

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of The Empire )  
District Electric Company for Authorization to )  
Refinance \$300 Million of Short-term Debt by ) Docket No. 24-EPDE- 601 -SEC  
Entering into an Intercompany Promissory Note )  
Issued to Liberty Utilities Co. in the Same Amount )

**APPLICATION**

The Empire District Electric Company (hereinafter "Empire"), pursuant to K.S.A. 66-125, files its application to the Kansas Corporation Commission (hereinafter "Commission"), for authorization to issue the securities described below.

1. Empire is a Kansas corporation with its principal office and place of business at 602 S. Joplin Avenue, Joplin, Missouri 64801. Empire is incorporated in and is conducting business in Kansas and is qualified to conduct business in the states of Missouri, Arkansas and Oklahoma, and is engaged generally, in the business of generating, purchasing, transmitting, distributing and selling electric energy in portions of said states. Empire's Kansas operations are subject to the jurisdiction of the Commission.

2. All communications, notices, orders and decisions respecting this application and proceedings should be addressed to:

Angela Cloven  
Coordinator, Rates and Regulatory Affairs  
The Empire District Electric Company  
602 S. Joplin Avenue, P. O. Box 127  
Joplin, Missouri 64802  
[Regulatory.Information@libertyutilities.com](mailto:Regulatory.Information@libertyutilities.com)

James G. Flaherty  
Anderson & Byrd, LLP  
216 S. Hickory ~ P.O. Box 17  
Ottawa, Kansas 66067  
[jflaherty@andersonbyrd.com](mailto:jflaherty@andersonbyrd.com)

3. Empire has previously filed with the Commission certified copies of Empire's Restated Articles of Incorporation and amendments thereto.

4. Empire intends to refinance \$300 million short-term debt incurred through intercompany borrowings, by entering into an intercompany promissory note in the amount of \$300 million with Liberty Utilities Co. ("Intercompany Promissory Note"). The Intercompany Promissory Note will be issued shortly after the Commission issues its Order and Certificate approving said securities issuance. The Intercompany Promissory Note is non amortizing and will be unsecured. It will be issued for a 10-year term. The price of the Intercompany Promissory Note will be at a fixed rate of interest equal to the then current yield of the 10-year U.S. Treasury bond, on the pricing date, plus a credit spread of 185 basis points. The credit spread is based on the credit spread paid by Liberty Utilities Co. for its 10-year U.S. 144a senior unsecured notes issued on January 12, 2024. This is the most recent capital market financing conducted by Liberty Utilities Co.

5. Upon closing of the new Intercompany Promissory Note, Empire will pay Liberty Utilities Co. a debt issuance fee equal to \$2,640,000, which equates to the same 0.88% debt placement fees paid by Liberty Utilities Co. for its January 12, 2024, senior unsecured notes referenced above.

6. A copy of the Intercompany Promissory Note will be filed as a late-filed exhibit to this Application and is incorporated herein by reference. A form of the Promissory Note is attached herein as **Exhibit A**.

7. Filed as **Exhibit B** and attached hereto and made a part hereof for all purposes is

information regarding Empire's capital stock outstanding, all of which is owned indirectly by Liberty Utilities Co., long term indebtedness and short term indebtedness and other financial information including financial statements with adjustments showing the proforma effect on indebtedness authorized and outstanding of the proposed issuance of the \$300 million Intercompany Promissory Note and the repayment of \$300 million of short-term debt. The information contained in **Exhibit B** has been designated as *confidential* pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a. The information is non-public financial information that if disclosed to the public could result in financial harm to the utility.

8. As indicated above, the purpose for entering into the \$300 million Intercompany Promissory Note is to refinance Empire's existing \$300 million of short-term debt incurred through intercompany borrowings.

9. Filed as **Exhibit C** and attached hereto and made a part hereof for all purposes is a certified copy of the resolutions of Empire's Board of Directors which generally authorize the transactions which are the subject of this application and authorize the filing of this application.

WHEREFORE, Empire requests an order be issued by this Commission pursuant to K.S.A. 66-125 authorizing Empire to:

(a) enter into the \$300 million Intercompany Promissory Note with Liberty Utilities Co. for the purpose of refinancing Empire's existing \$300 million short-term debt. The Intercompany Promissory Note will be issued shortly after the date the Commission issues its Order and Certificate approving said securities issuance. The Intercompany Promissory Note is non-amortizing and will be unsecured. It will be issued for a 10-year term. The price of the Intercompany Promissory Note will be at a fixed rate of interest equal to the then current

yield of the 10-year U.S. Treasury bond, on the pricing date, plus a credit spread of 185 basis points. The credit spread is based on the spread of Liberty Utilities Co.'s 10-year U.S. 144a senior unsecured notes, issued on January 12, 2024. This is the most recent capital market financing conducted by Liberty Utilities Co.;

(b) pay to Liberty Utilities Co., upon entry into the Intercompany Promissory Note, a debt placement fee equal to \$2,640,000 or 0.88% of the principal amount of the Intercompany Promissory Note.; and

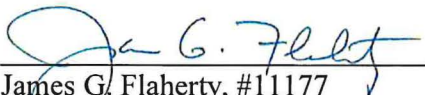
(c) take such other action as may be reasonably necessary to complete the subject transaction.

