



Liberty Utilities (The Empire District Electric Company)

Case No. ER-2021-0312

Office Public Counsel Data Request - 3004.1

Data Request Received: 2021-09-22

Response Date: 2021-10-12

Request No. 3004.1

Witness/Respondent: Todd Mooney

Submitted by: David Murray, david.murray@opc.mo.gov

REQUEST:

In Liberty's response to OPC Data Request No. 3004, LU America Holdco is the identified lender to LUCo for debt issued by LUF GP1. Why, explained in detail, is LUCo not the direct borrower from LUF GP1 for the debt loaned to LU America Holdco, which is then loaned to LUCo? Also, please provide all underlying affiliate loan agreements executed for purposes of distributing the proceeds from the LUF GP1 debt issuances outstanding as of September 30, 2020 and June 30, 2021 (to include but not be limited to the affiliate loan agreement between LUF GP1 and LU America Holdco, the affiliate loan agreement between LU America Holdco and LUCo, and any other downstream affiliate financing agreements executed to transfer the funds raised by LUF GP1).

RESPONSE: ATTACHMENTS CONFIDENTIAL PURSUANT TO 20 CSR 4240.2135(2)(A)5

LU America Holdco is a holding company and the parent company for Liberty Utilities Co. or LUCO. LUCO is the holding company for all of Liberty's regulated utility businesses in the US. Liberty Utilities Finance GP1 or GP1 is the special purpose finance subsidiary for LUCO. The proceeds from all debt issued by GP1 is used to either acquire regulated utilities or provide ongoing financing to these utilities post acquisition. Therefore, all debt issued by GP1 is guaranteed by LUCO. Typically, new acquisitions of additional regulated utilities will require interim financing to close the transactions in a timely fashion prior to GP1 new permanent debt being raised. The interim financing is generally provided by the parent company Algonquin Power & Utilities Corp. or APUC but some amounts can also be provided directly through other companies. The APUC interim financings typically flow to LU America Holdco and then are contributed to LUCO in the form of either debt or common equity. Other companies at times also may fund directly to LUCO or its subsidiaries for acquisitions or other capital funding needs but the source of these funds is either GP1 debt or common equity. In order to pay back the interim financings to APUC, GP1 debt proceeds will at times flow to LU America Holdco who will repay APUC for the interim acquisition financings. At other times GP1 debt will flow through other companies and be loaned or contributed to LUCO or its subsidiaries. All long term debt notes issued from LU America Holdco or other

companies to LUCO or its subsidiaries reflect GP1's actual effective interest cost. The following affiliate loan agreements were used to distribute the proceeds to LUCO and its subsidiaries from the LUF GP1 debt issuances outstanding as of September 30, 2020 and June 30, 2021:

- Confidential- LU (Central Holdings) LLC to LUA Holdco US\$650 mil - Mar 24, 2017
- Confidential- LU Co. to LU Finance (US) LLC - \$15,000,000
- Confidential- LU Co. to LU Finance (US) LLC - \$24,000,000
- Confidential- LU Co. to LU Finance (US) LLC - \$25,000,000 - 9-30-20
- Confidential- LU Co. to LU Finance (US) LLC - \$25,000,000
- Confidential- LU Co. to LU Finance (US) LLC - \$36,000,000
- Confidential- LU Co. to LU Finance (US) LLC - \$46,000,000
- Confidential- LU Co. to LU Finance (US) LLC - \$69,000,000
- Confidential- LU Co. to LU Finance (US) LLC - \$75,000,000
- Confidential- LU Co. to LU Finance GP1 - \$100,000,000 -9-30-20
- Confidential- LU Co. to LUA Holdco - \$6,500,000 -9-30-20