

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 9th day of
December, 2016.

In the Matter of the Application of Summit Natural)	
Gas of Missouri, Inc., for Authority to Amend its)	
Existing Credit Agreement and to Extend the Term)	<u>File No. GF-2016-0095</u>
of its Outstanding Secured Indebtedness of)	
\$100,000,000 with the Issuance of a New Note)	
Having More Favorable Interest Rate)	

ORDER GRANTING APPLICATION

Issue Date: December 9, 2015

Effective Date: December 19, 2015

On October 22, 2015, Summit Natural Gas of Missouri, Inc. ("SNGMO") filed an application seeking authority from the Missouri Public Service Commission ("Commission") to amend its existing credit agreement and to extend this existing financing authorization for two years.¹ The extension would give SNGMO the capacity to refinance its outstanding debt over a period of up to two years.

On December 3, 2015, the Staff of the Commission filed a Memorandum and recommendation that the Commission approve the application, subject to the following conditions:

1. That nothing in this Memorandum or the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, which includes, but is not limited to the capital structure, 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.

¹ SNGMO's application was filed pursuant to Sections 393.180, and 393.190, RSMo 2000, and Commission Rules 4 CSR 240-2.060, 2.080, 3.220 and 4.020(2)(B).

2. That SNGMO shall 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.

On December 7, 2015, SNGMO filed a reply to Staff's recommendation stating that it accepts these conditions.

Neither the governing statute² nor any other law requires a hearing before approving the unopposed application.³ Because this is a non-contested case, the Commission acts on evidence that is not formally adduced and preserved.⁴ There is no evidentiary record.⁵ Consequently, the Commission bases its decision on the parties' verified filings.

The Commission has reviewed and considered SNGMO's verified application and Staff's verified recommendation. Based on the Commission's independent and impartial review, the Commission finds that it is in the public interest to grant SNGMO's application. The Commission will require SNGMO to comply with the conditions requested by Staff. As required by Section 393.200, RSMo, the Commission finds that the proposed issuance of debt securities is or will be reasonably required for the purposes specified in the application and that such purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income. The Commission will make this order effective after ten days, as SNGMO has requested expedited treatment and Commission action by December 19, 2015, which request was not opposed by any party.

² Sections 393.190 and 393.200, RSMo. All sections are in the 2000 Revised Statutes of Missouri as subsequently revised and supplemented unless otherwise stated.

³ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

⁴ *State ex rel. Public Counsel v. Public Service Comm'n*, 210 S.W.3d 344, 353-355 (Mo. App. 2006).

⁵ *Id.* The competent and substantial evidence standard of Article V, Section 18, does not apply to administrative cases in which a hearing is not required by law." *Id.*

THE COMMISSION ORDERS THAT:

1. Summit Natural Gas of Missouri, Inc.'s Motion for Expedited Treatment is granted.
2. Summit Natural Gas of Missouri, Inc.'s application, filed on October 22, 2015, is granted subject to the conditions recommended by the Commission's Staff, which are delineated in the body of this order.
3. Summit Natural Gas of Missouri, Inc. is authorized to execute all documents and take all actions necessary for the above-described transactions.
4. Nothing in this order shall constitute an opinion of prudence on the overall structure of Summit Natural Gas of Missouri, Inc. and that company's current credit facility.
5. This order shall become effective on December 19, 2015.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is fluid and cursive.

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Bushmann, Senior Regulatory Law Judge