

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

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| In the Matter of the Petition of The Empire |) | |
| District Electric Company d/b/a Liberty to |) | <u>File No. EO-2022-0040</u> |
| Obtain a Financing Order that Authorizes |) | Tracking No. JE-2025-0055 |
| the Issuance of Securitized Utility Tariff |) | |
| Bonds for Qualified Extraordinary Costs |) | |

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission (“Staff”) and for its Staff Recommendation about Liberty’s tariff sheet assigned Tracking No. JE-2025-0055 respectfully states as follows:

1. On October 15, 2024, The Empire District Electric Company d/b/a Liberty (“Company”), submitted a revised tariff sheet for the Company’s first annual true-up of Securitized Utility Tariff Charge Rider (“SUTC”), tariff sheet PSC MO No. 6, Section 4, 1st Revised Sheet No. 26e, with an effective date of December 1, 2024. Subsequently, on October 28, 2024, the Company filed a substitute tariff sheet in substitution for the sheet filed on October 15.

2. Also on October 15, 2024, the Commission issued an *Order Directing a Staff Tariff Recommendation and Setting Time for Responses* concerning Liberty’s proposed tariff revision, ordering Staff to file its recommendation on the tariff sheet¹ no later than October 29, 2024.

3. As discussed in more detail and reflected in the Staff Recommendation Memorandum which is attached hereto and incorporated herein by reference, Staff has reviewed the Company’s filing pursuant to the applicable statute,

¹ JE-2025-0055

§ 393.1700.2(3)(e), RSMo., and recommends the Commission approve the following tariff sheet, originally filed on October 15, 2024, and subsequently substituted on October 28, 2024, to go into effect on and after December 1, 2024, the requested effective date:

PSC MO No. 6, Section 4

1st Revised Sheet No. 26e Cancelling Original Sheet No. 26e

WHEREFORE Staff submits its Staff Recommendation as set forth hereinabove and in the Staff Recommendation Memorandum which is attached hereto and prays the Commission issue an order accordingly.

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil
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Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 29th day of October 2024.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
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 Qualified Extraordinary Costs
Case Number: EO-2022-0040
Tracking No. JE-2025-0055

FROM: Kimberly Bolin
Director, Financial and Business Analysis Division

Alexis Haug
Financial Analyst, Financial and Business Analysis Division

/s/ Kimberly Bolin 10/29/2024
Staff Member / Date

SUBJECT: Annual Update

DATE: October 29, 2024

EXECUTIVE SUMMARY

On October 15, 2024, The Empire District Electric Company d/b/a Liberty (“Company”) submitted a revised tariff sheet for the Company’s first annual true-up of Securitized Utility Tariff Charge Rider (“SUTC”), tariff sheet PSC MO No. 6, Section 4, 1st Revised Sheet No. 26e, with an effective date of December 1, 2024.

On October 15, 2024, the Commission issued its Order Directing a Staff Tariff Recommendation and Setting Time for Responses about Liberty’s Tariff Revision, ordering Staff to file its recommendation on the tariff sheet¹ no later than October 29, 2024.

On October 28, 2024, the Company filed a substitute tariff sheet to include the upfront securitization costs as part of the transaction cost reconciliation in the SUTC calculation.

¹ JE-2025-0055

BACKGROUND

On January 19, 2022, the Company filed a verified petition for a financing order seeking authority to issue securitized utility tariff bonds regarding the extraordinary costs incurred by the Company during Winter Storm Uri. That petition was assigned Missouri Public Service Commission (“the Commission”) File No. EO-2022-0040. Similarly, on March 21, 2022, the Company filed a verified petition for financing order seeking authority to issue securitized utility tariff bonds to recover energy transition costs associated with retirement of the Asbury coal-fired generating plant. That petition was assigned Commission File No. EO-2022-0193. The Commission issued an order on April 27, 2022, consolidating the two cases for purposes of the hearing and procedural schedule.

On September 22, 2022, the Commission issued its *Amended Report and Order*, approving the Company’s petitions to issue securitized utility tariff bonds. The Commission also ordered Liberty to file true-ups annually. The Commission stated that, “True-up filings will be based upon the cumulative differences, regardless of the reason, between the periodic payment requirement (including scheduled principal and interest payments on the securitized utility tariff bonds) and the amount of securitized utility tariff charge remittances to the indenture trustee.”

Also, as part of the first true-up the Commission ordered:

If the actual upfront financing costs are less than the upfront financing costs included in the principal amount securitized, the periodic billing requirement, defined below, for the first annual true-up adjustment must be reduced by the amount of such unused funds (together with interest, if any, earned on the investment of such funds). If the actual upfront financing costs are more than the upfront financing costs included in the principal amount securitized, the periodic billing requirement for the first annual true-up adjustment may be increased by the amount of such unrecovered upfront financing costs.

STAFF REVIEW

Section 393.1700.2(3)(e), RSMo. states in part:

If the commission issues a financing order, the electrical corporation shall file with the commission at least annually a petition or a letter applying the formula-based

true-up mechanism and, based on estimates of consumption for each rate class and other mathematical factors, requesting administrative approval to make the applicable adjustments. The review of the filing shall be limited to determining whether there are any mathematical or clerical errors in the application of the formula-based true-up mechanism relating to the appropriate amount of any overcollection or undercollection of securitized utility tariff charges and the amount of an adjustment.

Staff has reviewed the workpapers for mathematical or clerical errors in the calculation of the securitized utility tariff charge. Staff also reviewed the Amended Report and Order in this case to ensure compliance with the order and invoices provided by the Company for the ongoing and upfront fees.

STAFF RECOMMENDATION

Staff recommends the Commission approve the following tariff sheet, originally filed on October 15, 2024, and subsequently substituted on October 28, 2024, to go into effect on and after December 1, 2024, the requested effective date:

PSC MO No. 6, Section 4

1st Revised Sheet No. 26e Canceling Original Sheet No. 26e

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OF THE STATE OF MISSOURI

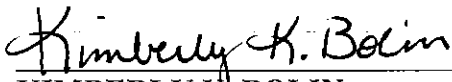
In the Matter of the Petition of The Empire)
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Obtain a Financing Order that Authorizes the) Case No. EO-2022-0040
Issuance of Securitized Utility Tariff Bonds)
for Qualified Extraordinary Costs)

AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KIMBERLY K. BOLIN and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation*; and that the same is true and correct according to her best knowledge and belief.

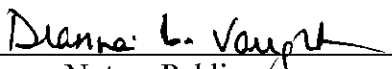
Further the Affiant sayeth not.



KIMBERLY K. BOLIN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of October 2024.



Notary Public

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| DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: July 18, 2027 Commission Number: 15207377 |
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for Qualified Extraordinary Costs)

AFFIDAVIT OF ALEXIS HAUG

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ALEXIS HAUG and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation*; and that the same is true and correct according to her best knowledge and belief.

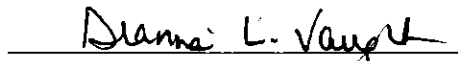
Further the Affiant sayeth not.



ALEXIS HAUG

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of October 2024.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377