

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

In the Matter of Liberty Utilities (Midstates	)	
Natural Gas) Corp. for Authority to Issue	)	<b><u>Case No. GF-2018-0091</u></b>
Long Term Unsecured Debt	)	

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission and for its Recommendation in this matter states as follows:

1. On October 3, 2017, Liberty Utilities (Midstates Natural Gas) Corp. (hereafter "Liberty") filed an Application and Request for Waivers ("Application") requesting that the Commission issue an order authorizing Liberty to issue long-term, unsecured indebtedness for the purposes described therein.

2. Also on October 3, 2017, the Commission issued, by delegation of authority, an Order Directing Filing which directed Staff to file a recommendation on the Application no later than November 2, 2017.

3. On October 26, 2017, Staff filed a Motion for Extension of Time to File Recommendation, requesting the Commission issue an order granting Staff until December 1, 2017, to file a recommendation on Liberty's Application. The Commission granted Staff's motion in an Order Extending Time issued October 26, 2017, which ordered Staff to file its recommendation no later than December 1, 2017.

4. As explained in detail in Staff's Recommendation memorandum which is attached hereto and incorporated herein by reference, Staff recommends the Commission issue an order approving Liberty's Application subject to the following condition:

That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, \*\*, 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.

**WHEREFORE**, for the reasons explained in Staff's Recommendation memorandum, Staff respectfully recommends the Commission approve Liberty's Application subject to the condition recommended by Staff.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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Attorney for the Staff of the  
Missouri Public Service  
Commission

### **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 29th day of November, 2017.

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

**TO:** Missouri Public Service Commission  
Official Case File No. GF-2018-0091, Liberty Utilities (Midstates Natural Gas) Corp.

**FROM:** Robert Bickel, Financial Analysis Unit,  
Operational Analysis Department, Commission Staff Division

/s/ Robert Bickel 11/29/2017  
Project Coordinator / Date

/s/ Jeff Keevil 11/29/2017  
Staff Counsel's Office / Date

**SUBJECT:** Staff Recommendation concerning the Application of Liberty Utilities (Midstates Natural Gas) Corp. ("Liberty Midstates", "Company", or "Applicant"), for Authority to Issue Long Term Unsecured Debt.

**DATE:** November 29, 2017

1. (a) **Type of Issue:** \*\*

. \*\*

(b) **Amount:** \*\* \*\*

(c) **Rate:** \*\*  
. \*\*

(d) **Proposed Date of Transaction:** \*\* . \*\*

(e) **Other Provisions:** \*\*

. \*\*

2. (a) **Statement of Purpose of the Transaction:**

\*\*

. \*\*

(b) **From a financial perspective, does Staff deem this Statement of Purpose of the Issue reasonable?:**

Yes, with conditions proposed.

\*\* Denotes Confidential Information \*\*

Appendix A

3. **Copies of executed instruments defining terms of the proposed securities:**

\*\* the general terms  
and conditions of the indebtedness were detailed in the Application.

4. **Certified copy of resolution of the directors of applicant, or other legal documents authorizing the issuance of the securities reviewed:**

Yes. Resolutions of the Board of Directors of Applicant has been provided.

5. **Pro-forma Balance Sheet and Income Statement reviewed:**

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6. **Capital expenditure schedule reviewed:**

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7. **Recommendation of the Staff:**

Conditional Approval recommended. See Comments and Recommended Conditions.

**COMMENTS:**

**Liberty Midstates Corporate Structure and Business:**

Liberty Midstates is a Missouri corporation and is qualified to conduct business as a public utility in the State of Missouri subject to the jurisdiction of the Commission. Applicant is engaged in the business of distributing and selling natural gas to approximately 58,000 customers in Missouri.

**Case Background:**

On October 03, 2017, Liberty Midstates filed an Application with the Missouri Public Service Commission (“Commission”) requesting approval for authority to issue long-term unsecured debt. Liberty Midstates states in its Application:

\*\*

. \*\*

The Applicant further states:

\*\*

. \*\*

In reviewing requests for long-term financing authority, Staff analyzes the amount requested as it relates to the uses stated in the Application to ensure that the amount is reasonable.

Liberty Midstate’s Application indicates \*\*

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**RECOMMENDED CONDITION:**

Staff recommends that the Commission approve the Application submitted by Liberty Midstates in this case subject to the following condition:

1. That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, \*\*, \*\*, 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.

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OF THE STATE OF MISSOURI**

In the Matter of the Liberty Utilities	)	
(Midstates Natural Gas) Corp. for	)	
Authority to Issue Long Term	)	<b><u>Case No. GF-2018-0091</u></b>
Unsecured Debt	)	

**AFFIDAVIT OF ROBERT BICKEL**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

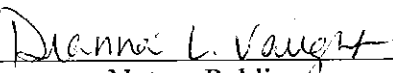
**COMES NOW** Robert Bickel and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Robert Bickel

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27<sup>th</sup> day of November, 2017.

  
\_\_\_\_\_  
Notary Public

