

Service Date: November 21, 1975

BEFORE THE UTILITY DIVISION
DEPARTMENT OF PUBLIC SERVICE REGULATION
MONTANA PUBLIC SERVICE COMMISSION

In the matter of the application of)
NORTHERN NATURAL GAS COMPANY) DOCKET NO. 6351
for authority to issue up to 11,000,000 shares)
of its common stock, par value \$10 per share,) ORDER NO. 4225
as a split-up of stock in the form of a 100)
percent stock dividend)

By application filed on September 29, 1975, Northern Natural Gas Company (Applicant) requests authority to issue one new share of its Common Stock for each share outstanding as of October 27, 1975, the aggregate number of additional shares to be issued not to exceed 11,000,000.

Applicant represents that the split-up of shares of Common Stock will provide a broader market for the stock.

Having fully considered the application and all the files and records pertaining thereto on file with the Commission, and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. Applicant is a Delaware corporation with principal executive offices located at 2223 Dodge Street, Omaha, Nebraska. Applicant is engaged primarily in the transmission and sale of natural gas in interstate commerce.
2. Applicant owns and operates a pipeline system through which it transmits natural

gas purchased in the States of Colorado, New Mexico, Texas, Oklahoma, Kansas and Montana to points in those states and to points in the States of Nebraska, South Dakota, Iowa, Illinois, Minnesota, Wisconsin and Michigan where such gas is either distributed locally through Applicant's Peoples Natural Gas division or sold at town borders for consumption and resale. Subsidiaries of the Applicant are engaged in the extraction, transportation and sale of liquid fuels and in the production and sale of petrochemicals and related products.

3. Applicant's Board of Directors proposed, subject to approval by the Stockholders of the proposed increase in authorized common shares from 15 million to 30 million shares, a two-for-one split-up of its common shares to be effected through the issuance, in the form of a stock dividend, of one new share of Common Stock for each common share outstanding.

4. Applicant represents that the split-up of shares of Common Stock in the form of a stock dividend is proposed to more realistically reflect the Common Stock Equity and reduce the market price of the stock to a range believed to be more attractive and acceptable to the average investor, thus providing a broader market for the stock. Upon the issuance of the additional shares of Common Stock there will be transferred to the Company's "Common Stock" accounts, an amount equal to the aggregate par value of the additional shares of Common Stock issued as a result of the stock split-up.

5. Applicant's capital stock outstanding as of August 31, 1975 was 10,977,159 shares of Common Stock, par value \$10 per share and 569,500 shares of Preferred Stock, par value \$100 per share.

6. Applicant's Common Stock Equity as of June 30, 1975 was \$605,642,458 and consisted of \$10 par value Common Stock, \$109,763,390; Premium on Common Stock, less Common and Preferred Stock expense, \$87,344,693; and Retained Earnings, \$408,534,375.

7. That the Applicant is operating as a public utility as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing service in the State of Montana.

8. That the Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6 RCM 1947.

9. Pursuant to 82-4209 RCM 1947, public notice of the filing of the application was noticed to all parties served by Northern Natural Gas in the State of Montana.

CONCLUSIONS OF LAW

1. The securities transaction proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public Interest; the same is necessary, appropriate and consistent with the proper performance by Applicant of service as a public utility; and the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Applicant.

2. Section 70 - 117.6, RCM 1947, provides that neither the issuance of securities by Applicant pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

3. The approval of this application shall not be construed as precedent to prejudice any future action of this Commission.

4. Issuance of this order does not mean acceptance of the Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

ORDER

Now, therefore, at a session of the Public Service Commission of the State of Montana, held In its offices at 1227 11th Avenue, Helena, Montana, on November 20, 1975, there being

present Chairman Gordon E. Bollinger, Commissioners P. J. Gilfeather, Thomas G. Monahan, James R. Shea and George Turman, there regularly came before the Commission for final action, the matters and things in Docket No. 6351 and the Commission being fully advised in the premises orders:

1. Northern Natural Gas Company is authorized to issue up to 11,000,000 shares of additional Common Stock of the Company as proposed.
2. Applicant will file Amendment to Certificate of Incorporation certified by Secretary of State of Delaware as soon as possible, but no later than December 31, 1975.
3. Applicant is authorized to incur and pay reasonable fees and expenses in connection with the issuance of its Common Stock.

DONE in open session at Helena, Montana, on November 20, 1975.

BY ORDER OF THE PUBLIC SERVICE COMMISSION:

GORDON E. BOLLINGER, Chairman

P.J. GILFEATHER, Commissioner

THOMAS G. MONAHAN, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

Gail E. Behan
Secretary

(SEAL)