

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

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)	Case No. EO-2022-0040
Securitized Utility Tariff Bonds for)	
Qualified Extraordinary Costs and for Energy)	
Transition Costs Related to the Asbury Plant)	

MOTION FOR EXPEDITED TREATMENT

COMES NOW The Empire District Electric Company (“Liberty” or “Company”), and for its Motion for Expedited Treatment pursuant to Rule 20 CSR 4240-2.080(14), respectfully states as follows to the Missouri Public Service Commission (“Commission”).

1. On February 28, 2025, Liberty filed its 2nd Revised Tariff Sheet No. 26e to implement a securitization charge true-up, with a proposed effective date of April 1, 2025 (Tracking No. JE-2025-0129). The tariff sheet and filing cover letter were also filed in this securitization docket.

2. As noted in the February 28 filing cover letter, at the time of the bond payment on January 1, 2025, the Company was short on funds and had to draw down from the capital subaccount and utilize the funds intended to pay the ongoing costs for 2024 to make the bond payment. This was due to the Company experiencing variances in actual usage versus projected usage during 2024. Utilizing the 2024 revenue collection shortfall and 2025 actual and projected collections, the Company forecasted under collections for the next bond payments (July 1, 2025 and January 1, 2026).

3. To ensure its ability to make timely bond payments, Liberty made the true-up filing on February 28, 2025.¹ The filing cover letter provided: “Due to the urgency of this update, the

¹ Paragraph 230 of the Financing Order provides that “true-up adjustments may be made by the servicer more frequently at any time during the term of the securitized utility tariff bonds to correct any undercollection or . . . to assure timely payment of securitized utility tariff bonds.” Paragraph 230 further

revised tariff sheet bears a proposed effective date of April 1, 2025 (more than 30 days but less than 45 days after submission).”

4. Paragraph 231 of the Amended Report and Order issued herein September 22, 2022, effective October 2, 2022 (the “Financing Order”), provides that for an interim true-up (whether mandatory or optional), “the interim true-up adjustment must use the methodology utilized in the most recent annual true-up and be filed not less than 45 days before the first billing cycle of the month in which the revised securitized utility tariff charges will be in effect.” The Company’s billing cycle begins on the first day of each month.

5. Paragraph 232 of the Financing Order further provides that each true-up adjustment “must be filed not less than 45 days before the first billing cycle of the month in which the revised securitized utility tariff charges will be in effect” and that any true-up adjustment filed with the Commission “should be effective on its proposed effective date, which must be not less than 45 days after filing.”

6. Given the foregoing, the Company voluntarily extended the requested effective date of the revised tariff sheet to May 1, 2025. The urgency of the situation, however, has not changed since Liberty made its filing on February 28 and proposed an effective date of April 1, 2025.

7. Although the Financing Order contains the above-referenced filing/timing requirements for true-up adjustments, the securitization statute (RSMo. §393.1700) and the Company’s securitization tariff sheets (Rider SUTC - February 2021 Storm & Asbury Costs) do not.

provides that “the servicer must make a mandatory interim true-up adjustment . . . (a) if the servicer forecasts that securitized utility tariff charge collections will be insufficient to make all scheduled payments of principal, interest, and other amounts in respect of the securitized utility tariff bonds on a timely basis during the current or next succeeding payment period; or (b) to replenish any draws upon the capital subaccount.”

8. Section 393.1700.2(3)(c) provides that every financing order shall include a formula-based true-up mechanism for making “expeditious periodic adjustments.” Section 393.1700.2(3)(e) then provides that true-up adjustments “shall ensure the recovery of revenues sufficient to provide for the payment of principal, interest,” and all other fees, costs, and charges approved in the financing order. The statute further provides that the Commission, within thirty days after receiving a true-up request, “shall either approve the request or inform the electric corporation of mathematical or clerical errors in its calculation.”

9. Although Liberty’s Rider SUTC provides filing/timing requirements for the required annual adjustments, there are no similar requirements specified for true-up adjustments.

10. Additionally, although paragraphs 231 and 232 of the Financing Order provide for the 45-day filing/timing requirement, paragraph 232 also contains the following: “Liberty may adjust the actual true-up process in consultation with the Finance Team if necessary to ensure triple-A rating on the securitized utility tariff bonds.”

11. Rating agencies have the ability to downgrade or upgrade a monitored rating at any time. Their monitoring of the issuer is continuous, and they take action when new information arises that could impact the rating.

12. The July 1, 2025 principal and interest payment will be \$16,299,505. Without allowing for the payment of any ongoing costs or the replenishment of the capital subaccount (both of which are required), Liberty currently projects being able to make this payment with a margin (or cushion) of only \$425,707. If the requested rate change is approved effective May 1, 2025, the projected margin is \$964,784. If the requested rate change is approved effective April 1, 2025, the projected margin is \$1,475,610.

13. Pursuant to Rule 20 CSR 4240-2.080(14), the Company: (A) requests that the Commission take action by March 21, 2025, and issue an order approving the revised tariff sheet effective April 1, 2025; (B) states that there will be no harm to Liberty's customers or the general public if the Commission acts by the date requested and that action by said date will have the benefit of Liberty being more likely to be able to make its bond payment when due; and (C) that this pleading was filed as soon as possible. Further, the granting of this Motion for Expedited Treatment and authorization for the revised SUTC tariff sheet to take effect by April 1, 2025, will help to ensure Liberty's ability to timely make all payments due under the Financing Order and retention of the triple-A rating on Liberty's securitized utility tariff bonds.

14. To the extent the 45-day filing/timing requirements in paragraphs 231 and 232 of the Financing Order are applicable here, Liberty requests that the true-up process be adjusted in this instance to ensure triple-A rating on Liberty's securitized utility tariff bonds and to otherwise ensure the recovery of revenues sufficient to provide for the payment of principal, interest, and all other fees, costs, and charges approved in the Financing Order.

WHEREFORE, for good cause shown, The Empire District Electric Company d/b/a Liberty respectfully requests that the Commission grant this Motion for Expedited Treatment and issue an order approving the revised tariff sheet effective April 1, 2025.

Respectfully submitted,

/s/ Diana C. Carter

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 13th day of March, 2025, and sent by electronic transmission to all counsel of record.

/s/ Diana C. Carter