

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

In the matter of the Application of Summit Natural)
 Gas of Missouri, Inc. for Authority for Summit LDC) File No. _____
 Holdings, LLC to Pledge SNGMO's Capital Stock)
 As Security in Regard to Certain Indebtedness.)

APPLICATION AND MOTION FOR WAIVER AND EXPEDITED TREATMENT

COMES NOW Summit Natural Gas of Missouri, Inc. ("SNGMO") and pursuant to 20 CSR 4240-2.060, 20 CSR 4240-2.080(14), and 20 CSR 4240-4.017, and for its *Application and Motion for Waiver and Expedited Treatment* ("Application") states to the Missouri Public Service Commission ("Commission") as follows:

SNGMO

1. SNGMO is a wholly-owned subsidiary of Summit LDC Holdings, LLC ("Summit LDC"), which is a wholly-owned subsidiary of Summit Utilities, Inc. ("SUI"). SNGMO is a corporation duly incorporated under the laws of the State of Colorado, with its principal offices located at 10825 E. Geddes Avenue, Suite 410, Centennial, Colorado 80112. A copy of a certificate from the Missouri Secretary of State showing SNGMO is authorized to do business in Missouri as a foreign corporation was submitted in Case No. GE-2024-0345 and is incorporated herein by reference in accordance with Commission Rule 20 CSR 4240-2.060(1)(G).

2. SNGMO 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 Missouri, subject to the jurisdiction of the Commission as provided by law.

3. Other than cases that have been docketed at the Commission, SNGMO 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.

4. SNGMO has no annual reports or assessment fees that are overdue.

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

BACKGROUND

6. Pursuant to authority granted by this Commission in its File No.GF-2022-0216, on January 20, 2023, Summit LDC entered into an Amended and Restated Credit Agreement (the “Credit Facility”) and Amended and Restated Note Purchase Agreement (the “Private Placements”, collectively, the “Debt Facility”). The proceeds from the Debt Facility were to be used for Summit LDC’s investment in the following subsidiaries: SNGMO, Colorado Natural Gas, Inc. and AOG Corporation.

7. As of September 30, 2024, Summit LDC’s capital structure was ** __ **% debt and ** __ **% equity. Summit LDC’s proforma capital structure would be approximately ** __ **% debt and ** __ **% equity upon approval of closing of the financing proposed herein.

8. SNGMO has no debt and that will not change with the closing of the financing proposed herein.

9. As part of this transaction, it is expected that SUI will be transferring its ownership interest in Summit LDC to Summit Utilities Holdings, LLC (“SUH”).

FINANCING

10. Summit LDC proposes to issue private placement notes evidencing ** _____ ** of long-term indebtedness through private placement. The notes evidencing the indebtedness will not be secured by a mortgage, lien, or encumbrance on SNGMO's franchise, works or system. However, the debt will be secured by Summit LDC’s pledge of the capital stock of its subsidiaries, including SNGMO.

RELIEF REQUESTED

11. The *Nonunanimous Stipulation and Agreement* in Commission Case No. GO-2005-0120, as approved by the Commission's *Order Approving Stipulation and Agreement* issued December 14, 2004, provides, in part, that SUI (f/k/a CNG Holdings, Inc.) would not "pledge MGU [now, SNGMO] equity as collateral or security for the debt of CNG Holdings, or any of its subsidiaries . . . without Commission approval."

12. By this Application, SNGMO requests that the Commission grant Summit LDC authority to enter into the described indebtedness secured by its pledge of the capital stock of its subsidiaries, including SNGMO.

13. This indebtedness will be used to refinance a portion of the existing Credit Facility consisting of a \$125 million revolving credit facility (RCF) and \$150 million Term Loan Facility currently held at Summit LDC.

14. As part of the process, Summit LDC plans to seek a credit rating for the purpose of obtaining more advantageous pricing on the new private placement notes. The shortfall difference between the \$275 million outstanding and the proceeds from the proposed private placement notes would be funded by an equity contribution from SUH.

15. As part of this transaction, SUH will be issuing a Master Credit Facility to support Summit LDC and its affiliate Southern Col Midco, LLC ("SCMC"). The Master Credit Facility is expected to have a sub-limit for Summit LDC and SCMC to ensure that each entity has adequate capital to support operations and capital investment.

16. This refinancing is desirable because the Master Credit Facility: (1) reduces the number of term debt and revolving credit facilities that SUI must manage, reducing transaction costs and refinancing risk; 2) aligns and reduces SUI's cost of debt across all pledged regulated

utilities, including SNGMO, through additional diversification and economies of scale; 3) provides additional flexibility to reduce overall debt costs when used in conjunction with SNGMO's proposed money pool¹ by reducing idle cash; and 4) reduces the amount of debt secured by Summit LDC's equity interest in SNGMO from \$460 million to approximately \$317 million.

