

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN) CASE NO. INT-G-24-01
GAS COMPANY’S APPLICATION FOR)
AUTHORIZATION TO AMEND,) ORDER NO. 36151
EXTEND, AND INCREASE ITS)
REVOLVING CREDIT AGREEMENT)

On March 22, 2024, Intermountain Gas Company (“Company”) applied (“Application”) to the Idaho Public Utilities Commission (“Commission”) under *Idaho Code* §§ 61-901, *et seq.*, for authority to amend, extend, and increase a Revolving Credit Agreement to \$175 million, for no longer than a five-year period, with the option to borrow an additional \$50 million for a total requested line of credit authority of \$225 million (“Line of Credit”).¹ Such a renewal would occur between May and July of 2024.

For the Line of Credit, the Company has the option to select between predetermined interest rate methods—the Secured Overnight Financing Rate (“SOFR”) plus an applicable margin from the SOFR Advanced column, or the Base Rate, which is the higher of: (a) the U.S. Bank prime rate, (b) the federal funds rate plus .50%, or (c) a daily rate equal to the one-month SOFR plus 1.00%. The Line of Credit includes additional charges, including an annual \$15,000 administrative fee and commitment fees based on a performance grid. The Company notes that the borrowing costs increase as the debt incurred increases.

The Company asserted that the Line of Credit will be used for capital expenditures, deferred gas costs, and for general corporate purpose needs of the Company. The Company alleged these uses are consistent with the public interest and necessary for the Company’s “the proper and legally mandated performance to the public by Intermountain as a public utility.” Application at 5.

Pursuant to *Idaho Code* § 61-904, the Commission has 30 days from the filing date to issue an order. After reviewing the record, the Commission approves the Application as discussed below.

¹ Previously, Commission Order No. 35527, Case No. INT-G-22-06, granted the Company the authority to renew its Revolving Credit Agreement to \$100 million not to exceed a five-year period, with the option to borrow an additional \$25 million.

STAFF REVIEW AND RECOMMENDATION

Staff analyzed the Company's requested authority, proposed interest rates and loan terms, the requirements of *Idaho Code* § 61-901, *et seq.*, and Rule 141 of the Commission's Rules of Procedure. Staff recommended the Commission approve the Company's request to amend, extend, and increase its borrowing authority. Staff recommended the Company be required to continue filing quarterly reports that include the date of issuance, principal amount, date of maturity, and identity of payee. Staff also verified the interest rates discussed above and noted that the Company's debt ratio was 47.1%. Staff also noted that the Company was part of MDU Resources Group, Inc ("MDU"). Staff stated that MDU was evaluated with a BBB+ rating by Fitch and a BBB rating by S&P Global. However, because the Company's contributions equate to approximately 5% of MDU's net income, the Company likely has little impact on MDU's credit rating.

FINDINGS AND DISCUSSION

The Company is an Idaho corporation with its office and principal place of business in Boise, Idaho. It is a natural gas public utility that owns and operates pipelines, a liquefied natural gas storage facility, distribution mains, services, meters, and regulators, and general plant and equipment. It is a gas corporation and public utility. *See Idaho Code* §§ 61-117 and 61-129.

The Commission has jurisdiction over the Application under *Idaho Code* §§ 61-901, *et seq.* We find that the proposed transaction is in the public interest and a formal hearing on this matter is not required. We further find that the proposed issuance is for a lawful purpose and is within the Company's corporate powers, that the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure, IDAPA 31.01.01.141-150, and that the Company has paid all fees due under *Idaho Code* § 61-905. Accordingly, we find that the Application should be approved, and the proposed financing should be allowed.

The Commission's Order approving the proposed financing and the general purposes to which the proceeds may be put is not a determination that the Commission approves of the particular use to which these funds will be put. This Order also is not an approval of the type of financing or the related costs for ratemaking purposes. Likewise, the Commission is not determining the effect of the proposed transaction on rates the Company will charge for providing natural gas service.

ORDER

IT IS HEREBY ORDERED that the Company's Application for authority to enter into the five-year, \$175 million revolving line of credit with the option to borrow another \$50 million is hereby granted.

IT IS FURTHER ORDERED that the Company must continue to file quarterly reports with the Commission setting forth the date of issuance, principal amount, interest rate, date of maturity, and identity of payee for all promissory notes issued during the quarter. The Company must continue to file its capitalization ratios with the quarterly reports.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of the Commission with respect to rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection therewith shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed under the provisions of Chapter 9, Title 61, Idaho Code.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of the Company's exhibits or other materials accompanying the Application for any purpose other than the issuance of this Order.

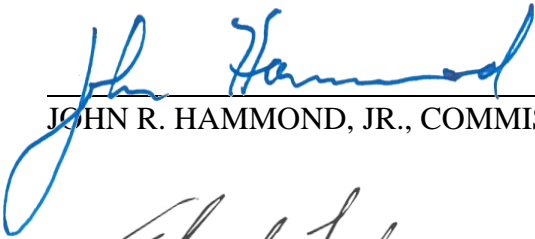
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th day of April 2024.



ERIC ANDERSON, PRESIDENT

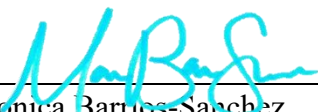


JOHN R. HAMMOND, JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary

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