinafter “Joint Applicants”), and the Laborer’s International Union of North America (“LiUNA”), by and through their undersigned counsel and, pursuant to Missouri Public Service Commission (“Commission”) rule 4 CSR 240-2.115, request that the Commission approve this agreement as a settlement of LiUNA’s issues relevant to the Joint Application filed by Empire, LU Central and Liberty Sub Corp.

The Signatories hereto agree as follows:

The Signatories hereto recommend that the Commission approve the proposed Transaction subject to the following conditions:

Construction and Maintenance Projects

Empire commits to implementing a Responsible Contractor Policy for construction and maintenance projects that include fixed-price contracts in excess of \$1 million. The policy shall consider the inclusion of the following principles and guidelines including experience with past projects; robustness of safety programs; commitment to quality; a skilled workforce; financial integrity; cost and overall prudence; and local sourcing. When assessing bids from contractors who meet the principles included herein, Empire will consider additional cost-savings on a project as a result of contractor-funded training, apprenticeship, and certification programs. To

further this objective, Empire will quantify the costs associated with providing similar training, apprenticeship, and certification services in-house.

General Provisions

- A. This Stipulation has resulted from negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no Signatory shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the Signatories to take other positions in other proceedings except as otherwise provided herein. The Signatories agree that any and all discussions related hereto shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.
- B. This Stipulation is being entered into for the purpose of disposing of LiUNA's issues in this case. The Signatories represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein, in a manner which is not detrimental to the public interest. Except as otherwise addressed herein, none of the Signatories to this Stipulation shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.
- C. The Signatories further understand and agree that the provisions of this Stipulation relate only to the specific matters referred to in the Stipulation, and no Signatory or person waives any claim or right which it otherwise may have with

respect to any matter not expressly provided for in this Stipulation. The Signatories further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation in a manner which is adverse to the Signatory, and further, the Signatories reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Signatory contesting such Commission order. The Signatories agree that the details of this Stipulation have no precedential value in any future proceeding not related to enforcement of this agreement.

- D. The non-utility Signatory Parties enter into this Stipulation in reliance upon information provided to them by the Joint Applicants and this Stipulation is explicitly predicated upon the truth of representations made by the Joint Applicants.
- E. In the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. Furthermore, in the event the Commission accepts the specific terms of this Stipulation without modification, the Signatories agree that the pre-filed testimony of all witnesses who have pre-

filed testimony in this case shall be included in the record of this proceeding without the necessity of such witnesses taking the stand.

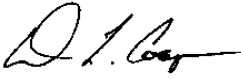
F. Except as otherwise addressed in this Stipulation, Commission approval of the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire, and for the Joint Applicants to execute and perform in accordance with the terms of the Agreement, does not in any way, limit, form a basis for determination, or constitute a defense against any Signatory proposing, or the Commission ordering, the disallowance and/or imputation of account balances, expenses, revenues and/or other ratemaking findings, regarding Empire's operations in a future rate proceeding.

G. To assist the Commission in its review of this Stipulation, the Signatories also request that the Commission advise them of any additional information that the Commission may desire from the Signatories relating to the matters addressed in this Stipulation, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Signatories hereto recommend that the acquisition by LU Central and Liberty Sub Corp. of the stock of Empire as contemplated by the Agreement and Plan of Merger is reasonable and not detrimental to the public interest and respectfully request that the

Commission approve this Stipulation and Agreement subject to the conditions contained herein.

Respectfully submitted,

<p>BRYDON, SWEARENGEN & ENGLAND P.C.</p> <p>By: </p> <p>Paul A. Boudreau - #33155 Dean L. Cooper - #36592 312 E. Capital Ave. P.O. Box 456 Jefferson City, MO 65102 Phone: (573) 635-7166 Fax: (573) 636-6450 Email: paulb@brydonlaw.com dcooper@brydonlaw.com ATTORNEYS FOR JOINT APPLICANTS</p>	<p><u> //S// John B. Coffman by dlc</u> John B. Coffman MBE #36591 John B. Coffman, LLC 871 Tuxedo Blvd. St. Louis MO 63119-2044 john@johncoffman.net ATTORNEY FOR LIUNA</p>
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CERTIFICATE OF SERVICE

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