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 Participate in A Corporate Restructuring Which Will Result In The Taking and Holding of All Its Capital Stock by A Newly-Formed Subsidiary of Summit Utilities, Inc.	)))))	**File No. GO-2019-0216**

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission through the Staff Counsel's Office and submits (a) legal analysis that the Commission has jurisdiction, pursuant to Section 393.250 RSMo. 2016, to review the proposed corporate restructuring involving Summit Natural Gas of Missouri Inc. ("SNGMo") which will result in the taking and holding of all its capital stock by a newly-formed subsidiary of Summit Utilities, Inc. ("SUI"); (b) SNGMo has indicated that the Commission has authority to review and approve the reorganization plan of SNGMo pursuant to a condition in paragraph 16 of the Nonunanimous Stipulation And Agreement in Case No. GO-2005-0120 that prohibits the pledging of Missouri Gas Utility ("MGU") (SNGMo's predecessor in interest) equity as collateral or security for holding company debt or any other subsidiary debt without Commission approval; (c) the Staff's Memorandum Recommendation (Appendix A) states that the Commission may approve the proposed corporate reorganization as not detrimental to the public interest and suggests one condition to be required by the Commission relating to Staff discovery; (d) Staff does not object to a waiver of notice by the Commission, pursuant to Commission Rule 4 CSR 240-4.017(1)(D); and (e) Staff does not object to the Commission expediting consideration of SNGMo's Application.[1]

[1] Commission Rule 4 CSR 240-2.080(14), paragraphs 17 and 18 of the Application.

1 Staff first notes that SNGMo's Application, in essence, has changed since its filing on January 24, 2019 with the Staff's identification of the Nonunanimous Stipulation And Agreement in Case No. GO-2005-0120[2] which is addressed in part in the preceding opening paragraph. Among other things, given the expedited treatment requested by SNGMo, Staff Financial Analysis Department, Utility Regulatory Manager, David Murray advised his SNGMo contacts by e-mail on February 20, 2019 that:

> I understand that the terms of Midco's financing would include the pledging of SNGMO equity. In reviewing past Commission orders related to Summit Natural Gas of Missouri (and its previous name Missouri Gas Utility), I discovered a condition that prohibits the pledging of SNGMO/MGU equity as collateral for holding company debt or any other subsidiary debt (see Item 16. in S&A in Case No. GO-2005-0120). I will be addressing this in Staff's recommendation. I just wanted to provide you advanced notice of my discovery of this condition.

SNGMo's counsel responded to Mr. Murray's e-mail by advising Staff counsel by e-mail of the modification in SNGMo's position noted above:

> Steve, David Murray sent the note below to the Company concerning a stipulation entered into by MGU (SNGMO's predecessor in interest) in 2005. Please let David know that his "heads-up" on this topic is appreciated. Please also be advised that in light of that legacy commitment, SNGMO will no longer challenge the Commission's authority to review and approve the restructuring plan. Rather, the Application filed in this case should be viewed as a request for the Commission's approval as permitted in paragraph 16 of that document.

[2] In the matter of the application of Missouri Gas Utility, Inc., for a certificate of public convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a natural gas distribution system to provide natural gas service in parts of Harrison, Daviess and Caldwell Counties, to acquire the Gallatin and Hamilton, Missouri natural gas systems, and to encumber the acquired assets.

MISSOURI COMMISSION HAS JURISDICTION

Financings After Case No. GO-2005-0120 But Prior To The Proposed Formation Of "Midco"

2. SNGMo states at page 1, paragraph 1 of its January 24, 2019, Application that it is a wholly owned subsidiary of SUI and is a corporation incorporated under the laws of the State of Colorado with its principal offices located at 7810 Shaffer Parkway, Suite 120, Littleton, Colorado 80127. SNGMo at page 2, paragraph 2 of its Application relates that it conducts business as a "gas corporation" and a "public utility" as those terms are defined at Section 386.020 RSMo.

3 SNGMo at page 2, paragraph 2 of its Application states that (a) SUI proposes to (a) form a new subsidiary referred to as "Midco", and (b) SUI plans to contribute to Midco all of SUI's interest in the capital stock of SNGMo. SNGMo will go from a direct wholly-owned subsidiary of SUI to an indirect wholly-owned subsidiary of SUI as opposed to a direct wholly-owned subsidiary

4 At page 3, paragraph 6, of its Application, SNGMo notes that in File No. GF-2018-0041 SNGMo filed for authority to enter into an amended and restated Credit Agreement for up to and including $100 million of indebtedness secured by a first priority lien on all, or substantially all, of the properties owned by SNGMo. In its Application And Request For Waiver filed on October 12, 2017 in File No. GF-2018-0041 SNGMo., pursuant to Sections 393.180 and 393.190 RSMo., SNGMo sought to refinance the existing indebtedness which had a maturity date of December 31, 2017 with a new indebtedness having a maturity date no later than December 29, 2020. The Application sought that the Commission issue and approve the Application and issue an Order that, among other things, authorized SNGMo to subject, or continue to subject, its property,

works, or system, including its certificates of convenience and necessity ("CCNs"), to the liens of the Mortgage, Security Agreement, Assignment, Assignment of Profits and Proceeds, Financing Statement and Fixture Filing ("Mortgage") and the General Security Agreement ("GSA") to secure its obligations under the Proposed Credit Agreement. The Commission issued on December 13, 2017, an Order Granting Application.

5 The financing/indebtedness in File No. GF-2018-0041, secured by a first priority lien on the properties, works, or system owned by SNGMo, including CCNs of SNGMo, commenced in File No. GF 2013-0261[3] with the Commission granting SNGMo authority to issue up to $100 million of long-term, secured indebtedness, pursuant to Sections 393.180 and 393.190 RSMo. and Rules 4 CSR 240-2.060, 2.080, 3.220 and 4.020(2)(B). In File No. GF-2016-0095, SNGMo sought pursuant to Sections 393.180 and 393.190 RSMo. and Rules 4 CSR 240-2.060, 2.080, 3.220 and 4.020(2)(B) to amend its Credit Agreement and to issue up to and including an aggregate $100 million of long-term, secured indebtedness:

> Section 393.180 states in relevant part:
>
> > The power of gas corporations . . . to create liens upon their property situated in this state is a special privilege, the right of supervision, regulation, restriction and control of which is and shall continue to be vested in the state, and such power shall be exercised as provided by law and under such rules and regulations as the commission may prescribe. [*See generally* Sections 386.040 and 386.250(7)]

[3] Prior to the financing case File No. GF 2013-0261, the Commission approved Missouri Gas Utility, Inc.'s ("MGU") October 3, 2011, Application in File No. GO-2012-0102 for authorization to place a lien on its and Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas ("SMNG") consolidated Missouri properties for $88 million of long-term indebtedness after the closing of the merger of MGU and SMNG. MGU filed its Application pursuant to Sections 393.180 and 393.190 RSMo. 2000 and Rules 4 CSR 240-2.060, 2.080, 3.210, and 4.020(2)(B). MGU was a wholly owned subsidiary of SUI. At page 6, paragraph 17 of its Application, MGU asserted that subjecting MGU's post-merger properties to the lien of the Deed of Trust and/or Mortgage and Security Agreement will not be detrimental to the public interest and in fact will be beneficial to the public interest. In its Order Granting Application on December 21, 2011, the Commission found the proposed transaction to be not detrimental to the public interest and issued an Order Granting Application subject to conditions Staff proposed and to which MGU agreed.

Section 393.190 states in relevant part:

> No gas corporation . . . shall hereafter . . . encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . with any other corporation, person or public utility, without having first secured from the commission an order authorizing it so to do. . .

There is clear authority for the "not detrimental to the public interest" standard for Section 393.190.1, but less so for Section 393.180. The Staff's principal financial analyst stated as follows at page 3 of his Memorandum Recommendation in File No. GF-2013-0261:

> SNGMO's Application requests Commission authority to put a lien on or encumber its Missouri utility assets for purposes of securing a three-year term loan in the amount of $100 million. Though SNGMO is not a Missouri corporation, the Commission exercises its right to regulatory oversight pursuant to Section 393.180 . . . . Although there is no explicit specification of the standard to be used in such cases, Staff has historically applied the standard of "not detrimental to the public interest" in such instances and will do so in this case.

6 At page 5, paragraph 16 of its Application, SNGMo explains that "[t]he proposed corporate restructuring and financing would have no material impact on the tax revenues of the political subdivisions in which any of the structures, facilities or equipment of the companies involved are located." SNGMo may have provided this information because of the requirement in Section 393.190.1 RSMo. which states in relevant part:

Section 393.190.1:

> . . . Any person seeking any order under this subsection authorizing the sale, assignment, lease, transfer, merger, consolidation or other disposition, direct or indirect, of any gas corporation . . . shall, at the time of application for any such order, file with the commission a statement, in such form, manner and detail as the commission shall require, as to what, if any, impact such sale, assignment, lease, transfer, merger, consolidation, or other disposition will have on the tax revenues

> of the political subdivisions in which any structures, facilities or equipment of the corporations involved in such disposition are located. . .

