Exh. NAK-4
Docket UG-240008
Witness: Nicole A. Kivisto

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. CASCADE NATURAL GAS CORPORATION, Respondent.	DOCKET UG-240008

CASCADE NATURAL GAS CORPORATION

THIRD EXHIBIT TO THE
DIRECT TESTIMONY OF NICOLE A. KIVISTO

March 29, 2024

FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms MDU and Subs.; Centennial's Outlook to Positive and Cascade's Outlook to Negative

Thu 03 Aug, 2023 - 2:42 PM ET

Fitch Ratings - Chicago - 03 Aug 2023: Fitch Ratings has affirmed the Long-Term Issuer Default Rating (IDR) of MDU Resources Group, Inc.'s (MDU) and those of its regulated utility subsidiaries, Montana-Dakota Utilities Co. and Cascade Natural Gas Corporation at 'BBB+'. The Rating Outlooks for MDU and Montana-Dakota are Stable while Cascade's Outlook has been revised to Negative from Stable. Fitch has also affirmed the IDR of Centennial Energy Holdings, Inc. (Centennial), the holding company for MDU's non-utility operations, at 'BBB' and revised its Outlook to Positive from Stable. Finally, Fitch has also affirmed MDU's and subsidiaries ST-ratings at F2.

Fitch believes MDU Resources Group, Inc.'s (MDU) plan to become a fully regulated energy delivery company by spinning off its remaining non-regulated business, Construction Services Group (CSG), is supportive of MDU's current Long-Term IDR at 'BBB+' and would likely result in a one-notch upgrade of the Long-Term IDR of Centennial Energy Holdings, Inc. to 'BBB+' following the completion of the transaction.

The rating affirmation at MDU reflects expectations of an improved business risk profile comprised of nearly 100% regulated operations following the transaction and weak but sufficient credit measures for its rating level. The Positive Outlook at Centennial reflects an improving business risk profile focused on its FERC regulated pipeline business and expectations for leverage measures to remain strong due to management's pro-active efforts to strengthen the balance sheet.

The Negative Outlook at Cascade reflects increasing financial pressure on leverage metrics due to a large capex program amid a challenging regulatory environment. A lack of improvement in leverage towards the 5.0x level over the rating horizon would likely result in a one-notch rating downgrade. Fitch expects the spin-off of CSG to close in the 2nd half of 2024 and will resolve Centennial's Positive Outlook at that time.

KEY RATING DRIVERS

MDU

Improving Business Risk Profile: MDU's ratings reflect an improving business risk profile focused on regulated utility operations following the expected spin-off of CSG in 2024 with the proportion of EBITDA derived from regulated operations improving to nearly 100% from 45% in 2022. CSG currently accounts for 31% of consolidated EBITDA.

Utilities Anchor Credit Profile: MDU owns four low-risk regulated electric and natural gas utilities that operate in balanced regulatory compacts and serve parts of eight contiguous states from Minnesota to Washington, providing regulatory diversity. Post-spin of CSG in 2024, Fitch expects utility operations to contribute approximately 80% of ongoing EBITDA with the remainder provided by the FERC regulated pipeline business.

Relatively Balanced Regulation: Regulatory mechanisms are generally supportive of credit quality. Some regulatory jurisdictions allow the use of decoupling and riders for investments in renewables, gas pipe replacement, transmission and environmental equipment. All jurisdictions allow trackers for fuel and purchased power costs, and a purchased gas adjustment clause for gas utilities. North Dakota and Montana were the largest contributors to electric revenue while Idaho and Washington were the largest contributors to natural gas revenue.

Conservative Financing Policy: Fitch recognizes MDU's continued commitment to manage its businesses' balance sheet conservatively. Centennial's financial profile benefits from relatively modest financial leverage, with debt/total capitalization managed at around 35%-40%. Utilities' financial policies are managed consistent with their authorized regulatory capital structures.

Adequate Leverage: Post-Spin MDU's pro forma funds from operations (FFO) leverage are projected to weaken and average 5.0x in 2025- 2026 from approximately 3.8x in 2022, above previous pre-spin projections of an average of 3.1x and at Fitch's negative FFO leverage sensitivity threshold of 5.0x. There remains no headroom for further deterioration in leverage measures at the current rating level. Fitch believes MDU's improved business risk profile that is focused on utility operations is an offset to the negative financial impacts of the separation of its construction businesses.

