

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

In the Matter of the Application of)
The Empire District Electric Company) **Case No. EM-2026-0209**
d/b/a Liberty for an Order Granting Approval)
to Encumber Assets in Association with the)
DOE GRIP Program)

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission (“Staff”), and for its *Staff Recommendation* regarding The Empire District Electric Company, d/b/a Liberty’s (“Liberty” or “the Company”) Application for *Approval to Encumber Assets, Request for Waiver, and Motion for Expedited Treatment* (“Application”), respectfully states as follows:

1. On February 27, 2026, Liberty filed its Application seeking to encumber assets in relation to its application to participate in the U.S. Department of Energy’s (“DOE”) Grid Resilience and Innovation Partnerships (“GRIP”) program, which could provide federal matching funds of up to 50% for certain utility projects.

2. On March 2, 2026, the Commission issued its *Order Directing an Expedited Staff Review and Responses to Application* concerning Liberty’s Application, ordering Staff to file its recommendation no later than March 17, 2026. Any comments or objections must be filed no later than March 17, 2026.

3. Liberty’s GRIP proposal is an initiative known as “Project DA” which will deploy distribution automation (“DA”) equipment while also renewing and upgrading Liberty’s line and station infrastructure to support new DA functionalities.

4. To obtain grant funding, Liberty must obtain the execution of a Uniform Commercial Code (“UCC”) financing statement in favor of the DOE on the assets of the project, and thus requests, pursuant to RSMo. §393.190.1, an order of the Commission

authorizing Liberty to execute the UCC financing statement in favor of the DOE for the Company's Project DA assets.

5. Further, Liberty supports its application by providing that it obtained authorization on February 24, 2026, from the DOE to proceed in accordance with the Project DA objectives and the terms and conditions of the GRIP award.

6. Liberty has provided the DOE Assistance Agreement in its application.

7. Based on discussions between the Company and Staff, Staff learned that the Company requires no external financing and will use the Company's current assets for Project DA.

8. Further, Staff reviewed the relevant Federal Law, 2 C.F.R. § 910.360 and the DOE application form, and Staff has issued data requests and received Liberty's responses relating to Liberty's application.

9. As of the date of this filing, Liberty has no overdue Commission annual reports or assessment fees.

10. Staff has reviewed Liberty's filing pursuant to the applicable statute, § 393.190.1, RSMo. Under § 393.190, RSMo, a regulated utility may not mortgage or otherwise encumber assets necessary or useful to public service without prior authorization from the Commission. Although the statute provides no express approval standard, the Missouri Supreme Court has stated that the Commission must be mindful that the right to transfer or encumber property is an important incident of the ownership thereof and that a property owner should be allowed to do such things unless it would be detrimental to the public.¹ Staff's position is that Liberty's Application to Encumber Assets

¹ *State ex rel. City of St. Louis v. Public Service Commission*, 73 S.W.2d 393, 400 (Mo. banc 1934).

is not detrimental to the public, and recommends the Commission approve the Application. Staff has no objection to Liberty's request for expedited treatment.

WHEREFORE, Staff submits its *Staff Recommendation* as set forth herein, and prays the Commission issue an order accordingly.

Respectfully submitted,

/s/ Travis J. Pringle

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**Attorneys 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 all parties and/or counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 17th day of March 2026.

/s/ Travis J. Pringle

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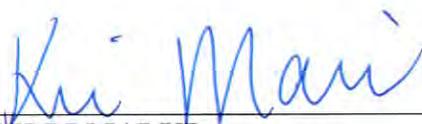
Case No. EM-2026-0209

AFFIDAVIT OF KELLI MALKI

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

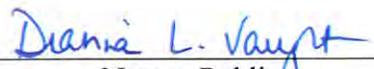
COMES NOW KELLI MALKI, and on her oath states that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


_____ **KELLI MALKI**

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 17th day of March 2026.


_____ **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