7. On May 19, 2010, in File No. GF-2010-0334, MGU filed an Application For Authority, pursuant to Sections 393.180 and 393.190 RSMo. 2000, and Rules 4 CSR 240-3.210,4 CSR 240-2.060, and 4 CSR 240-2.080 to issue up to and including an aggregate of $26.4 million in some combination of (1) fixed-interest-rate, tax-exempt Recovery Zone Facility Bonds, (2) fixed-interest-rate revenue bonds under the terms of a loan agreement with SUI, and related debt instruments and (3) a bank loan from CoBank, ACB, all such indebtedness to be secured by a mortgage, lien and encumbrance upon its Missouri operating properties. MGU stated that the Commission had jurisdiction pursuant to Section 393.190.1 RSMo. 2000 because MGU would create a lien or encumbrance on its Missouri properties to secure payment of Bonds and the Bank Loan. Thus, MGU sought Commission approval to mortgage its Missouri properties to secure its obligations under the debt instruments. MGU asserted on page 11, paragraph 29 of the Application that "[s]ubjecting MGU's Missouri properties to the additional lien of the Mortgage and Security Agreements will not be detrimental to the public interest, and in fact will be beneficial to the public interest . . . ." On September 8, 2010, the Commission issued an *Order Granting Application*. The Commission noted that Section 393.190.1 RSMo. 2000 was the governing statute and that the standard was whether granting the Application was detrimental to the public interest.[4]

[4] *Re Missouri Gas Utility, Inc.* File No. GF-2010-0334, *Order Granting Application*; *See* Section 393.190.1 RSMo. 2000; *State ex rel. City of St. Louis v. Public Service Comm'n*, 73 S.W.2d 393, 400 (Mo.1934).

Entrance of Midco

8. At page 3, paragraph 5 of its Application, SNGMo states that after the proposed restructuring Midco would enter into one or more credit facilities for up to $225 million of indebtedness, and the proceeds would be used in part to pay off in full all amounts outstanding under SNGMo's existing Credit Agreement and the Credit Agreement would be terminated and the related liens on SNGMo's properties would be released. At page 3, paragraph 8 of its Application, SNGMo relates that:

> . . . The principal advantage of the proposed financing is to provide funds to Midco that it can, in turn, provide to the Company [SNGMo] and Midco's other subsidiaries [Colorado Natural Gas Inc. and A.O.G. Corporation (and thereby its subsidiary Arkansas Oklahoma Gas Corporation)]. The terms of the [Midco] long-term debt are more advantageous than the terms the Company [SNGMo] can access under the Credit Agreement. This will, in turn, tend to result in a lower cost of service for the Company than would otherwise be the case.

9. As previously noted, SUI is incorporated under the laws of the State of Colorado with its principal offices located in Littleton, Colorado. On January 30, 2019, Colorado Natural Gas Inc. ("CNG") filed a Verified Application requesting from the Colorado Public Utilities Commission ("Colorado Commission") an Order authorizing a corporate reorganization and the pledge of CNG's capital stock as security for a parent-level financing. No similar filings have been made in Arkansas, Oklahoma, or the Federal Energy Regulatory Commission. At page 4, paragraph 21 of its Verified Application before the Colorado Commission, CNG relates that "[t]he financing presents a timely and compelling opportunity for debt cost reductions."

10. At page 3, paragraph 7 of its Application, SNGMo relates that "Midco would not itself own or operate any facilities for purposes of providing natural gas service to the general public and would not be a 'public utility' as defined in the §393.020(43) RSMo."

At page 4, paragraph 9 of its Application, SNGMo relates that "there will be no change in operations or personnel resulting from the placement of an intermediate holding company [Midco] between Summit [SUI] and the Company [SNGMo]." At page 5, paragraph 23 of its Verified Application before the Colorado Commission, CNG relates that "there would be no change in the Company's [CNG's] operations or personnel resulting from the placement of Midco between Summit Utilities, Inc. [SUI] and the Company [CNG]."

