

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 30, 2024

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APPLICATION OF

2024 SEP 30 P 1:29

APPALACHIAN NATURAL GAS
DISTRIBUTION COMPANY,
ANGD, LLC,
UTILITY PIPELINE HOLDING COMPANY, LLC,
and
UTILITY PIPELINE, LTD.

CASE NO. PUR-2024-00139

For authority under Chapters 3 and 4 of
Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On August 2, 2024, Appalachian Natural Gas Distribution Company ("Company"); ANGD, LLC; Utility Pipeline, Ltd. ("UPL"); and Utility Pipeline Holding Company, LLC ("UPLHC") (collectively, "Applicants"), filed a sealed confidential version and a redacted public version of an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code").¹ Concurrent with the Application, Applicants filed a Motion For Entry of a Protective Order ("Motion") pursuant to Rules 110 and 170 of the Commission's Rules of Practice and Procedure.²

Applicants paid the requisite filing fee and completed the Application with supplemental information filed on August 7, 2024. On August 19, 2024, Applicants filed a copy of an order by the West Virginia Public Service Commission ("West Virginia PSC") as a supplement to the Application ("West Virginia Order").³ On August 23, 2024, the Commission issued an Order

¹ Code §§ 56-55 *et seq.* and 56-76 *et seq.*

² 5 VAC 5-20-10 *et seq.*

³ 2024 WL 3887322 (W.Va. P.S.C.).

Extending Time For Review, which extended the time for consideration of the Application through October 1, 2024.

Applicants seek authority to amend the Credit and Security Agreement ("CSA") previously authorized in Case No. PUR-2020-00167.⁴ Applicants propose amendments to the CSA ("Amended CSA") that would affect the joint and several guarantee liability of Cardinal Natural Gas Company, a West Virginia affiliate. Such liability would be limited by terms referenced together as the "Cardinal Liability Cap," as more fully explained in the Application and the West Virginia Order.⁵

The Cardinal Liability Cap is part of a Joint Stipulation and Agreement for Settlement associated with approval by the West Virginia PSC of the Agreement and Plan of Merger ("Transfer Agreement") of upstream entities and their prospective ownership interest in UPLHC.⁶

The Applicants assert the Amended CSA will not impact the Company's existing liability cap. Additionally, as represented by the Applicants, the Amended CSA will continue to support the Company's access to capital, and neither impair nor jeopardize the Company's ability to

⁴ *Application of Appalachian Natural Gas Distribution Company, ANGD, LLC, Utility Pipeline Holding Company, LLC, and Utility Pipeline, Ltd., For authority under Chapters 3 and 4 of Title 56 of the Code of Virginia, Case No. PUR-2020-00167, 2020 S.C.C. Ann. Rept. 612, Order Granting Authority (Dec. 29, 2020) ("CSA Order").* The CSA sets out the terms, conditions, and guarantee obligations for debt funding available to UPL and its operating utility subsidiaries, including the Company. An essential element of the CSA Order limits the Company's guarantee liability obligation under the CSA to the value of its assets.

⁵ See Application at 5-6.

⁶ The Transfer Agreement was previously authorized by the Commission's Order Granting Approval in Case No. PUR-2023-00219. *Joint Petition of Appalachian Natural Gas Distribution Company, Utility Pipeline Holding Company, LLC, BBH CP UPL Co-Investment Subsidiary LLC, CPV UPL Blocker, Inc., BBH Private Capital Management V, LLC, Trillium Utility Holdings, Inc., Trillium Utility I, LLC, Trillium Utility II, Inc., and Trillium Utility III, LLC, For approval of a change of control under Chapter 5 of Title 56 of the Code of Virginia, Va. Code § 56-88 et seq., Case No. PUR-2023-00219, Doc. Con. Cen. No. 240610013, Order Granting Approval (Jun. 3, 2024).*

provide adequate service at just and reasonable rates. Applicants further request authority, if needed, for a change in the interest rate index contemplated under Section 3.9 of the CSA.

NOW THE COMMISSION, upon consideration of this matter, and having been advised by its Staff in Staff's Action Brief, is of the opinion and finds that approval of the Amended CSA is reasonable and not detrimental to the public interest. The Commission further finds no additional authority is required for the change in the interest rate index that was already contemplated under the terms approved in the CSA Order. Lastly, the Commission finds that the Applicants' Motion is no longer necessary and, therefore, is moot.⁷

Accordingly, IT IS ORDERED THAT:

(1) The Application is approved, subject to the requirements listed in the Appendix attached hereto.

(2) The Applicants' Motion is moot; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(3) This case is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

⁷ The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding.

APPENDIX

1. The prior authority granted, and reporting requirements set out in the Commission's Order in Case No. PUR-2020-00167 shall remain in full force and effect for the Amended CSA.
2. Separate approval shall be required for any changes in other terms, conditions, or affiliated parties to the Amended CSA.
3. No authority granted in this case shall alter, amend, or supersede the authority granted and reporting requirements set out in the Commission's Order Granting Approval in Case No. PUR-2023-00219, which shall remain in full force and effect.
4. The Company shall file with the Commission a signed and executed copy of the Amended CSA with the Cardinal Liability Cap changes, and all related documents and obligations executed by the Company thereunder, within ninety (90) days of the effective date of this Order Granting Authority, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance.