

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

In the Matter of Liberty Utilities (Missouri)
Water), LLC d/b/a Liberty's Application for) **File No. WF-2024-0135**
Authority to Issue Long Term Unsecured Debt)

STAFF'S AMENDED CONDITIONS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), through counsel, and files its *Amended Conditions*, recommending that the Missouri Public Service Commission ("Commission") incorporate Staff's amended conditions into its *Recommendation* filed on December 21, 2023. Supporting Staff's position, it states the following:

1. On October 13, 2023, Liberty Utilities (Missouri Water) LLC's ("Liberty Water" or "Applicant") filed its *Financing Application and Request for Waiver*. The Applicant requested a waiver of Commission Rule 20 CSR 4240-4.017 which requires a minimum of 60 days' notice prior to filing a new case with the Commission.

2. On October 17, 2023, the Commission ordered Staff to file its *Recommendation* or a *Status Report* by November 22, 2023. Staff requested to file its recommendation by December 22, 2023. Following that, the Commission directed Staff to file a recommendation by Staff's proposed deadline. Staff filed its recommendation on December 21, 2023.

3. On January 9, 2024, Liberty Water filed its response to our recommendation, expressing its objection to Staff's sixth condition. Staff responded to

Liberty Waters' objection on January 17, 2024. The Commission then issued an order setting a prehearing conference on January 26, 2024.¹

4. Staff, Liberty Water, and the Office of Public Counsel ("OPC") discussed the Applicant's objection. Staff revised its sixth condition and the OPC proposed a new condition. Staff will withdraw the conditions that were filed on December 21, 2023, following those discussions. In accordance with the Liberty Water and OPC's agreement, Staff recommends incorporating the following conditions in its recommendation:

- (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, 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;
- (2) 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;
- (3) 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;
- (4) 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;²

¹ The Commission postponed the prehearing conference on February 1, and February 8, 2024.

² This condition is specific to case WF-2024-0135 and will end upon the conclusion of the case.

- (5) That Liberty Water be required to file a five-year capitalization expenditure schedule in future finance cases;
- (6) That, to the extent that any non-regulated investments related to this financing made by the Company or LUCo during this case may potentially impact the Company's credit quality, the Company shall notify Staff of such possibility and provide a status report or any published information to the Commission until the closing of the case;
- (7) That the Commission's grant of authority shall expire three years from the effective date of the order in this proceeding.
- (8) 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.
- (9) That all future funds acquired through financings approved under this application shall be used exclusively for the benefit of the Company's regulated operations;

WHEREFORE, Staff recommends that the Commission approve Liberty Water's *Application* with Staff's *Recommendation* and amended conditions.

Respectfully submitted,

/s/ Eric Vandergriff

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 15th day of February, 2024.