Parent-Subsidiary Linkage: There is parent subsidiary relationship between MDU and all of its rated subsidiaries. Fitch determines MDU's standalone credit profile (SCP) based upon consolidated metrics. MDU's consolidated profile and its regulated utility subsidiaries, Montana-Dakota and Cascade, are all rated 'BBB+'. Fitch would limit the difference between MDU and any of its regulated subsidiaries to two notches if Fitch were to determine the subsidiaries' SCPs to be stronger than MDU's. The assessment would be based upon Fitch's porous assessment for legal ring fencing and access and control.

Fitch follows a stronger parent/weaker subsidiary path for Centennial, which houses MDU's non-utility operations. Fitch considers Centennial's legal, strategic and operational incentives as weak, which leads itself to a standalone credit profile.

Montana-Dakota Utilities Co.

Low-Risk Business Profile: Montana-Dakota's credit profile reflects the relatively low-risk nature of its integrated electric and gas businesses that operate in North Dakota, South Dakota, Montana and Wyoming. The multi-state operations provide earnings and regulatory diversity that is supportive of credit quality. The utility has limited exposure to commodity prices. Fitch calculates electric operations represented approximately 73% of total EBITDA in 2022. North Dakota and Montana were the largest contributors, approximating 65% and 21% of total revenue, respectively.

Generally Supportive Regulation: The utility benefits from favorable rate mechanisms in North Dakota that feature riders for transmission and environmental/renewables investments, forward-looking test year, interim rate relief and a fuel adjustment clause. In Montana, the utility can recover property tax expenses via a property tax tracker. A weather normalization clause in both North Dakota and South Dakota adds partial cash flow stability to natural gas operations. Montana-Dakota has generally done well in rate cases in each of its regulatory jurisdictions, in Fitch's view.

GRC Updates in Montana and North Dakota: Fitch anticipates a reasonable outcome in Montana-Dakota's pending GRC in Montana and views the outcome of its recent GRC in North Dakota in June 2023 as supportive of credit quality. In Montana the company entered into a settlement agreement with key intervenors in its general rate case in June subject to regulatory approval. The settlement agreement requests a rate increase of $6.1 million based on a 9.65% ROE and an equity layer of 50.3%. Fitch expects a final regulatory decision in August 2023. In North Dakota, the company recently received regulatory approval of its settlement agreement with key intervenors which provides for a net rate increase of $15.3 million based on a 9.75% ROE (unchanged) and an equity layer of 50.81%

(51.4% previously). Fitch views prior outcomes in previous rate cases in Montana (black box settlement) and North Dakota as fair and balanced.

Supportive Ring-Fencing Provisions: Like its utility affiliates, Montana-Dakota's credit profile benefits from ring-fencing mechanisms that insulate the utility from MDU's other regulated and unregulated businesses. Ring-fencing mechanisms include no Montana-Dakota guarantees or cross-default provisions within debt agreements at other MDU entities that could impact Montana-Dakota; a prohibition on intercompany loans; and dividend payment restrictions so that Montana-Dakota may not make dividend payments that would reduce its common equity ratio below 45%.

Manageable Capex: Fitch projects capex to total $912 million over 2023-2026, with capital spending peaking in 2024-2026 at around $230 million per annum. Capex is focused on new renewable investments to replace retirements of inefficient coal plants. A key project is the construction of an 88MW simple cycle natural gas combustion turbine in North Dakota that is almost complete to replace the retirement of 144MW of coal-fired generation in 2021-2022. The gas plant is estimated to cost $73 million and has an expected in-service date later this year.

Renewables comprised 32% of MDU's electric generation resource mix for 2022 and renewable investments are recoverable under environmental rate riders in North and South Dakota while generation investments in North Dakota are also eligible for rider recovery. Fitch expects Montana-Dakota to fund capex in a conservative manner with a mix of internal cash flows, debt and parent equity infusions to align with the statutory capital structure.

Adequate Credit Metrics: Fitch projects FFO-adjusted leverage to average 4.6x in 2023-2026, consistent with a 'BBB+' utility credit profile. While a large capex program pressures credit metrics in the near-term, the benefit of timely rate case filings, riders, and tax credits from renewable investments, provides support to credit measures over the next few years.

Centennial Energy Holdings, Inc.

Improving Business Risk Profile: Given the expected spin-off of CSG in 2024, Centennial's ratings consider the relatively low-risk of its nearly 100% FERC regulated natural gas pipeline and storage business in the Bakken Basin. Centennial's operations moved approximately half of Bakken gas to consuming markets in Montana, Wyoming, Minnesota and North and South Dakota. Centennials credit profile is supported by take or pay contracts comprising over 75% of revenue with a weighted average contract length of more than four years.

Constructive Rate Case Outcome: Fitch views Centennial's latest FERC-approved rate case outcome as constructive. In January of this year the company was authorized a rate increase of $81 million based on an authorized ROE of 14.91% and an equity layer of 60% for new rates effective no later than August of 2023.

Creditworthy Counterparties: Centennial's pipeline contracts are primarily with investment grade creditworthy counterparties with a weighted average credit rating approximating 'BBB'. Notably, affiliate subsidiary Montana-Dakota is the company's largest anchor shipper accounting for approximately 43% of revenue for 2022. Centennial's three largest counterparties includes Montana-Dakota (BBB+/Stable) followed by ONEOK Rockies Midstream (parent ONEOK Inc.; BBB/Stable) and Rainbow Gas Company (not rated) which collectively comprised nearly 2/3 (43%, 12%, and 9%, respectively) of total 2022 revenue.

Strong Credit Metrics: FFO leverage is projected to remain strong and average 2.8x in 2025-2026 as compared to 2.7x in 2022. Those metrics are in line with an IDR of 'BBB+' for a 100% FERC regulated natural gas pipeline and storage system. Deleveraging will be a function of organic earnings growth and debt paydowns using proceeds from the spin-off of its construction material business earlier this year including the full repayment of legacy Knife River and CSG debt at Centennial.

Cascade Key Rating Driver

Low-Risk Business Profile: Cascade's ratings reflect the low-risk nature of its regulated gas distribution assets across its two-state service territory in Washington and Oregon and supportive rate design, including margin decoupling and fuel cost recovery, and solid customer growth. Fitch estimates Washington represented roughly 75% of Cascade's total revenue in 2022. Cascade's service territory continues to experience above average customer growth with a CAGR of 1.7% over the last five years, driven by favorable demographic trends in the Pacific Northwest. The utility accounted for approximately 22% of combined electric and gas utilities' EBITDA in 2022.

Reasonable GRC Settlement in Washington: Fitch views regulatory approval of Cascade's settlement agreement in August 2022 with key intervenors in its 2020 GRC in Washington as reasonable. The settlement agreement provides for a $7.2 million rate increase (53% of requested) based on a 9.4% ROE (unchanged) and a 47% equity layer (2.1% lower than previous rate case). The relatively reasonable outcome follows an unfavorable outcome in its prior rate case in Washington whereby Cascade received a $0.4 million rate decrease based on a 9.4% ROE. The authorized ROE is modestly below the national average of 9.6% for gas utilities in 2022. In Oregon Cascade received a favorable outcome in its last GRC in early 2021 and was authorized a rate increase of $3.2 million (71% of requested) based on a ROE of 9.4% and an equity layer of 50%.

Fitch believes the Washington regulatory compact remains somewhat challenging; authorized ROE's tend to be at or below prevailing industry averages and the use of average rate base valuations and historical test years exacerbates regulatory lag. This hinders Cascade's ability to materially improve its earned ROE and Fitch notes the utility has been earning below its authorized return for several years. A timely cadence of future rate case filings coupled with expectations for balanced regulatory outcomes should help improve earned returns and alleviate persistent regulatory lag.

