

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN)	CASE NO. INT-G-22-06
GAS COMPANY’S APPLICATION FOR)	
AUTHORITY TO RENEW AND)	ORDER NO. 35527
INCREASE A REVOLVING CREDIT)	
AGREEMENT)	
_____)	

On August 25, 2022, Intermountain Gas Company (“Company”), a subsidiary of MDU Resources Group, Inc. (“MDU”), applied under *Idaho Code* §§ 61-901, *et seq.* for authority to renew and increase a Revolving Credit Agreement (“Agreement”). The Company represents that the additional credit will be used for capital expenditures, deferred gas costs, and general corporate purpose needs, consistent with the public interest and necessary, appropriate, and in line with its performance as a public utility.

At the Commission’s September 6, 2022, Decision Meeting, Staff recommended that the Commission approve the requested authority to renew and increase the Company’s credit Agreement. Based on our review of the record, we issue this Order approving the Application as noted below.

THE APPLICATION

The Company is an Idaho corporation and natural gas utility with its office and principal place of business in Boise, Idaho. With its Application, the Company seeks authority to renew and increase its Agreement to \$100 million, not to exceed a five-year period, with the option to borrow an additional \$25 million (“Line of Credit”). 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. Application at 4. The Company notes that the borrowing costs increase as the debt incurred increases.

STAFF REVIEW AND RECOMMENDATION

Staff recommended the Commission approve the Company’s request for authority to enter into a new credit Agreement. Staff proposed the Commission order the Company to continue

filing quarterly reports identifying the date of issuance, principal amount, interest rate, date of maturity, and identity of payee for all promissory notes issued in that quarter, and the capitalization ratios with the quarterly report.

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 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 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. The 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 renew its credit Agreement to \$100 million, not to exceed a five-year period, with the option to borrow an additional \$25 million, for a total requested line of credit authority of \$125 million, 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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th day of September 2022.



ERIC ANDERSON, PRESIDENT

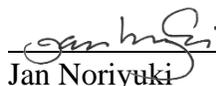


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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