11. Staff asked in Data Request No. 21 to SNGMo: Will there be a change in operations, the number of personnel employed, or the quality of jobs available with SNGMo resulting from the placement of an intermediate holding company (Midco) between SUI and SNGMo one (1) year, three (3) years, and five (5) years after the reorganization? SNGMo's response was: "No." Staff asked in Data Request No. 22 to SNGMo: How many employees will Midco employ one (1) year, three (3) years, and five (5) years after the reorganization, and what activities will those employees be engaged in performing? SNGMo's response was: "Midco will have no employees one, three, or five years after the restructuring." Staff asked in Data Request No. 23 to SNGMo: Is there a planned transfer of SNGMo employees to SUI or an SUI affiliate one (1), three (3), or five (5) year(s) after the reorganization resulting from the placement of an intermediate holding company (Midco) between SUI and SNGMo. If the answer is "Yes": What work were these people performing as SNGMo employees and what work will they be performing in the future as employees of SUI or a SUI affiliate? SNGMo's response was: "There is no planned transfer of SNGMO employees to SUI or an SUI affiliate one, three, or five years after the restructuring."

12. Staff asked in Data Request No. 7 to SNGMo: “If the reorganization occurs, will Summit Utilities, Inc. [SUI] still provide access to its information consistent with that it has provided to Staff in case proceedings involving Summit Natural Gas of Missouri?” SNGMo’s response was: “If the restructuring occurs, Summit [SUI] will still provide Staff access to its information consistent with that it has previously provided to Staff in case proceedings involving SNGMO.”

13. At page 5, paragraph 15 of its Application, SNGMo says that SUI’s formation of Midco and SUI’s contribution to Midco of all its interests in the capital stock of SNGMo would not be detrimental to the public interest because of SNGMo’s resulting ability to access debt capital on favorable terms, and in fact would be beneficial to the public interest because the public health, safety and welfare would be served. SNGMo goes on in paragraph 15 to assert that the proposed corporate restructuring and financing would not cause any adverse impact on customer service or rates. At page 5, paragraph 16, the SNGMo Application notes that corporate restructuring and financing would have no material impact on the tax revenues of the political subdivisions in which any of the structures, facilities or equipment of the companies involved are located. At page 5, paragraph 24 of its Verified Application before the Colorado Commission, CNG says that “the reorganization and financing are not contrary to the public interest, are neutral as to their effects on the Company’s [CNG’s] customers, are neutral as to the cost of service rendered before and after their effectiveness and are consistent with prior financing approvals . . .”

14. At page 4, paragraph 11 of its Application, SNGMo states that it does not believe that SUI’s proposed formation of Midco or SUI’s proposed contribution

to Midco of its interests in the capital stock of SNGMo would represent a "reorganization" as that term is used in Section 393.250 RSMo. SNGMo then goes on to state:

> . . . The Company [SNGMo] is presently a wholly-owned subsidiary of Summit [SUI] and adding Midco into the chain of ownership between Summit and the Company would not represent any meaningful regulatory change in that the Company would continue to be a wholly-owned subsidiary of Summit, albeit as an indirect wholly-owned subsidiary as opposed to a direct wholly-owned subsidiary. . . .

Thus, after the reorganization Midco will be the direct parent of SNGMo. This is made clear at page 4, paragraph 20 of the CNG's Verified Application before the Colorado Commission, CNG explains, in part:

> . . . if the [Colorado] Commission approves the reorganization, the Company's [CNG's] parent company after giving effect to the reorganization, herein referred to as "Midco", will enter into three types of credit facilities . . . . These facilities will be secured by valid and perfected first priority security interests in, and liens on, all present and future capital stock of the Company [CNG] and Midco's other subsidiaries [SNGMo and A.O.G. Corporation (and thereby its subsidiary Arkansas Oklahoma Gas Corporation)]. Upon completion of the reorganization, Midco will be the direct parent of the Company [CNG]. . . .

Section 393.250 RSMo. states in subsection ".1":

> 393.250.1 Reorganizations of gas corporations, electrical corporations, water corporations and sewer corporations shall be subject to the supervision and control of the commission, and no such reorganization shall be had without the authorization of the commission. [*See* Laws 1913, S.B. 1, page 617, Public Service Commission Act, Article IV, Section 80.1]

There are presently two other subsections to Section 393.250 which in 1913 were one subsection, Section 80.2, under Laws 1913, S.B. 1, pages 617-18, of the Public Service Commission Act, Article IV.

