

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 26<sup>th</sup> day  
of July, 2023.

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp.'s d/b/a Liberty (MNG) Application for Authority to Issue Long Term Unsecured Debt )  
 ) **File No. GF-2023-0280**  
 )

**ORDER APPROVING FINANCING APPLICATION**

Issue Date: July 26, 2023

Effective Date: August 5, 2023

On March 7, 2023, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty (Liberty Midstates) filed an application with the Commission requesting approval to refinance unsecured debt to its parent company, Liberty Utilities Co., (LUCo) in the amount of \$25.6 million. That debt matured on May 1, 2023. Liberty Midstates also seeks approval to issue new long-term debt to LUCo of up to \$65 million to fund long-term capital expenditures and Winter Storm Uri costs. Liberty Midstates has asked that the Commission waive the requirements of Commission Rules 20 CSR 4240-10.125(1)(G) and 20 CSR 4240-4.017. Liberty Midstates amended its application on May 19, 2023, to provide additional detail about the debt issuance.

On June 16, 2023, the Staff of the Commission (Staff) filed a recommendation that the Commission approve the application, subject to conditions. Liberty Midstates filed a response to Staff's recommendation objecting to one of the proposed conditions. Staff agreed that the condition was not necessary to this application.

Liberty Midstates' application did not include a five-year capitalization expenditure schedule, as required by Commission Rule 20 CSR 4240-10.125(1)(G) and Section

393.200 RSMo. However, Liberty Midstates did provide its 2023-2027 five-year projected capital expenditure plan to Staff prior to its recommendation and later withdrew its request for a waiver of Commission Rule 20 CSR 4240-10.125(1)(G). Accordingly, the Commission will not address Liberty Midstates' request that the Commission waive the requirements of Commission Rule 20 CSR 4240-10.125(1)(G).

The Commission has reviewed and considered Liberty Midstates' verified application and Staff's recommendation. The Commission finds that it is in the public interest to grant Liberty Midstates' application. The Commission will require Liberty Midstates 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.

Liberty Midstates included a verified declaration as part of its application pursuant to Commission Rule 20 CSR 4240-4.017(1)(D) stating that it has had no communication with the office of the Commission within the preceding 150 days regarding any substantive issue likely to be in this case. Therefore, the Commission will waive the 60-day filing requirement of Commission Rule 20 CSR 4240-4.017(1). The Commission finds it reasonable to make this order effective in less than 30 days.

**THE COMMISSION ORDERS THAT:**

1. The 60-day filing requirement of Commission Rule 20 CSR 4240-4.017(1) is waived for this application.

2. Liberty Midstates' financing application filed on March 7, 2023, as amended May 19, 2023, is granted. Liberty Midstates is authorized to refinance unsecured debt to LUCo in the amount of \$25.6 million and Liberty Midstates is also authorized to issue new long-term debt to LUCo of up to \$65 million. Liberty Midstates' refinancing and issuance of debt is subject to the following conditions:

- a. Nothing in this order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, specifically including, but not limited to, the placement fee, and the Commission reserves the right to consider the rate making treatment to be afforded the financing transaction and its impact on cost of capital, in any later proceeding.
- b. Liberty Midstates shall file with the Commission within 30 days of issuance of this financing, a report including the amount of the unsecured indebtedness issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance. In addition, Liberty Midstates shall also provide the ledger entries for each company for each issuance.
- c. Liberty Midstates shall file with the Commission through its electronic filing and information system (EFIS) any information concerning communication with credit rating agencies concerning this issuance.
- d. Liberty Midstates shall file with the Commission as a non-case related submission in EFIS under "Resources" - "Non-Case Related Query" - "Ordered Submission" any credit rating agency reports published on Liberty

Midstates' or LUCo's corporate credit quality or the credit quality of its securities.

- e. Liberty Midstates shall file a five-year capitalization expenditure schedule with its application in future finance cases.
  - f. The Commission's grant of authority shall expire three years from the effective date of the order in this proceeding.
  - g. The Commission is not approving a specific "placement fee" in this finance case, and any ratemaking treatment involving a "placement fee" or the amortization thereof shall be determined in future rate proceedings.
3. This order shall become effective on August 5, 2023.



**BY THE COMMISSION**

*Nancy Dippell*

Nancy Dippell  
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeier  
and Hahn CC., concur.

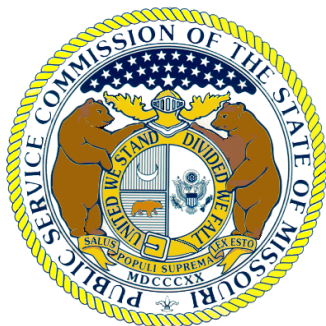
Clark, Senior Regulatory Law Judge

**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 26<sup>th</sup> day of July, 2023.**



*Nancy Dippell*  
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**Nancy Dippell**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**July 26, 2023**

**File/Case No. GF-2023-0280**

**Missouri Public Service  
Commission**  
Staff Counsel Department  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
staffcounsel@psc.mo.gov

**Office of the Public Counsel**  
Marc Poston  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opcservice@opc.mo.gov

**Liberty (MNG)**  
Diana C Carter  
428 E. Capitol Avenue, Suite 303  
Jefferson City, MO 65101  
Diana.Carter@LibertyUtilities.com

**Missouri Public Service  
Commission**  
Carolyn Kerr  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
Carolyn.Kerr@psc.mo.gov

**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

**Sincerely,**



**Nancy Dippell  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.