

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of The Empire District Electric)
Company and The Empire District Gas Company for) **Case No. AO-2012-0062**
Approval of Their Cost Allocation Manual.)

**UNANIMOUS STIPULATION AND AGREEMENT
AND JOINT REQUEST TO SUSPEND PROCEDURAL SCHEDULE**

COME NOW The Empire District Electric Company (“EDE”), The Empire District Gas Company (“EDG”), the Staff of the Commission (“Staff”), and the Office of the Public Counsel (“OPC”) (collectively, the “Signatories”), by and through their respective counsel, and, for their Unanimous Stipulation and Agreement and Joint Request to Suspend Procedural Schedule (this “Agreement”), respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. All parties to this proceeding are Signatories to this Agreement.
2. None of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost of service or valuation determination or cost allocation, rate design, revenue recovery, or revenue-related methodology. The Signatories agree that this Agreement shall not be used as precedent in any proceeding currently pending under a separate docket or any future proceeding, or used other than to enforce the specific commitments in this Agreement.
3. This Agreement has resulted from negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Agreement unconditionally and without modification or if the Commission approves this Agreement with modifications or conditions to which a Signatory objects, then this Agreement shall be void and none of the Signatories shall be bound by any of the agreements or provisions hereof. In the

event the Commission accepts the specific terms of this Agreement 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. This Agreement does not constitute a contract with the Commission.

4. The Commission's affiliate transactions rule for electric utilities such as EDE is set forth in 4 CSR 240-20.015, and the Commission's affiliate transactions rule for gas utilities such as EDG are set forth in 4 CSR 240-40.015.

Stipulations

5. In a prior EDE rate case, Case No. ER-2011-0004, certain parties entered into a global agreement, which was approved by the Commission effective June 6, 2011. Paragraph six (6) of that agreement provided that "Empire agrees to file for Commission approval of its Cost Allocation Manual (CAM)." The Signatories agree that EDE satisfied this requirement when it filed its CAM and a request for Commission approval herein on August 23, 2011.

6. In EDE's recently completed rate case, Case No. ER-2016-0023, a Commission-approved stipulation required EDE, Staff, and OPC to present a jointly proposed procedural schedule in this CAM docket. The Signatories agree that this requirement has been satisfied.

7. In Case No. EM-2016-0213, the Commission on September 7, 2016 authorized the applicants to perform in accordance with the terms of an Agreement and Plan of Merger dated February 9, 2016, pursuant to which LU Central and Liberty Sub Corp. will acquire all of the stock of Empire (the "Transaction") and then merge Empire with Liberty Sub Corp.,¹ with Empire emerging as the surviving corporation. Following the merger, Liberty Sub Corp. will

¹ A merger subsidiary of LU Central created solely for the Transaction.

cease to exist and Empire will be a wholly-owned subsidiary of LU Central. It is anticipated that these transactions will close in January of 2017. It is further anticipated that the relationship between EDE and its affiliates, including its wholly owned subsidiary EDG, will change if the Transaction is closed as contemplated. As such, the Signatories believe it would be an inefficient use of resources to continue contesting the contents of one or more CAMs for the current affiliate arrangement, which pre-dates the Joint Application of The Empire District Electric Company, Liberty Utilities Co., and Liberty Sub Corp. for approval of an Agreement and Plan of Merger and the Order Approving Stipulations and Agreements and Authorizing Merger Transaction, which the Commission issued on September 7, 2016, effective October 7, 2016. Good cause exists for EDE and EDG to operate without Commission approved CAMs until their respective CAMs are approved in the proceedings initiated pursuant to paragraphs 8 and 9 below.

8. If the Transaction discussed above is closed, EDE shall initiate a new proceeding by filing a proposed CAM and seeking Commission approval thereof, within six (6) months of said closing.

9. If the Transaction is closed, EDG shall initiate a new proceeding by filing a proposed CAM and seeking Commission approval thereof, within six (6) months of said closing.

10. The Signatories stipulate and agree that this CAM docket should be closed if the Transaction is closed and EDE and EDG seek approval of their respective CAMs as stipulated in paragraphs 8 and 9 above.

11. Neither the Staff nor OPC will file a complaint against EDE and/or EDG or provide support for any claim or allegation against EDE and/or EDG on the basis that EDE and/or EDG is or has been non-compliant with the Commission's affiliate transactions rules

because EDE and/or EDG are conducting and/or have conducted affiliate transactions without Commission approved CAMs.

Joint Request to Suspend Procedural Schedule

12. If the Transaction is closed, and EDE and EDG submit CAMs for Commission approval as stipulated in paragraphs 8 and 9 above, this CAM docket may be closed. However, if the Transaction is not consummated, the Signatories will need to move forward in this CAM docket. As such, the Signatories request that the Commission cancel the hearing scheduled for January of 2017 and indefinitely suspend the procedural schedule.

WHEREFORE, the Signatories respectfully submit this Unanimous Stipulation and Agreement and Joint Request to Suspend Procedural Schedule and request that the Commission approve the stipulations contained herein and suspend the procedural schedule in this matter.

Attorney for The Empire District Electric Company
and The Empire District Gas Company:

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

/s/ Diana C. Carter

Diana C. Carter #50527

P.O. Box 456

Jefferson City, MO 65102-0456

(573) 635-7166

(573) 634-7431 (fax)

DCarter@brydonlaw.com

Attorney for the Staff of the
Missouri Public Service Commission:

By:

/s/ Steven Dottheim

Chief Deputy Staff Counsel

Missouri Bar No. 29149

P.O Box 360

Jefferson City, Missouri 65102

(573) 751-7489 Phone

(573) 751-9285 Fax

steve.dottheim@psc.mo.gov

Attorney for the
Office of the Public Counsel:

By:

/s/ Marc D. Poston

Marc D. Poston (#45722)

Chief Deputy Counsel

P. O. Box 2230

Jefferson City MO 65102

(573) 751-5558

(573) 751-5562 FAX

marc.poston@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19th day of October, 2016.

/s/ Steven Dottheim