17. The requested authority would not be detrimental to the public interest because the public health, safety and welfare is being served by SNGMO's ability to obtain debt capital on more advantageous terms. Granting the authority requested will not cause any adverse impact on customer service or rates.

18. SNGMO is amenable to the following conditions, which are similar to those ordered in File No. GF-2022-0216:

- (a) Nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, which includes, but is not limited to the capital structure, and that the Commission reserves the right to consider the rate making treatment to be afforded these transactions, and their effect on the cost of capital in future rate cases;
- (b) The proposed financing will not be secured by a lien on any of SNGMO's operational properties;
- (c) The total amount of indebtedness pledging the capital stock of its subsidiaries, including SNGMO, shall not exceed ** _____ **;
- (d) The proceeds from the ** _____ ** of debt authority shall be used for Summit LDC's investment in the following subsidiaries: Summit Natural Gas of Missouri, Colorado Natural Gas Company and AOG Corporation;

¹ SNGMO's application associated with the referenced money pool will be filed separately.

- (e) Within 30 days of the issuance of debt pursuant to the Commission's Authority, SNGMO shall file the final terms and conditions of any debt issued pursuant to the Commission's Authority;
- (f) Within 60 days of the closing of the calendar quarter in which Summit LDC issued the authorized debt, SNGMO shall file evidence that Summit LDC used the proceeds from the debt issuance as outlined in the Application. This evidence shall include, but not be limited to the Summit LDC's quarterly financial statements (to include at least the balance sheet, income statement and statement of cash flows) for the quarter in which Summit LDC issued the debt approved pursuant to the Commission's Authority; and,
- (g) The Commission's Authority for the transactions requested in this Application shall terminate on December 31, 2025.

19. 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.

APPENDICES

20. The parameters of Summit LDC's debt financing for which SNGMO seeks the authority described herein are set forth in the attached **Appendix 1-C**.

21. Attached hereto as **Appendix 2-C** is a copy of the current Pledge Agreement. Summit LDC expects to execute a new pledge agreement in conjunction with this transaction on substantially similar terms and conditions to secure indebtedness under the Note Agreement.

22. **Appendices 1-C and 2-C and the terms in this Application bracketed by asterisks (** ***)** have been identified as Confidential in accordance with Commission Rule

20 CSR 4240-2.135(2)(A)(3) and (6) as they contain market specific information and information representing strategies employed in contract negotiations.

MOTION FOR WAIVER

23. Commission Rule 20 CSR 4240-4.017(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. As such, and to the extent required, SNGMO seeks a waiver of the 60-day notice requirement.

24. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. In this regard, SNGMO declares (as verified below) that it has had no communication with the Office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(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, SNGMO moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application at this time.

MOTION FOR EXPEDITED TREATMENT

26. SNGMO moves for expedited treatment of this Application in accordance with 20 CSR 4240-2.080(14) and asks that a decision on this Application be effective within 90 days of filing. Summit intends to refinance its debt in the second quarter of 2025. The purpose of the refinancing is to extend maturities and take advantage of lower interest rates. Moving quickly will reduce the market risk associated with the passage of time and allow the companies to enter into debt when it is advantageous for the companies and the customers. This Application was filed as quickly as possible after SNGMO has determined how best to address its financing needs. There will be no negative impact on customers or the general public if the Commission grants such relief

on an expedited basis. Therefore, good cause exists to approve this Application on an expedited basis.

WHEREFORE, SNGMO requests the Commission to issue an Order as follows:

- A. Granting the Motion for Expedited Treatment;
- B. Authorizing Summit LDC to enter into indebtedness described herein secured by the pledge of the capital stock of SNGMO, subject to the above-described conditions;
- C. Waiving the requirement of a sixty (60) day notice of intent to file as set forth in 20 CSR 4240-4.017(1) for good cause shown; and,
- D. Granting such other relief as may be necessary or appropriate in the circumstances.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

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**ATTORNEYS FOR SUMMIT NATURAL GAS
OF MISSOURI, INC.**

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 17th day of January 2025 to:

General Counsel's Office
staffcounsel@psc.mo.gov

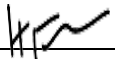
Office of the Public Counsel
opcservice@opc.mo.gov

/s/ Dean L. Cooper

VERIFICATION

State of Maine)
)
 County of Cumberland) ss

I, Hallie Flint Gilman, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am the Senior Vice President, Chief Legal Officer and Secretary of Summit Utilities, Inc. , that I am duly authorized to make this affidavit on behalf of Summit Natural Gas of Missouri, Inc. (“SNGMO”), that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my knowledge and belief. Additionally, no representative of SNGMO has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.



 Signature

January 17, 2025

 Date

APPENDIX 1-C

And

APPENDIX 2-C

HAVE BEEN IDENTIFIED AS

CONFIDENTIAL

IN THEIR ENTIRETY