(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF INTERMOUNTAIN GAS COMPANY FOR AUTHORIZATION TO ISSUE AND SELL SECURITIES | )  )  )  )  ) | CASE NO. INT-G-96-6  ORDER NO.  26627 |

On September 3, 1996, the Idaho Public Utilities Commission received an Application from Intermountain Gas Company (Intermountain; IGC), a corporation of the state of Idaho with its office and principal place of business in Boise, Idaho.  IGC has applied to this Commission pursuant to Chapter 9 of Title 61, Idaho Code, and Rules 141 through 150 of the Commission’s Rules of Procedure, requesting an Order of Authorization to Issue and Sell Securities.

The Idaho Public Utilities Commission, having fully considered the Application and exhibits attached thereto, and all of the Commission’s files and records pertaining to this Application, makes the following findings of fact and conclusions of law.

FINDINGS OF FACTAND CONCLUSIONS OF LAW

Intermountain Gas Company is an Idaho corporation with its office and principal place of business in Boise, Idaho.  IGC is a natural gas public utility, owning and operating transmission pipelines, a compressor station, a liquefied natural gas storage facility, distribution mains, services, meters and regulators, and general plant and equipment.  IGC is a gas corporation within the definition of Idaho Code § 61-117 and a public utility within the definition of Idaho Code § 61-129.

The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of Idaho Code § 61-901, et seq., and the Application reasonably conforms to Rules 141 through 150 of the Commission’s Rules of Procedure, IDAPA 31.01.01.141-150.

The method of issuance is proper.

The general purposes to which the proceeds will be put are lawful purposes under the Public Utility Law of the state of Idaho and are compatible with the public interest.  However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of IGC which may be benefitted by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes.  The Idaho Public Utilities Commission does not have before it for determination, and therefore does not determine, any effect of the proposed transactions on rates to be charged by IGC for natural gas to consumers in the state of Idaho.

Intermountain proposes, subject to necessary consent, reapproval and permission to continue issuing a revolving line of credit not to exceed $15,000,000 at any one time outstanding and additionally reapproval and permission to continue issuing a seasonal note not to exceed $5,000,000 at any one time outstanding.  The revolving notes will be issued to First Security Bank of Idaho, N.A. and other major banks pursuant to the terms, conditions and provisions of a line of credit agreement with such banks.  The final maturities of the notes will not extend beyond October 1, 2001 for the primary note or January 31, 2001 for the seasonal expansion note.

The proceeds from the borrowing of this issuance will be used to finance construction and other working capital requirements of IGC.

All lawful fees have been paid by Intermountain as provided by Idaho Code § 61-905.

The Application should be approved.

O R D E R

IT IS THEREFORE ORDERED that the Application of Intermountain Gas Company for authority to continue issuing a revolving note not to exceed $15,000,000 at any one time outstanding and additional authority to continue issuing a seasonal expansion note not to exceed $5,000,000 as described in its Application should be, and the same hereby is, granted.

IT IS FURTHER ORDERED that Intermountain Gas Company shall make quarterly reports to this Commission setting forth the date of issuance, principal amount, interest rate, date of maturity and identity of payee for any revolving note issued such quarter.

IT IS FURTHER ORDERED that this authority will be from the date of this Order and expire on October 1, 2001.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuation, estimates, or determination of cost or any other matter that may come before this Commission pursuant to this jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provision of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection with this Order 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 Gas Company’s exhibits or other material accompanying this Application for any other 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                  day of October 1996.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

October 3, 1996