BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Summit Natural Gas of Missouri, Inc. for Authority to Amend and Extend the Term of its Existing Credit Agreement, and to Extend the Term of its Outstanding Secured Indebtedness of $100,000,000 with the Issuance of one or more New Promissory Notes	)))))	**Case No. GF-2018-0041**

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its *Recommendation* states as follows:

1. In its *Order Authorizing Issuance of Debt* dated December 19, 2012, in Case No. GF-2013-0261, the Commission authorized Summit Natural Gas of Missouri, Inc. ("SNGMO" or "Company") to issue $100 million of long-term, secured indebtedness pursuant to the terms of a Credit Agreement.

2. On December 9, 2015, in its *Order Granting Application* in Case No. GF-2016-0095, the Commission granted, subject to four (4) specific conditions recommended by Staff and set forth in the Commission's order, SNGMO's application for authority to amend the previously authorized Credit Agreement and to extend the term of the financing authority through December 31, 2017.

3. On October 12, 2017, SNGMO filed an Application and Request for Waiver in this case, Case No. GF-2018-0041, seeking among other things the Commission's approval to amend and restate the existing Credit Agreement and refinance the $100,000,000 senior secured term loan issued thereunder. In its *Order Extending Time for Filing Recommendation* issued November 14, 2017, the Commission ordered Staff to file a recommendation in this case no later than December 11, 2017.

4. For the reasons explained more fully in Staff's Recommendation memorandum which is attached hereto and incorporated herein by reference, the Staff recommends the Commission issue an order approving SNGMO's application subject to the following four (4) conditions, which are substantially similar to the conditions contained in the Commission's prior orders referenced above:

1. That nothing in this Memorandum (Recommendation) or the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, and that the Commission reserves the right to consider the rate making treatment to be afforded these financing transactions and their effect on cost of capital in any later proceeding.

2. That the Company file with the Commission all final terms and conditions of the proposed secured debt.

3. That all future funds acquired through the collateralization of SNGMO's utility properties shall be used exclusively for the benefit of its Missouri utility properties.

4. That the amount authorized for purposes of the requested lien or encumbrance shall be limited to $100,000,000.

WHEREFORE, for the reasons explained in Staff's Recommendation memorandum, the Staff respectfully recommends the Commission approve SNGMO's Application subject to the four conditions recommended by Staff.

Respectfully submitted,

/s/ Jeffrey A. Keevil
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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 this 5th day of December, 2017.

/s/ Jeffrey A. Keevil