15. On December 15, 2017, Entergy Arkansas, Inc. ("EAI") filed its *Notification of Internal Restructuring or Alternative Application for Approval of Restructuring and*

Related Relief ("*Notification/Application*") establishing File No. EO-2018-0169. EAI filed its *Notification/Application* of an "internal restructuring" pursuant to Sections 393.250 and 393.190 RSMo. 2016 and 4 CSR 240-2.060 and 4 CSR 240-3.110. There is no standard set out within the language of Sections 393.250 and 393.190 RSMo. 2016 themselves. At page 8, Paragraph 14, EAI states that "[t]he long-standing legal standard for Commission review of utility mergers, acquisitions and transfers of assets under Section 393.190.1, RSMo, and for approval of reorganizations under Section 393.250, RSMo, is, 'not detrimental to the public interest.' *State ex rel. City of St. Louis v. Public Service Commission of Missouri*, 335 Mo. 448, 73 S.W.2d 393, 400 (Mo. Banc 1934)." The Missouri Supreme Court in the 1934 *City of St. Louis* case addresses Section 5195 RSMo. 1929, a predecessor to Section 393.190.1, RSMo. 2016, but it does not address Section 5201 RSMo. 1929, a predecessor to Section 393.250, RSMo. 2016. However, the Commission in several Commission cases has stated that the same standard is applied to proposed reorganizations. *See* Paragraph 16 below. Under Section 393.250, reorganizations of electrical corporations are subject to the supervision and control of the Commission and no such reorganization shall be had without the authorization of the Commission. Also, the Commission may by its Order impose such condition(s) as it may deem reasonable and necessary. *See* Sections 393.250.3, 386.040 and 386.250(7) RSMo. 2016.

16. The Commission in *Re Laclede Gas Co*., Case No. GM-2001-342, 2001 WL 1448586, *Order Approving Stipulation and Agreement*, 10 Mo.P.S.C.3d 406, 408 (August 25, 2001),[5] stated that:

> The Commission reads *State ex rel. City of St. Louis v. Public Service Commission of Missouri* to require a direct and present public detriment. [Footnote omitted.] . . . . In the present case, there is no evidence of a direct and present public detriment in the record. If the reorganization is approved, Laclede will still be a public utility subject to regulation by this Commission; it will still serve the same customers with the same system pursuant to its existing tariffs.
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> * * * *
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> Based on its consideration of the record before it, the Commission concludes that the proposed reorganization is reasonable and is not a detriment to the public interest. Therefore, it should be approved.

Very similar language appears in *Re Kansas City Power & Light Co*., Case No. EM-2001-464, 2001 WL 1402082, *Order Approving Stipulation and Agreement and Closing Case*, 10 Mo.P.S.C.3d 394, 401 (August 2, 2001)[6]: "the Commission concludes that the proposed reorganization is reasonable and is not a detriment to the public interest." (See also *Re Sho-Me Power Corp*., Case No. EO-93-259, *Report and Order*, 1993 WL 719871 (September 17, 1993); *Re Fee Fee Trunk Sewer, Inc. and Butler Hill Sewer Co.*, Case No. 16,990, *Report and Order*, 1970 WL 224105 (June 30, 1970).[7]

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[5] In the Matter of the Application of Laclede Gas Company for an Order Authorizing Its Plan to Restructure Itself Into a Holding Company, Regulated Utility Company, and Unregulated Subsidiaries, pursuant to Sections 393.190, 393.200, 393.210 and 393.250 RSMo, and 4 CSR 240-2.060.

[6] In the Matter of the Application of Kansas City Power & Light Company for an Order Authorizing its Plan to Reorganize Itself into a Holding Company Structure, pursuant to Sections 393.190, 393.200, 393.210, 393.250 RSMo 2000 and 4 CSR 240-2.060. .

