

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

In the Matter of Liberty Utilities (Missouri)
Water) LLC’s Application for Authority to) Case No. WF-2024-0135
Issue Long Term Unsecured Debt)

LIBERTY’S RESPONSE TO STAFF RECOMMENDATION

COMES NOW Liberty Utilities (Missouri Water) LLC d/b/a Liberty (“Liberty” or the “Applicant”) and submits this Response to Staff Recommendation regarding Liberty’s Financing Application and Request for Waiver requesting authority to issue long-term unsecured debt (“Application”). In this regard, Liberty respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. Liberty filed the Application on October 13, 2023, pursuant to §393.200, RSMo., and Commission Rules 20 CSR 4240-2.060, 2.080, and 10.125.

2. On November 8, 2023, Liberty filed a Supplement to their Financing Application with the Commission pursuant to 20 CSR 4240-10.125(1)(D).

3. On December 21, 2023, the Staff of the Commission (“Staff”) filed a Staff Recommendation describing Staff’s examination and investigation of Liberty’s verified application, supporting documentation, and data regarding Liberty’s Application.

4. Staff recommends approval of the Application as not being detrimental to the public interest, subject to the following eight conditions:

a. 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, specifically including, but not limited to, the placement fee (if authorized), and that 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 rate proceeding;

b. that the Company shall file with the Commission within thirty (30) days of issuance of any financing authorized pursuant to a Commission order in this proceeding, a report including the amount of 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, the Company shall also provide the analysis, to include but not be limited to, indicative pricing information provided by investment banks it performed to determine that the terms for the debt it decided to issue were the most reasonable at the time;

c. that the Company shall file with the Commission, through its electronic filing and information system (“EFIS”) any information concerning communication with credit rating agencies concerning any such issuance if there is any;

d. that the Company 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 Water’s or LUCo’s corporate credit quality or the credit quality of its securities;

e. that Liberty Water be required to file a five-year capitalization expenditure schedule in future finance cases;

f. that, to the extent that any non-regulated investments made by the Company or LUCo and affiliated companies may potentially impact the Company’s credit quality and resulting credit ratings, the Company shall notify Staff of such possibility and provide a status report to the Commission;

g. that the Commission’s grant of authority shall expire three years from the effective date of the order in this proceeding; and

h. that the Commission not approve a specific “placement fee” in this finance case, and that any ratemaking treatment involving a “placement fee” or the amortization thereof shall be determined in future rate proceedings.

5. Liberty consents to and agrees with Staff’s recommended conditions (a)-(c), (e), and (g)-(h).

6. Liberty also consents to and agrees with condition (d), as Staff explained to Liberty that this provision applies only to this specific debt issuance.

7. Liberty objects to recommended condition (f). Although Staff explained that this suggested condition is meant to be specific to this debt issuance, the Applicant is not rated (it does not have its own credit rating). Further, Liberty would be unable to determine when an action of an affiliate could potentially have any impact on the Applicant’s “credit quality.” Imposition of

this suggested condition is not required for the Commission's grant of the Application to not be contrary to the public interest.

WHEREFORE, Liberty respectfully submits this Response to Staff Recommendation and requests such relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ Diana C. Carter

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 9th day of January, 2024, and sent by electronic transmission to all counsel of record.

/s/ Diana C. Carter