

LAW OFFICES OF

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A Limited Liability Partnership

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June 25, 2024

via e-filing EXPRESS

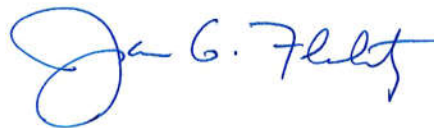
Ms. Lynn M. Retz
Executive Director
Kansas Corporation Commission
1500 S. W. Arrowhead Road
Topeka, Kansas 66604-4027

Re: The Empire District Electric Company
Docket No. 24-EPDE-601-SEC
Executed Promissory Note dated June 12, 2024

Dear Ms. Retz:

Attached for filing in the captioned docket is late-filed Exhibit A to the Application filed by The Empire District Electric Company on February 28, 2024. Also included is a spreadsheet setting forth the support for the cost of debt relating to the Promissory Note.

Sincerely,



James G. Flaherty
jflaherty@andersonbyrd.com

JGF:rr

Enclosure

cc: Joseph R. Astrab
Todd E. Love
David W. Nickel
Shonda Rabb
Della Smith
Ahsan Latif
Carly R. Masenthin
Angela M. Cloven

PROMISSORY NOTE

June 12, 2024

The Empire District Electric Company, a corporation duly organized under the laws of the State of Kansas (herein called the "**Company**", which term includes any successor or resulting Person), for value received, hereby promises to pay to Liberty Utilities Co., or registered assigns (the "**Holder**"), the principal sum of Three Hundred Million and 00/100 United States Dollars (\$300,000,000.00) on June 12, 2034, and to pay interest thereon from the date hereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on June 12th and December 12th in each year (each, an "**Interest Payment Date**"), commencing December 12, 2024, at the rate of 5.931% per annum, until the principal hereof is paid or made available for payment; and at the rate of the greater of (i) 5.931%, plus 2.0% or (ii) 2% over the rate of interest publicly announced by JPMorgan Chase & Co. from time to time in New York, New York as its "base" or "prime" rate, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand) on any overdue principal and premium and on any installment of interest (to the extent payment of such interest is legally enforceable). Interest on this Note will be computed on the basis of a 360-day year comprised of twelve 30-day months. Upon the execution hereof, the Company shall reimburse the Holder a fee of \$2,635,500 which is the Company's pro rata share of the total fees associated with the source of the funds for this Note.

Payment of the principal of (and premium, if any) and any such interest on this Note will be made at the office or agency of the Company in the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or subject to any laws or regulations applicable thereto; and *provided, however*, that payment of interest may be made by wire transfer of immediately available funds to an account maintained by the payee at a financial institution in the United States (so long as Company has received proper transfer instructions in writing by the record date prior to the applicable Interest Payment Date).

This Note is a general, unsecured, obligation of the Company.

The Company may prepay the whole or any part of the amount outstanding under this Note; *provided that* any such prepayment shall be at the Prepayment Price equal to 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the Prepayment Date with respect to such principal amount plus accrued and unpaid interest, if any, to the Prepayment Date.

Notice of any prepayment by the Company will be given not less than two (2) days before any Prepayment Date to the Holder.

Unless the Company defaults in payment of the Prepayment Price, on and after any Prepayment Date for this Note, interest will cease to accrue on this Note or portion hereof called for prepayment.

In the event of prepayment of this Note in part only, a new Note of like tenor for the unpaid portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

It is expressly provided that, in the event that principal and interest payments are not made to the Holder when due, the Holder shall have the right to demand, and the Company shall have the obligation to immediately pay to the Holder, the unpaid balance of any principal and unpaid accrued interest outstanding under this Note, together with the Make-Whole Amount determined for the date fixed for such demand payments. Instead of demanding payment, the Holder may, in its sole discretion, require that the Company provide collateral in the form of cash, letters of credit, or other collateral which may be acceptable to the Holder in its sole discretion, acting commercially reasonably.

The Holder may also demand that this Note be prepaid by the Company in the event of a change of control, or sale of the substantive assets, of the Company.

Failure of the Holder to exercise a right under this Note does not constitute a waiver of such right under this Note.