THE EMPIRE DISTRICT ELECTRIC COMPANY

By: 

Tim Wilson

Central Region President - Electric Operations



James G. Flaherty, #11177

ANDERSON & BYRD, LLP

216 S. Hickory ~ P.O. Box 17

Ottawa, Kansas 66067

(785) 242-1234, telephone

(785) 242-1279, facsimile

jflaherty@andersonbyrd.com

Attorneys for The Empire District Electric

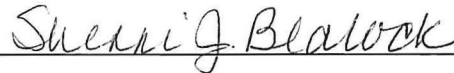
Company, a Liberty Utilities Company

STATE OF MISSOURI  
COUNTY OF JASPER, ss:

Tim Wilson, having been duly sworn, upon his oath, states that he is President - Electric Operations for the Liberty Central Region, which includes the Applicant, The Empire District Electric Company, and as such, is duly authorized to execute the Application and make this affidavit on its behalf; that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of his knowledge, information and belief.

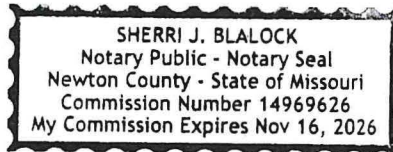
  
\_\_\_\_\_  
Tim Wilson

SUBSCRIBED AND SWORN to before me this 28 day of February, 2024.

  
\_\_\_\_\_

Notary Public

Commission/Appointment Expires: Nov. 16, 2026



# Exhibit A

(late-filed exhibit)

## PROMISSORY NOTE

[ ], 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 [ ], 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 [ ] and [ ] in each year (each, an "**Interest Payment Date**"), commencing [ ], at the rate of [ ]% per annum, until the principal hereof is paid or made available for payment; and at the rate of the greater of (i) [ ]%, 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 \$2,640,000 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**

By: \_\_\_\_\_  
Jennifer Shewmake  
Treasurer

By: \_\_\_\_\_  
Kevin Noblet  
President

# Exhibit B

**CONFIDENTIAL**

# Exhibit C

**THE EMPIRE DISTRICT ELECTRIC COMPANY**  
**(the “Corporation”)**

**CERTIFIED COPY OF RESOLUTIONS OF**  
**THE BOARD OF DIRECTORS OF THE CORPORATION**

I, KarenAnne Sinville, Secretary of a duly called and constituted meeting of the Board of Directors of The Empire District Electric Company held on February 22, 2024 (the “Meeting”), without personal liability, hereby certify that attached hereto as Exhibit “A” is a true and complete copy of resolutions of the Board of Directors passed at the Meeting, and that such resolutions remain in full force and effect, unamended, as of the date hereof.

DATED as of this 27<sup>th</sup> day of February, 2024.

*KarenAnne Sinville*

\_\_\_\_\_  
Name: KarenAnne Sinville

**EXHIBIT A**

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF  
THE EMPIRE DISTRICT ELECTRIC COMPANY  
(the “Corporation”)  
ISSUANCE OF LONG-TERM DEBT**

**WHEREAS**, the Corporation is seeking to issue up to \$300 million of long-term debt to Liberty Utilities Co. (“LUCo”) to repay short-term intercompany borrowings.

**NOW, THEREFORE, BE IT RESOLVED**, that the Corporation is authorized to apply to the Kansas Corporation Commission seeking approval of the debt financings contemplated in the Company's financing application and as described in these resolutions; and

**FURTHER RESOLVED**, that subject to the receipt of any necessary regulatory approvals from any applicable local, state or federal regulatory authority, the Corporation is authorized to borrow up to \$300,000,000 from LUCo in the form of a new, unsecured, fixed rate Note for a term of up to 10 years, at an interest rate based on the current yield of the 10-year U.S. Treasury bond on the pricing date, plus a 185-basis point credit spread which represents the credit spread paid by LUCo for its 10-year U.S. 144a senior unsecured notes issued on January 12, 2024; and

**FURTHER RESOLVED**, that the officers of the Corporation are approved, authorized, empowered and directed, in the name of and on behalf of the Corporation, to take or cause to be taken any and all actions necessary or appropriate to effectuate the foregoing resolutions and to otherwise carry out the purpose and intent of the foregoing resolutions; and

**FURTHER RESOLVED**, that any and all actions taken by any officer, director or other representative of the Corporation prior to the date hereof in accordance with the intent of these resolutions be, and they hereby are, approved, ratified and confirmed in all respects.