

Service Date: May 24, 1993

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Application)	
of GREAT FALLS GAS COMPANY, for)	UTILITY DIVISION
Approval of Long Term Debt in an)	DOCKET NO. 93.4.17
Amount Not to Exceed \$7,800,000.)	DEFAULT ORDER NO. 5708

On April 30, 1993 Great Falls Gas Company (GFG, Company), filed with the Montana Public Service Commission its application, pursuant to Secs. 69-3-501 through 69-3-507, MCA, requesting an order authorizing the Company to issue and sell to the public certain notes under an Indenture between GFG and First Trust Company of Montana, as Trustee in amounts not to exceed an aggregate of \$7,800,000.

GFG provided a source and application of proceeds statement indicating that the proceeds from the notes would be utilized for the purposes of retiring the currently outstanding indebtedness to the Montana Board of Investments in the amount of \$5,000,000 and the retirement of \$2,000,000 of short term debt.

The \$5,000,000 indebtedness to the Montana Board of Investments carries an interest rate of 10.845 percent or 11.345 percent depending on the Company's debt equity ratio. The issuance of that debt was approved by this Commission in Order No. 5375a. The assumed weighted average interest cost of the proposed notes in this application is 7.5 percent exclusive of issuance expense.

For detailed information with respect to the general character of GFG's business and the territories served by it, reference is made to its annual reports on file with the Commission.

At a regular open session of the Montana Public Service Commission held in its offices at 1701 Prospect Avenue, Helena, Montana on May 24, 1993, there came before the Commission for final action the matters raised in Docket No. 93.4.17. The Commission, having fully considered the application and all the

data and records pertaining to it on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS

1. GFG is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. GFG is operating as a public utility as defined in Sec. 69-3-501, MCA, and is engaged in furnishing natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of the application under Secs. 69-3-501 through 69-3-507, MCA.

4. The securities to be issued consist of a series of notes to be issued by GFG in an amount not to exceed \$7,800,000.

CONCLUSIONS OF LAW

1. The proposed issuance of securities will be for lawful objects within the corporate purposes of GFG.

2. The aggregate amount of the GFG's securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of GFG.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. The application of GFG filed on April 30, 1993, for authority to issue \$7,800,000 of long term debt securities pursuant to Secs. 69-3-501 through 69-3-507, MCA, and to use the proceeds for normal utility purposes, is approved.

2. GFG shall file with this Commission as promptly as practicable after the sale of the notes, a report on the interest rate and all other details of the sale.

3. Issuance of this Order does not constitute the acceptance of GFG's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

4. Approval of the transaction authorized shall not be construed as precedent to prejudice any future action of this Commission.

5. Sec. 69-3-507, MCA, provides that neither the issuance of securities by GFG pursuant to the provisions of this Order,

nor any other act or deed done or performed in connection with the issuance, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed.

6. This Order shall be effective upon execution.

DONE IN OPEN SESSION at Helena, Montana, this 24th day of May, 1993, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ANDERSON, Chairman
BOB ROWE, Vice Chairman
DAVE FISHER, Commissioner
NANCY McCAFFREE, Commissioner
DANNY OBERG, Commissioner

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.