Sizable Capex: Fitch estimates Cascade's capital spending to approximate $406 million through 2023-2026 with the peak occurring in 2024 at approximately $133 million and declining thereafter. Capex is earmarked for new infrastructure and replacement of aging pipes, with a portion of investments subject to timely recovery under an infrastructure tracking mechanism. Fitch expects the utility to fund capex with a balanced mix of internal cash flows, debt and equity infusions from MDU.

Pressured Credit Metrics: Cascade's FFO leverage measures are expected to weaken to an average of 6.2x through 2024 as capital spending peaks but improve thereafter as spending subsides and timely recovery of pipe replacement investments under rate riders eases the financial pressure. Fitch expects FFO leverage to strengthen to 5.0x in 2025-2026, bringing metrics back in line with ratings.

Ring-Fencing Mechanisms: Cascade's credit profile benefits from ring-fencing mechanisms that insulate the utility from MDU's other regulated and unregulated businesses. Ring-fencing mechanisms include no Cascade guarantees or cross-default provisions within debt agreements at other MDU entities that could affect Cascade, a prohibition on intercompany loans and dividend payment restrictions so that Cascade may not make dividend payments that would reduce its common equity ratio below 38%.

DERIVATION SUMMARY

MDU Resources Group, Inc.

MDU's ratings reflect an improving business risk profile focused on regulated utility operations following the expected spin-off of CSG in 2024 with the proportion of EBITDA derived from regulated operations improving to nearly 100% from 45% in 2022. CSG currently accounts for 31% of consolidated EBITDA.

MDU's closest utility peers include Black Hills Corp. (BKH; BBB+/Stable), Xcel Energy, Inc. (BBB+/Stable), and Otter Tail Corp. (BBB-/Stable). Like Xcel and BKH, MDU benefits from earnings and regulatory diversification with utility operations in multiple states. Otter Tail's earnings can be more volatile than MDU due to the ownership of cyclical manufacturing businesses that are subject to greater market competition than MDU's construction services business. Post-Spin MDU's pro forma FFO leverage are projected to weaken and average 5.0x x in 2025- 2026 from approximately 3.8x in 2022, above previous pre-spin projections of an average of 3.1x and at Fitch's negative FFO leverage sensitivity threshold of 5.0x. Fitch believes MDU's improved business risk profile that is focused on utility operations is an offset to the negative financial impacts of the separation of its construction businesses.

MDU's financial profile is stronger than BKH's and Xcel's and similar to Otter Tail's. BKH's high leverage primarily reflects its debt-funded acquisition of Black Hills Gas Holdings LLC (f/k/a SourceGas Holdings LLC) in 2016. For 2022, debt/EBITDA and FFO leverage were 3.4x and 3.8x, respectively, at MDU, 5.0x and 5.1x at Xcel, 6.8 and 6.9x at BKH, and 1.7x and 1.9x at Otter Tail.

Montana-Dakota Utilities Co.

Montana-Dakota's business risk profile as a regulated integrated utility is stronger than NorthWestern Corp. (NWE; BBB/Stable) and comparable to Otter Tail Power Co. (OTP; BBB/Stable) and Black Hills Power Inc. (BHP; BBB+/Stable). Like Montana-Dakota, BHP's credit profile benefits from balanced regulation in South Dakota, where the majority of its operations reside. NWE is a single-state utility that lacks Montana-Dakota's regulatory diversification and has faced more regulatory challenges in Montana than its utility peer.

OTP also benefits from relatively balanced regulation in its three states of operations; however, its ratings are constrained due to ownership by a weaker parent. Montana-Dakota's financial profile is stronger than NWE's, in line with OTP and weaker than that of BHP. Fitch forecasts Montana- Dakota's FFO leverage to average 4.6x through 2023-2026, in line with an average of 4.3x at OTP and worse than an average of 3.7x at BHP but better than NWE, whose FFO leverage is expected to strengthen to 5.3x during the same period.

Centennial Energy Holdings, Inc.

Centennial's ratings reflect an improving business risk profile focused on its FERC regulated pipeline business and expectations for leverage measures to remain strong due to management's pro-active efforts to strengthen the balance sheet. Earlier this year MDU spun-off its construction materials business, Knife River Corp., to its shareholders and is pursuing a similar spin-off of its Construction Services Group subsidiary which is expected to close in late 2024.

Fitch for the midstream sector generally considers $500 million in annual EBITDA as the boundary line between investment grade and below-investment grade. The long-distance regulated natural gas pipeline sector is an exception to this limitation due to extremely low business risk. Centennial's closest peers in the sector include Southern Natural Gas Company (SNG; BBB+/Stable), Southern Star Central Gas Pipeline Inc. (Southern Star; BBB/Stable), and Portland Natural Gas Transmission System (PNGTS; A-/Stable).

On an EBITDA basis, Centennial with projected EBITDA averaging $131 million in 2024-2026 is larger than PNGTS at $78 million for 2021, similar in size to Southern Star at $150 million and smaller than SNG at $398 million for the same period. Centennial is a 100% FERC regulated natural gas pipeline and storage system in the Bakken basin with the majority of its 2021 revenue coming from long-term take-or pay contracts. Like Centennial, its peers are also FERC regulated natural gas pipeline systems which Fitch views as a credit positive as it is considered lower risk than state regulation. Centennial has approximately 89% of its revenue underpinned by long-term take-or-pay contracts and compares well with PNGTS and Southern Star at 85% and 95%, respectively. Centennial's pipeline serves a demand-pull customer base, similar to peers and like SNG, serves affiliate utilities which are the anchor shippers.

Centennial has a remaining weighted average contract life of approximately four years, longer than Southern Star at roughly three years, similar to SNG at four years, and much shorter than PNGTS at 15.6 years. In terms of leverage, FFO leverage at Centennial is projected to remain strong and average 2.6x in 2024-2026, better than Southern Star at 5.6x-5.9x, similar to PNGTS at less than 3x and SNG at 2.5x-3.0x for the same period.

Cascade Natural Gas Corporation

Cascade is a local gas distribution company (LDC) with a relatively weaker business profile than LDC peers, Connecticut Natural Gas Corporation (CNG; A-/Stable), Wisconsin Gas LLC (A-/Stable) and Peoples Gas Light & Coke Co. (A-/Stable). Cascade and CNG are some of the smallest regulated utilities under Fitch's coverage and much smaller than its larger peers. Cascade's EBITDA is similar in size to CNG and about 3.0x smaller than WI Gas and about 6.0x smaller than Peoples Gas. Fitch considers Washington regulation to be relatively challenging and Connecticut regulation to be relatively balanced, while regulation in Wisconsin and Illinois are viewed as constructive.

Cascade's FFO leverage measures are expected to weaken to an average of 6.2x through 2024 as capital spending peaks but improve thereafter as spending subsides and timely recovery of pipe replacement investments under rate riders eases the financial pressure. Fitch projects Cascade's FFO leverage metrics to strengthen to 5.0x by 2025-2026, reflecting a weaker financial profile than its peers. Similarly, Fitch expects leverage metrics to strengthen to low 4x by 2023-2024 at WI Gas and to average 4.1x at Peoples Gas and 2.2x- 3.0x at CNG over the same period.

KEY ASSUMPTIONS

--Knife River spin at 2.5x leverage effective May 2023;

--10% of retained Knife River shares to be monetized in late 2023 totaling $250 million;

--Special dividend from Knife River in 2023 totaling $825 million;

--Pay down KRC and CSG debt at Centennial and pay out dividends to shareholders with proceeds;

--Spin-off off CSG in 2024;

--Targeting utility dividend payout ratio of 60%-70%;

-- $209 million of new HoldCo debt.

RATING SENSITIVITIES

MDU Resources Group, Inc.

Factors that could, individually or collectively, lead to positive rating action/upgrade:--An upgrade is not anticipated at this time, however, sustained FFO leverage below 4.0x could warrant positive rating actions.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--A material deterioration of the regulatory environments in which the utilities operate;

--Addition of significant unregulated cashflows;

--FFO leverage greater than 5.0x on a sustained basis.

