

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Summit Natural Gas of Missouri, Inc. (SNGMO) for Authority for Summit LDC Holdings, LLC to Pledge SNGMO's Capital Stock as Security in Regard to Certain Indebtedness )  
)  
) **File No. GO-2021-0257**  
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)

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff"), through counsel, and files its *Staff's Recommendation* and attached *Memorandum*, recommending that the Missouri Public Service Commission approve Summit Natural Gas of Missouri, Inc.'s ("SNGMO") *Application and Motion for Waiver of Notice* ("Application") with conditions. In support of Staff's Memorandum, Staff states as follows:

1. On February 11, 2021, SNGMO filed its Application pursuant to 20 CSR 4240-2.060 and 20 CSR 4240-4.017, and pursuant to the terms in the Commission's *Order Approving Stipulation and Agreement* issued in Case No. GO-2005-0120.<sup>1</sup>

On that same day, the Commission issued an order directing Staff to file a recommendation regarding the Application, or a status report indicating when Staff expects to file a recommendation, no later than March 13, 2021.

2. SNGMO requests that the Commission grant Summit LDC Holdings authority to enter into additional indebtedness secured by its pledge of the capital stock of its subsidiaries, including SNGMO. The Application states that the purpose of this indebtedness is to take advantage of historically low interest rates and increase capacity

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<sup>1</sup> See Staff Recommendation, EFIS No. 5, filed on February 22, 2019, in File No. GO-2019-0216, for additional discussion on the Commission's jurisdiction.

for capital expenditure and working capital needs. The Application further states that the additional indebtedness will 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.

3. Staff has reviewed SNGMO's Application and conducted discovery, and recommends the Commission approve SNGMO's Application as not detrimental to the public interest, with two conditions, as further described in Staff's attached Memorandum:

1. That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for ratemaking purposes, which includes, but is not limited to, the capital structure, and that the Commission reserves the right to consider the ratemaking treatment to be afforded these transactions, and their effect on the cost of capital in future rate cases; and,
2. That the proposed financing would not be secured by a lien on any of SNGMO's operational properties.

4. SNGMO's Application also contained a request that the Commission waive the 60-day filing notice required by 20 CSR 4240-4.017(1). SNGMO's Application provided a verified declaration that it had not had communication with the office of the commission (as defined by 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issues likely to be in the case, and therefore, Staff agrees good cause exists, pursuant to 20 CSR 4240.017(1)(D), to waive the 60-day notice requirement.

**WHEREFORE,** Staff recommends the Commission approve SNGMO's Application with Staff's recommended conditions, and recommends the Commission grant SNGMO's request for waiver.

Respectfully submitted,

**/s/ Jamie S. Myers**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 12<sup>th</sup> day of March, 2021.

**/s/ Jamie S. Myers**