The Company hereby waives demand, presentment for payment, notice of nonpayment and protest, and consents that the maturity hereof may be extended without notice and that the Holder hereof shall have the right, without notice, to deal in any way, at any time, with the Company or to grant to the Company any indulgence or forbearance whatsoever without in any way effecting the personal liability of the Company.

Waiver by the Holder of any rights under this Note does not constitute a waiver of any other, or subsequent, rights arising under this Note.

Notwithstanding anything herein to the contrary, no provision of this Note shall require the payment or permit the collection of interest in excess of the maximum rate permitted by applicable law. If any excess of interest in such respect is herein provided for, or shall be adjudicated to be so provided, in this Note or otherwise in connection with this transaction, the provisions of this paragraph shall govern and prevail, and neither the Company nor the sureties, guarantors, successors or assigns of the Company shall be obligated to pay the excess amount of such interest, or any other excess sum paid for the use, forbearance or detention of sums loaned pursuant hereto. If for any reason interest in excess of the maximum rate of interest permitted by applicable law shall be deemed charged, required or permitted or otherwise should arise, any such excess shall be applied as a payment and reduction of the principal indebtedness evidenced by this Note. If the principal amount hereof has been paid in full, any remaining excess shall forthwith be paid to the Company.

No service charge shall be made for any exchange of this Note, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

No recourse under or upon any obligation, covenant or agreement contained in this Note, or for any claim based hereon or otherwise in respect hereof, or because of the creation of any indebtedness represented hereby, shall be had against any incorporator, shareholder, member, officer, manager or director, as such, past, present or future, of the Company or of any successor thereof, either directly or through the Company or any successor thereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any

assessment, penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released by the acceptance hereof and as a condition of, and as part of the consideration for, the issuance of this Note.

Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity reasonably satisfactory to the Company or, in case of any such mutilation, upon surrender and cancellation of this Note, the Company will issue a new Note of like tenor in lieu of this Note.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

The Company agrees to pay all costs and expenses, if any, including counsel fees and expenses in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Note.

DEFINITIONS:

"Business Day" means with respect to any place of payment or other location each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that place of payment or other location are authorized or obligated by law, executive order or regulation to close.

"Discounted Value" means, with respect to the Prepaid Principal of this Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Prepaid Principal from their respective scheduled due dates to the Prepayment Date with respect to such Prepaid Principal, in accordance with accepted financial practice and at a discount factor (applied on a semi-annual basis) equal to the Reinvestment Yield with respect to such Prepaid Principal.

"Make-Whole Amount" means, with respect to this Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Prepaid Principal of such Note over the amount of such Prepaid Principal, provided that the Make-Whole Amount may in no event be less than zero.

"Person" means an individual, corporation, limited liability company, partnership, limited partnership, joint venture, association, trust, other entity, unincorporated organization, or government or any agency or political subdivision thereof.

"Prepayment Date" with respect to the Prepaid Principal of this Note means the date fixed by the Company for prepayment or by the Holder pursuant to a demand for payment.

"Prepayment Price" means the price at which this Note is to be prepaid.

"Prepaid Principal" means, with respect to this Note, the principal of such Note that is to be prepaid, whether voluntarily by the Company or subject to demand by the Holder.

"Reinvestment Yield", with respect to the Prepaid Principal of this Note over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Prepayment Date with respect to such Prepaid Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Prepaid Principal as of such Prepayment Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Prepayment Date with respect to such Prepaid Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Prepaid Principal as of such Prepayment Date.

In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding paragraph, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable actively traded on the run U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable actively traded on the run U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of this Note.

"Remaining Average Life" means, with respect to any Prepaid Principal, the number of years obtained by dividing (i) such Prepaid Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Prepaid Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months, that will elapse between the Prepayment Date with respect to such Prepaid Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Prepaid Principal of this Note, all payments of such Prepaid Principal and interest thereon that would be due after the Prepayment Date with respect to such Prepaid Principal if no payment of such Prepaid Principal were made prior to its scheduled due date, provided that if such Prepayment Date is not a date on which interest payments are due to be made under the terms of this Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Prepayment Date and required to be paid on such Prepayment Date.

GENERAL PROVISIONS:

This Note may only be changed, waived, modified or otherwise amended by a writing executed by both the Company and Holder.

