

NEWS RELEASE

and

CUSTOMER NOTICE

CASE NO. INT-G-14-01

INTERMOUNTAIN GAS COMPANY

(2 Pages)



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Intermountain Gas Company files annual PGA

BOISE, IDAHO – August 8, 2014 -- Intermountain Gas Company filed its annual Purchased Gas Cost Adjustment (PGA) application with the Idaho Public Utilities Commission to increase its prices by an overall average increase of 2.64%, or \$6.7 million. If approved, the increase would be effective Oct. 1, 2014. The main reason for the filing is an increase in the price of natural gas that Intermountain purchases for its customers. Intermountain's earnings will not increase as a result of the proposed change in prices and revenues.

If approved, residential customers using natural gas for space and water heating will see an average increase of 3.81%, or \$1.89 per month. Customers using natural gas for space heating only will see an average increase of \$1.40 per month, or 3.64%, based on average weather and usage. Commercial customers, on average, would see an increase of \$0.31 per month or 0.15%.

The company is also proposing to eliminate the temporary surcharges and credits that have been included in its current prices during the past year. Newer temporary surcharges and credits will be included going forward. Even with this requested increase, the aforementioned gas-cost portion of Intermountain's prices will be 50% lower than in 2005.

Scott Madison, Executive Vice President and General Manager of Intermountain said, "The slight increase in the cost of natural gas is mainly a supply and demand issue. Last winter's cold weather in the eastern U.S. put an upward pressure on prices, and also put a significant dent into natural gas storage levels across the country. There also continues to be an increase in demand from natural gas-fired electric generation. Fortunately, we continue to see increased domestic natural gas production, and we anticipate prices will remain fairly stable in the coming years."

Intermountain continues to urge all its customers to use energy wisely. Conservation tips, information on government payment energy assistance, and programs to help customers level out their energy bills over the year can be found on the company's website, www.intgas.com.

A Purchased Gas Cost Adjustment application is filed each year to ensure the costs Intermountain incurs on behalf of its customers are reflected in its sales prices. The request is a proposal, and is subject to public review and approval by the Idaho Public Utilities Commission. A copy of the application is available at the Commission's office and on its homepage at www.puc.idaho.gov as well as on Intermountain's website at www.intgas.com. Written comments regarding the application may be filed with the Commission. Customers may also subscribe to the Commission's RSS feed to receive periodic updates via email.

Intermountain Gas Company is a natural gas distribution company serving approximately 331,000 residential, commercial and industrial customers in 74 communities in southern Idaho. Intermountain is a subsidiary of MDU Resources Group, Inc., a multidimensional natural resources enterprise traded on the New York Stock Exchange as "MDU." For more information about MDU Resources, visit the company's website at www.mdu.com. For more information about Intermountain, visit www.intgas.com.

Media Contact: Byron Defenbach at (208) 377-6080.



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