

**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 its)
Existing Credit Agreement and to Extend the Term)
of its Outstanding Secured Indebtedness of)
\$100,000,000 with the Issuance of a New Note)
Having More Favorable Interest Rates)

Case No. GF-2016-0095

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. On October 22, 2015, SNGMO filed an application for authority to amend the Credit Agreement and to extend the term of the financing authority through December 31, 2017, and to continue the lien on all of the franchises, certificates of convenience and necessity, plant and system of SNGMO in the State of Missouri to secure its obligations under the various loans. On October 30, 2015, the Commission issued its *Order Directing Staff to File a Recommendation* which ordered Staff to file a recommendation regarding SNGMO's financing application no later than December 4, 2015.

2. 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 *Order Authorizing Issuance of Debt* dated December 19, 2012, in Case No. GF-2013-0261:

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.
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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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 3rd day of December, 2015.

/s/ Jeffrey A. Keevil