This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of law except Section 5-1401 of the New York General Obligations Law.

This Note shall be binding upon the Company and its successors, and shall inure to the benefit of Holder and its successors and permitted assigns. The Company may not assign its obligations under this Note without Holder's prior written consent and any attempt shall be null and void.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

THE EMPIRE DISTRICT ELECTRIC COMPANY

Jennifer Shewmake

By: [Jennifer Shewmake \(Jun 14, 2024 11:13 CDT\)](#)

Jennifer Shewmake
Treasurer

Kevin Noblet

By: [Kevin Noblet \(Jun 21, 2024 14:03 CDT\)](#)

Kevin Noblet
President

Empire to LUCo-Cost of Debt

To promissory note

Based on US Treasury Rates as of June 12, 2024 and credit spread from Liberty Utilities Co.'s most recent issuance

Prepared by:	Mike Mosindy
Reviewed by:	Rob Dargewitz

	Debt Tenor (years)	Amount	Indicative UST	Liberty Credit Spread	All-in Rate	Annual Cost	
Debt issuance	10	300,000,000	4.331%	1.600%	5.931%	17,793,000	8,896,500.00 <-semi-annual
Annual amortization of deferred financing:						263,550	
Total Annual Cost						18,056,550	
All-in Cost of debt						6.019%	

Issuance spread for Liberty Utilities Co. from January 9, 2024 144a issuance

Pricing Term Sheet dated January 9, 2024
to Preliminary Offering Memorandum dated January 9, 2024
Activity Confidential

LIBERTY UTILITIES CO.

This pricing term sheet is qualified in its entirety by reference to the Preliminary Offering Memorandum (the "Preliminary Offering Memorandum"). The information in this pricing term sheet supplements the Preliminary Offering Memorandum and updates and supersedes the information in the Preliminary Offering Memorandum to the extent it is inconsistent with the information in the Preliminary Offering Memorandum. Terms used and not defined herein have the meanings assigned in the Preliminary Offering Memorandum.

The notes have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction. The notes may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S) except in circumstances exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered only to "qualified institutional buyers" as defined in Rule 144A under the Securities Act and (2) outside the United States to non-U.S. Persons as defined in Rule 902 under the Securities Act in compliance with Regulation S under the Securities Act.

Issuer	Liberty Utilities Co.
Security description	5.577% Notes due 2029 5.860% Notes due 2034
Distribution	Rule 144A / Regulation S (without registration rights)
Expected Ratings (Moody's / S&P / Fitch)	Baa2 / BBB / BBB-
Principal Amount	\$300,000,000 for the 2029 Notes \$300,000,000 for the 2034 Notes
Maturity Date	January 31, 2029 for the 2029 Notes January 31, 2034 for the 2034 Notes
Benchmark Treasury	3.786% due December 31, 2023 for the 2029 Notes 4.505% due December 31, 2023 for the 2034 Notes
Benchmark Treasury Price / Yield	103.21 / 4.019% for the 2029 Notes 103.28 / 4.019% for the 2034 Notes
Spread to Benchmark Treasury	1.94 bps for the 2029 Notes 1.116 bps for the 2034 Notes
Yield to Maturity	5.577% for the 2029 Notes 5.860% for the 2034 Notes
Initial Offering Price	99.966% of principal amount for the 2029 Notes 99.966% of principal amount for the 2034 Notes

U.S. Treasury- June 12, 2024



Issuance Fees

Agent fees	1,950,000	<-65 bps for 10 year issuance (see Fee Grid below)
S&P (issuance fees)	237,000	<-7.9 bps paid on Jan-24 LUCo issuance
Moody's (issuance fees)	238,500	<-7.95 bps paid on Jan-24 LUCo issuance
Fitch (issuance fees)	210,000	<-7 bps paid on Jan-24 LUCo issuance
Total	2,635,500	

Supplemental information for issuance fees

Fee Grid for US Issuances

Tenor	Upfront Fee
3-year	40 bps
5-year	60 bps
7-year	62.5 bps
10-year	65 bps
30-year	87.5 bps
40-year	87.5 bps
15-year (interpolated)	70.625

