

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF INTERMOUNTAIN GAS COMPANY) **CASE NO. INT-G-10-02**
FOR AUTHORITY TO ISSUE AND SELL)
SECURITIES.) **ORDER NO. 32013**
)

On May 28, 2010, Intermountain Gas Company (Intermountain), a subsidiary of MDU Resources Group, Inc., filed an Application requesting authorization for a revolving credit line agreement, not to exceed \$80,000,000, for a period of three (3) years, replacing Intermountain's current \$70,000,000 revolving line of credit. Intermountain intends to continue to use this line of credit in the traditional manner, i.e., principally to finance construction needs, gas costs and other working capital requirements.

Having fully considered the Application and exhibits, the Commission enters this Order approving Intermountain Gas Company's Application.

THE APPLICATION

Intermountain seeks the Commission's authorization to enter into a revolving line of credit agreement not to exceed \$80,000,000 at any one time outstanding for a period of three (3) years from the execution and delivery of the credit agreement. The revolving line of credit agreement will be administered through Bank of America, N.A. The proceeds from the borrowing in this issuance will be used principally to finance construction, gas costs and other working capital requirements of Intermountain. The new credit issuance is intended to replace Intermountain's current revolving line of credit of \$70,000,000 which expires at the end of August 2010.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Intermountain Gas Company is an Idaho corporation with its office and principal place of business in Boise, Idaho. Intermountain is a natural gas public utility, owning and operating pipelines, a liquefied natural gas storage facility, distribution mains, services, meters and regulators, and general plant and equipment. Intermountain is a gas corporation and public utility within the definitions of *Idaho Code* §§ 61-117 and 61-129. The Commission has jurisdiction over this Application pursuant to the provisions of *Idaho Code* §§ 61-901, *et seq.*

The Commission further finds that the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure, IDAPA 31.01.01.141-150.

Intermountain has paid all lawful fees as provided by *Idaho Code* § 61-905.

The Commission further finds that the proposed transaction is in the public interest and a formal hearing on this matter is not required.

The Commission finds that the proposed issuance is for a lawful purpose and is within Intermountain's corporate powers. The Commission's approval of the issuance is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order. The issuance of an Order authorizing the proposed issuance does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination in this case and, therefore, does not determine the effect of issuance on rates to be charged by Intermountain for natural gas service to consumers in the State of Idaho.

ORDER

IT IS HEREBY ORDERED that Intermountain Gas Company's Application for authority to execute a revolving line of credit agreement not to exceed \$80,000,000 is granted for a period of three (3) years from the execution and delivery of the credit agreement.

IT IS FURTHER ORDERED that Intermountain 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. Intermountain will also 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 Intermountain'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 24th day of June 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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