

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF INTERMOUNTAIN)
GAS COMPANY’S APPLICATION FOR) CASE NO. INT-G-21-07
AUTHORITY TO ISSUE AND SELL)
SECURITIES) ORDER NO. 35261
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On November 23, 2021, Intermountain Gas Company (“Company”), a subsidiary of MDU Resources Group, Inc., applied to the Commission for authority to issue unsecured notes, not to exceed \$50,000,000 under *Idaho Code* §§ 61-901, *et seq.* Having fully considered the Company’s Application and Staff’s recommendation, the Commission enters this Order authorizing the Company to issue up to \$50,000,000 in unsecured notes.

THE APPLICATION

The Company requests authority to issue and sell up to \$50,000,000 of unsecured debt securities. The proposed issuance will be directly placed in one or more tranches with one or more private placement investors. The Company anticipates one or more tranches with proposed maturity dates ranging from ten years to forty years from the date of issuance. The interest rate will be set at the time of issuance based on 10-year Treasury rates plus a credit spread of approximately 100-170 for any 10-year or 15-year issuance and based on 30-year Treasury rates plus a credit spread of approximately 145-200 for any 30-year or 40-year issuance. Credit spreads are subject to change. The Company says it will use net proceeds from the sale of the unsecured notes to refinance existing debt, fund capital expenditures and for general corporate purposes.

The Company anticipates agent and legal fees necessary to complete the securities issuance to total up to \$325,000, which will leave estimated net proceeds of up to \$49,675,000 if all authorized securities are issued.

STAFF REVIEW AND RECOMMENDATION

Staff believed the Company’s Application for proposed securities issuance met the requirements of *Idaho Code* § 61-901. Staff recommended the Commission grant the Company authority to issue up to \$50,000,000 in debt. Staff noted the current interest rates are attractive. Staff also recommended the Commission require the Company to file with the Commission the

loan documents showing the amount borrowed and all other terms of the loan within seven days of those documents being available.

Finally, Staff recommended the Commission order the Company to file quarterly reports identifying the date of issuance, principal amount, interest rate, date of maturity and identity of payee.

COMMISSION 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 transmission pipelines, liquefied natural gas storage facilities, compressor stations, distribution mains, services, meters and regulators, and general plant and equipment. It is a gas corporation and public utility as defined in *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 issuance 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 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 a Commission determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination, and so does not determine, the effect of the proposed transaction on rates the Company will charge for natural gas service.

ORDER

IT IS HEREBY ORDERED that the Company's Application to issue and sell up to \$50,000,000 of unsecured notes with proposed maturity dates from ten (10) to forty (40) years is 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 material 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. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th day of December 2021.



PAUL KJELLANDER, PRESIDENT

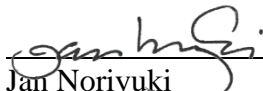


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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