[7] *See Re Sho-Me Power Corp*., Case No. EO-93-259, *Report and Order*, 1993 WL 719871 (September 17, 1993) – the Commission determined that Section 393.250.1, not Section 393.190.1, was the controlling statute for determining the standard that must be met for granting the conversion of Sho-Me from a Chapter 351 general corporation operating in a nonprofit manner on the cooperative business plan to a Chapter 394

STAFF'S MEMORANDUM RECOMMENDATION

17. Staff's Memorandum Recommendation goes through the details of SUI's plans to create an intermediate holding company, Midco. SUI would contribute to Midco all its interests in the capital stock of what would be Midco's three (3) subsidiaries: SNG, CNG, and AOG. The purpose of Midco would be to issue holding company debt financing to fund investment in SNGMo, CNG, and AOG. As collateral for the debt financings, Midco would pledge its equity interests in its subsidiaries, SNGMo, CNG, and AOG. As previously noted, SNGMo's Application states that the terms of the long-term debt available to Midco are more advantageous than the terms SNGMo can access under its Credit Agreement and SNGMO indicates that the anticipated terms of the Midco financing would tend to result in a lower cost of service for SNGMo. Staff's testimony in SNGMO's next rate case will specifically address this issue to allow the Commission to make a determination whether SNGMo's recommended rate of return ("ROR") reflects the anticipated capital cost savings

18. Staff's instant pleading hereinabove identifies the condition in paragraph 16 of the Nonunanimous Stipulation And Agreement in Case No. GO-2005-0120 that prohibits the pledging of MGU equity as collateral or security for holding company debt or any other subsidiary debt without MGU's obtaining Commission approval and

rural electric cooperative. The Commission noted that the conversion from a Chapter 393 regulated electrical corporation to rural electric cooperative under Chapter 394 requires only one entity. A transfer as contemplated by Section 393.190.1 contemplates two entities. Regardless of these two particular statutes, the standard under Section 393.190.1 and Section 393.250 are the same: "not detrimental to the public." *Re Fee Fee Trunk Sewer, Inc. and Butler Hill Sewer Co.*, Case No. 16,990, *Report and Order*, 1970 WL 224105 (June 30, 1970) – Fee Fee Trunk Sewer and Butler Hill Sewer sought to reorganize pursuant to Section 393.250.1 RSMo. by means of a statutory merger. The Commission concluded that the proposed merger was just and reasonable and not detrimental to the public interest, and the requested authority should be granted.

SNGMo's indication to Staff that the Commission has authority to review and approve the pending reorganization plan of SNGMo pursuant to the condition in paragraph 16 of the Nonunanimous Stipulation And Agreement in Case No. GO-2005-0120. Mr. Murray relates in his Staff Memorandum Recommendation that he has been involved directly or indirectly on financial matters involving SNGMo/MGU since MGU's initial Application to acquire the Gallatin and Hamilton systems in Case No. GO-2005-0120. Staff's Memorandum Recommendation states that Staff's testimony in SNGMo's next rate case will specifically address the matter of whether that SNGMo rate case reflects a capital cost savings related to the capital savings anticipated by SNGMo to occur as a result of the reorganization and the accompanying pledging of SNGMo's equity.

19. Staff did have one condition which related to access to books, records and information of SUI / SNGMo. Staff noted that in response to a Staff Data Request addressing discovery SNGMo responded: "If the restructuring occurs, Summit will still provide Staff access to its information consistent with that it has previously provided to Staff in case proceedings involving SNGMO." Staff's condition which it would like for the Commission to order is that Staff's access to Summit Utilities, Inc.'s books, records and information shall be no less after the creation of Midco than Staff's access before the creation of Midco.

20. Staff recommends that SNGMo's reorganization be approved by the Commission as not detrimental to the public interest pursuant to Section 393.250 RSMo. 2016 with the one condition as proposed by Staff respecting access to SUI's books, records and information be after the creation of Midco as prior to the creation of Midco.

WHEREFORE Staff submits that (a) the Commission has jurisdiction, pursuant to Section 393.250 RSMo. 2016, to review the proposed corporate restructuring involving SNGMo, and approve it as not detrimental to the public interest; (b) SNGMo has indicated that the Commission has authority to review and approve the reorganization plan of SNGMo pursuant to a condition in paragraph 16 of the Nonunanimous Stipulation And Agreement in Case No. GO-2005-0120; (c) the Staff's Memorandum Recommendation states that the Commission may approve the proposed corporate reorganization as not detrimental to the public interest and suggests a condition to be required by the Commission relating to Staff discovery, i.e., Staff's access to Summit Utilities, Inc.'s books, records and information shall be no less after the creation of Midco than Staff's access before the creation of Midco; (d) Staff does not object to a waiver of notice by the Commission, pursuant to Commission Rule 4 CSR 240-4.017(1)(D); and (e) Staff does not object to the Commission expediting consideration of SNGMo's Application in the instant proceeding.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via e-mail on counsel for the Parties of record to this case, on this 22nd day of February, 2019.

/s/ Steven Dottheim