

**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 Increase the Amount) File No. _____
of Indebtedness Secured by the Pledge of its Capital Stock)
by its Parent Summit LDC Holdings, LLC)

**APPLICATION AND
REQUEST FOR WAIVER OF NOTICE**

COMES NOW Summit Natural Gas of Missouri, Inc. (the “Company”), by and through its undersigned counsel, and respectfully requests an order of the Commission authorizing it to increase the amount of indebtedness secured by the Company’s parent company’s pledge of the Company’s capital stock. In support thereof, the Company states:

THE APPLICANT

1. The Company is a wholly-owned subsidiary of Summit LDC Holdings, LLC (“Summit Holdings”), which is a wholly-owned subsidiary of Summit Utilities, Inc. (“Summit”). The Company is a corporation duly incorporated under the laws of the State of Colorado, with its principal offices located at 7810 Shaffer Parkway, Suite 120, Littleton, Colorado 80127. A copy of a certificate from the Missouri Secretary of State showing the Company is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GA-2012-0285 and is incorporated herein by reference in accordance with Commission Rule 4 CSR 240-2.060(1)(G). Other than cases that have been docketed at the Commission, the Company has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court

within the past three years that involve customer service or rates. The Company has no annual reports or assessment fees that are overdue.

2. The Company conducts business as a “gas corporation” and a “public utility” as those terms are defined at §386.020, RSMo, and provides natural gas service in the Missouri counties of Benton, Caldwell, Camden, Daviess, Douglas, Greene, Harrison, Howell, Laclede, Miller, Morgan, Pettis, Stone, Taney, Texas, Webster, and Wright, subject to the jurisdiction of the Commission as provided by law.

3. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

Summit Utilities, Inc.
Attn: Matthew Kaply
Senior Director, Regulatory Affairs
2 Delorme Drive
Yarmouth, Maine 04096
Telephone: (207) 781-1200 ext. 1430
Email: mkaply@summitnaturalgas.com

Summit Utilities, Inc.
Attn: Tyler Davis
Regulatory Affairs Specialist
2 Delorme Drive
Yarmouth, Maine 04096
Telephone: (207) 781-1200 ext. 1570
Email: tdavis@summitutilitiesinc.com

CORPORATE AND TRANSACTIONAL BACKGROUND

4. On January 24, 2019, the Company filed an application with the Commission requesting authority to undertake a corporate restructuring which would permit a newly-formed parent company (referred to therein as “Midco”) to take and hold all of the Company’s capital stock and pledge that capital stock in support of a financing for up to \$225 million of indebtedness

(the “Original Application”). The proceeds of the financing would be used, in part, to pay off, in full, all amounts outstanding under the Company’s credit facility and to refund and replace outstanding secured indebtedness held at the Company level. The Original Application was docketed by the Commission as File No. GO-2019-0216.

5. On March 13, 2019, the Commission issued its Order Granting Application (“Order”), pursuant to which it asserted subject matter jurisdiction pursuant to the terms of a Stipulation and Agreement in its Case No. GO-2005-0120¹, and authorized the corporate restructuring and the Midco entity’s pledge of the Company’s capital stock for the purposes described in the Original Application.

6. The corporate restructuring occurred on May 8, 2019, at which time the newly-formed Midco entity, Summit Holdings, entered a \$310 million debt financing for use by Summit Holdings and its subsidiaries, which indebtedness is secured by a pledge of the capital stock of its direct subsidiaries, including the Company. The salient features of Summit Holdings’ \$310 million debt financing are set forth in the attached Appendix 1HC.

7. The difference between the aggregate indebtedness referred to in the original Application (\$225 million) and the aggregate indebtedness available at closing (\$310 million) was due to the pay-off of indebtedness of Summit Holdings’ subsidiary Colorado Natural Gas, Inc. (“CNG”), and the exchange of approximately \$35 million of notes issued by Summit Holdings’ subsidiary Arkansas Oklahoma Gas Corporation (“AOG”) with notes issued by Summit Holdings

¹ That agreement in part stated that Summit (f/k/a CNG Holdings, Inc.) would not “pledge MGU [now, Summit Natural Gas of Missouri, Inc.] equity as collateral or security for the debt of CNG Holdings, or any of its subsidiaries . . . without Commission approval.” The same basis of jurisdiction also applies in this case.

in the same amount. The payoff of the CNG debt and the exchange of the AOG notes were not certain at the time the Original Application was filed.

8. Reading the Commission's Order in the most restrictive manner, Summit Holdings expressly limited the amount of debt secured by its pledge of the Company's capital stock to \$225 million.

REQUEST FOR APPROVAL TO INCREASE THE AMOUNT OF DEBT SECURED BY SUMMIT HOLDINGS' PLEDGE OF THE COMPANY'S CAPITAL STOCK

9. By this Application, the Company requests that the Commission grant Summit Holdings authority to increase the amount of debt secured by its pledge of the capital stock of the Company by an additional \$85 million to a total of \$310 million, which is the full principal amount of indebtedness available under the financing.

10. An approval for Summit Holdings to increase the amount of debt secured by the pledge of the Company's capital stock would not be detrimental to the public interest because the public health, safety and welfare is being served by the Company's ability to obtain debt capital on more advantageous terms than before. Granting the authority requested would be transparent to the Company's customers in that increasing the amount of debt subject to the pledge will not cause any adverse impact on customer service or rates.

11. The relief requested herein 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.

ADDITIONAL APPENDICES TO THIS APPLICATION

12. Attached hereto as Appendix 2 HC is a copy of a Credit Agreement dated May 8, 2019, by and between Summit Holdings and the lenders named therein providing for a term loan and a revolving credit facility (the "Credit Agreement").

13. Attached hereto as **Appendix 3 HC** is a copy of a Note Purchase and Exchange Agreement dated May 8, 2019, by and between Summit Holdings and the purchasers named therein providing for the issuance by the Company of its senior secured notes (the “Note Agreement”).

14. Attached hereto as **Appendix 4 HC** is a copy of a Pledge Agreement dated May 8, 2019, by which Summit Holdings pledged its interests in the capital stock of its direct subsidiaries, including the Company, to secure indebtedness under the Credit Agreement and the Note Agreement.

MOTION FOR WAIVER

15. Rule 4 CSR 240-4.017(1) provides that “(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” A notice was not filed 60 days prior to the filing of this Application, and the Company seeks a waiver of the 60-day notice requirement.

16. Rule 4 CSR 240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. The Company declares, as verified below, that it has had no communication with the office of the Commission (as defined by Commission Rule 4 CSR 240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, the Company moves for a waiver of the 60-day notice requirement of Rule 4 CSR 240-4.017(1) and acceptance of this Application.

