

Date: January 19, 2024

Missouri Public Service Commission  
200 Madison Street  
P.O. Box 360  
Jefferson City, MO 65102-0360

Re: *Petition of The Empire District Electric Company d/b/a Liberty for a Financing Order*, File Nos. EO-2022-0040 and EO-2022-0193

The Empire District Electric Company d/b/a Liberty (the “Petitioner”) submits this Certification Empire to Ordering Paragraph No. 7 of the Financing Order in *In the Matter of the Petition of The Empire District Electric Company d/b/a Liberty to Obtain a Financing Order that Authorizes the Issuance of Securitized Utility Tariff Bonds for (i) Qualified Extraordinary Costs and (ii) Energy Transition Costs Related to the Asbury Plant*, File Nos. EO-2022-0040 and EO-2022-0193, respectively (the “Financing Order”). All capitalized terms not defined in this letter have the meanings ascribed to them in the Financing Order.

In its issuance advice letter dated January 19, 2024, the Petitioner has set forth the following particulars of the Securitized Utility Tariff Bonds:

Name of Securitized Utility Tariff Bonds: Securitized Utility Tariff Bonds, Series 2024-A

SPE: Empire District Bondco, LLC

Closing Date: January 30, 2024

Amount Issued: \$305,490,000

Expected Amortization Schedule : See Attachment 2, Schedule A to the Issuance Advice Letter

Distributions to Investors (quarterly or semi-annually):

Weighted Average Coupon Rate: 5.034%

Weighted Average Yield<sup>8</sup>: 5.027%

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<sup>8</sup> The internal rate of return, calculated including all up-front and ongoing costs.


The following actions were taken in connection with the design, marketing, structuring and pricing of the Securitized Utility Tariff Bonds:

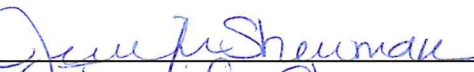
- Conducted an RFP process for the selection of the underwriters and considered the results and recommendations of a broad universe of respondents
- Reviewed underwriters including underwriters and co-managers and made the determination of the number necessary to achieve Savings Standard.
- Selected underwriters that have relevant experience and execution capability.
- Developed bond allocations, examined underwriter compensation and examined the design of the preliminary price guidance alongside the Finance Team to ensure it achieved the lowest Securitized Utility Tariff Charges consistent with market conditions at the time the Securitized Utility Tariff Bonds were priced and the terms of the Financing Order.
- Worked with underwriters (and their counsel) to finalize documentation in accordance with established standards for transactions of this sort and the terms of the Financing Order.
- Included credit enhancement in the form of the true-up mechanism and an equity contribution of 0.50% of the original principal amount.
- Registered the Securitized Utility Tariff Bonds with the Securities and Exchange Commission to facilitate greater liquidity.
- Achieved preliminary Aaa(sf)/AAA(sf) ratings from at least two of the three major rating agencies with final Aaa(sf)/AAA(sf) ratings a condition of closing.
- Sought advice from the underwriters on the:
  - Structure to achieve the Savings Standard.
  - Pool of investors to target, rating agencies to use and number of rating agencies, use of other leads and co-managers, marketing tools, length of process, pricing process, pricing strategy/movements/tightening, and call features to achieve the Savings Standard.
- Evaluated the potential inclusion of a call feature for the Securitized Utility Tariff Bonds and analyzed the expected price implications with the underwriters.
- Discussed and cooperated with the Finance Team during weekly meetings on subjects including: (i) the process for choosing underwriters; (ii) upfront and ongoing financing costs; (iii) selecting the appropriate number of tranches/tranche sizing and structure given market conditions; (iv) structure and structuring alternatives for the Securitized Utility Tariff Bonds; (v) marketing approach and strategy; (vi) pricing strategy, comparable issuance pricing and expected levels; and (vii) rating agency information.
- Had multiple conversations with all of the members of the underwriting team before and during the marketing phase in which we stressed the requirements of the Financing Order.
- Arranged for the issuance of rating agency pre-sale reports during the marketing period.

- Developed and implemented a marketing plan designed to give the underwriters incentive to aggressively market the Securitized Utility Tariff Bonds to their customers and to reach out to a broad base of potential investors, including investors who may not have previously purchased this type of security.
- Developed Intex model with the structuring advisor in order to provide a CDI file to prospective investors required for their investment and portfolio monitoring needs.
- Developed a roadshow presentation to highlight positive credit characteristics of the Securitized Utility Tariff Bonds.
- Provided the preliminary term sheet and preliminary prospectus to prospective investors.
- Allowed sufficient time for investors to review the preliminary term sheet and preliminary prospectus and to ask questions regarding the transaction.
- Instructed the underwriters to widely circulate details of the offering in an electronic roadshow to structured finance and corporate investors. Held live electronic roadshow with investors to present the marketing materials, with replay available for investors who were unable to join the live presentation.
- During the period that the Securitized Utility Tariff Bonds were marketed, held daily market update discussions with the underwriting team to develop recommendations for pricing.
- Reached out to a broad universe of investors and included a broader investor list at the request of the Finance Team.
- Offered one-on-one meetings with potential investors as part of the marketing process.
- Adapted the Securitized Utility Tariff Bond offering to market conditions and investor demand at the time of pricing. Variables impacting the final structure of the transaction were evaluated including the length of average lives and maturity of the Securitized Utility Tariff Bonds and interest rate requirements at the time of pricing so that the structure of the transaction would correspond to investor preferences and rating agency requirements for AAA ratings, while meeting the requirements of the Financing Order. After evaluation, incorporated the use of original issue discount to investors consistent with the expectation that it would provide greater benefit than its cost.

Based upon information reasonably available to the officers, agents, and employees of the Petitioner, the Petitioner hereby certifies that (i) the issuance of the Securitized Utility Tariff Bond complies with the Financing Order, (ii) the issuance of the Securitized Utility Tariff Bond complies with all other applicable legal requirements, (iii) that the issuance of the Securitized Utility Tariff Bonds and the imposition of the securitized utility tariff charges are expected to provide quantifiable net present value benefits to customers as compared to recovery of the components of securitized utility tariff costs that would have been incurred absent the issuance of securitized utility tariff bonds, and (iv) the structuring, marketing and pricing of the Securitized Utility Tariff Bonds, as described in the issuance advice letter, will result in the lowest Securitized Utility Tariff Charges consistent with market conditions at the time the Securitized Utility Tariff Bonds were priced and the terms of the Financing Order (including the amortization structure, if any, ordered by the Commission), all within the meaning of Sections RSMo 393.1700.2.(3)(c)b.-c. Petitioner further certifies that it reasonably expects the small amount of original issue discount associated with the bonds to provide benefits greater than its costs.

THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A  
LIBERTY

By:   
Name: Kevin Nohlet  
Title: President

By:   
Name: Jennifer Sheuroman  
Title: VP, Finance and Admin