Centennial Energy Holdings, Inc.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Successful spin-off of the CSG in 2024 would likely result in a one-notch upgrade to 'BBB+' due to an improved business risk profile focused on regulated operations;

--Significant growth in scale and improvement in counterparty credit quality while debt with equity credit to operating EBITDA leverage is sustained below 2.5x.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--A significant change in cash flow stability profile and/or a move away from a current significant majority of capacity being contracted with investment-grade counterparties;

--Sustained total debt with equity credit to operating EBITDA above 3.5x;

--Failure to complete the expected spin-off of CSG in 2024 would likely result in a revision of Centennial's Outlook to Stable.

Montana-Dakota Utilities Co.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--FFO leverage below 4.0X on a sustained basis.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--A material deterioration of the North Dakota regulatory compact;

--FFO leverage greater than 5.0x on a sustained basis.

Cascade Natural Gas Corp.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--The Outlook could be revised to Stable following positive regulatory outcomes that leads to strengthening leverage measures;

--FFO leverage below 4.0x on a sustained basis.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--FFO leverage greater than 5.0x on a sustained basis over the rating horizon would likely result in a rating downgrade;

--Further deterioration of the Washington regulatory compact.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit https://www.fitchratings.com/site/re/10111579.

LIQUIDITY AND DEBT STRUCTURE

Sufficient Liquidity: Fitch deems MDU's liquidity to be sufficient. MDU had $514 million of available liquidity under its consolidated credit facilities at March 31, 2023, including $93 million of unrestricted cash and cash equivalents. At Montana-Dakota, liquidity is provided by a $175 million unsecured revolver that matures in December 2024. The revolver backstopped the utility's CP program.

At Cascade, liquidity is provided by a $100 million credit facility that matures in November 2027. Intermountain, Cascade's sister gas utility, maintains liquidity through a $100 million credit facility with a October 2027 maturity date. Centennial's $600 million credit facility expires in December 2024. Fitch expects the credit facilities to be refinanced in a timely manner prior to their expiry.

Following the holding company reorganization in 2019, the revolver and CP program at the parent has been transferred to Montana-Dakota and the parent does not have access to its own credit facility. All four bank agreements restrict debt/capitalization from exceeding 65%.

ISSUER PROFILE

MDU is a holding company of several regulated electric and gas utilities, a FERC-regulated interstate pipeline system and a construction services business. The company benefits from regulatory diversity, owning four low-risk regulated electric and gas utilities that operate in relatively balanced regulatory environments and serve parts of eight contiguous states from Minnesota to Washington.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING		PRIOR
Cascade Natural Gas Corporation	LT IDR	BBB+ Rating Outlook Negative Affirmed	BBB+ Rating Outlook Stable
	ST IDR	F2 Affirmed	F2

senior unsecured	LT A- Affirmed	A-
Centennial Energy Holdings, Inc.	LT IDR BBB Rating Outlook Positive Affirmed	BBB Rating Outlook Stable
	ST IDR F2 Affirmed	F2
senior unsecured	LT BBB Affirmed	BBB
senior unsecured	ST F2 Affirmed	F2
Montana-Dakota Utilities Co.	LT IDR BBB+ Rating Outlook Stable Affirmed	BBB+ Rating Outlook Stable
	ST IDR F2 Affirmed	F2
senior unsecured	LT A- Affirmed	A-

VIEW ADDITIONAL RATING DETAILS

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PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Corporates Recovery Ratings and Instrument Ratings Criteria - Effective from 9 April 2021 to 13 October 2023 (pub. 09 Apr 2021) (including rating assumption sensitivity)

Corporate Rating Criteria - Effective from 28 October 2022 to 3 November 2023 (pub. 28 Oct 2022) (including rating assumption sensitivity)

Sector Navigators: Addendum to the Corporate Rating Criteria - Effective from 12 May 2023 to 3 November 2023 (pub. 12 May 2023)

Climate Vulnerability in Corporate Ratings Criteria - Effective from 21 July 2023 to 3 November 2023 (pub. 21 Jul 2023) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.1.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Cascade Natural Gas Corporation	EU Endorsed, UK Endorsed
Centennial Energy Holdings, Inc.	EU Endorsed, UK Endorsed
MDU Resources Group, Inc.	EU Endorsed, UK Endorsed
Montana-Dakota Utilities Co.	EU Endorsed, UK Endorsed

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