

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN)
GAS COMPANY'S APPLICATION FOR) **CASE NO. INT-G-13-07**
ACKNOWLEDGMENT OF UPDATED)
SECURITIES AGREEMENTS.) **ORDER NO. 32966**
)

On December 11, 2013, Intermountain Gas Company (Intermountain, Company) filed an Application requesting acknowledgment of amendments to the outstanding 1998 Senior Debentures due in 2018 as approved in Order No. 27689. The debt is held by Teachers Insurance and Annuity Association of American ("TIAA"). With this Order, we grant the Company's Application.

THE APPLICATION

The Company's Application asks the Commission to issue an Order acknowledging the following amendments to the 1998 Debenture Purchase Agreement ("1998 Agreement"): (1) a 2007 amendment that allows for and accommodates changes to the limitation on indebtedness for money borrowed; (2) a 2008 amendment that acknowledges the purchase of Intermountain Gas Company by MDU Resources Group, Inc. ("MDUR") and permits Intermountain to file consolidated income tax returns with MDUR or its subsidiaries; and (3) an amendment that conforms certain terms, conditions, and reporting requirements in the 1998 Agreement to analogous terms, conditions and reporting standards in the 2013 Note Purchase Agreement that the Commission recently approved in Case No. INT-G-13-06, Order No. 32896.

STAFF REVIEW

Commission Staff reviewed the Application and recommended acknowledgement of the amendments along with the embedded terms and conditions to the outstanding 1998 Senior Debentures due in 2018. Staff says these changes better match the needs of Intermountain and current financial market conditions.

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

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. We have jurisdiction in this matter under *Idaho Code* § 61-501 (Commission has jurisdiction to supervise and regulate every public utility and to do all things necessary to carry out the spirit and intent of the Idaho Public Utilities law), and Chapter 9, Title 61, Idaho Code (Issuance of Securities by Public Utilities).

The Commission approved the 1998 Agreement in Order No. 27689. In that Order, we found that the 1998 Agreement contemplated a securities issuance that was for a lawful purpose and in the public interest. We further found that the Company had paid all required fees as provided in *Idaho Code* § 61-905, and that a formal hearing would serve no public purpose. Based on our review of the record in this case, we find that the 1998 Agreement, including its amendments, continues to serve a lawful purpose and that a formal hearing is unnecessary. Further, as the Company paid the required fee when we initially reviewed the 1998 Agreement, we find that it need not pay new fees for us to review the proposed amendments to the 1998 Agreement. Having reviewed the record in this case, we find the proposed amendments to the 1998 Agreement and the embedded terms and conditions to the outstanding 1998 Senior Debentures are reasonable and in the public interest, and we approve them. With these changes, the 1998 Agreement and the embedded terms and conditions to the outstanding 1998 Senior Debentures better match the Company's needs and current financial market conditions.

As with Order No. 27689, which approved the 1998 Agreement, our Order in this case is not a determination that we approve any particular use of these funds or a determination/approval of the type of financing or the related costs for ratemaking purposes. We do not have before us for determination, and so do 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 is granted; the amendments to the 1998 Agreement and the embedded terms to the 1998 Senior Debentures are approved, and no further Commission approval is required for these changes to take effect.

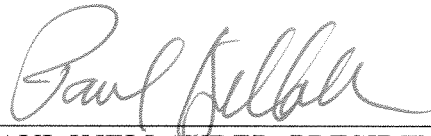
IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of the Commission with respect to rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission pursuant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

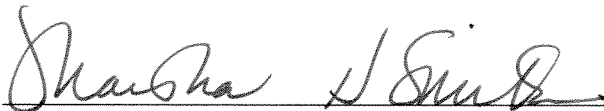
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day of January 2014.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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