

RGC RESOURCES INC
Form 8-K
March 29, 2017

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of Earliest Event Reported): March 27, 2017

RGC RESOURCES, INC.
(Exact name of Registrant as specified in its charter)

Virginia 000-26591 54-1909697
(State or other jurisdiction (Commission (IRS Employer
of incorporation) File Number) Identification No.)

519 Kimball Ave., N.E. Roanoke, Virginia 24016
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: 540-777-4427

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13c-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On March 27, 2017, Roanoke Gas Company (“Roanoke”), the utility subsidiary of RGC Resources, Inc. (“Resources”), entered into a new Revolving Line of Credit Note in the original principal amount of \$30,000,000 (the “Note”) in favor of Wells Fargo Bank, N.A. (“Wells Fargo”). The Note replaces the Revolving Line of Credit Note dated March 31, 2016 in the original principal amount of \$24,000,000. The Note expires on March 31, 2019.

The purpose of the Note is to provide working capital financing for Roanoke’s operations and bridge financing for its infrastructure replacement program. The Note provides for a variable interest rate based upon 30-day LIBOR and multiple-tier borrowing limits to accommodate seasonal borrowing demands. The Note provides for borrowing limits that range from \$10,000,000 to a maximum of \$30,000,000 during the term of the Note.

In connection with the Note, Roanoke also entered into the First Amendment to Credit Agreement as of March 27, 2017, with Wells Fargo (the "Amendment"), which amends the original Credit Agreement between the parties dated March 31, 2016. The Amendment revises the original Credit Agreement by extending the expiration date for advances under the Note to March 31, 2019 and increases the maximum principal amount available under the Note to \$30,000,000. The Amendment also adds an additional financial covenant requirement that limits the Long Term Debt to Long Term Capitalization Ratio to not more than 0.65 to 1.00. This financial covenant applies both to Roanoke and Resources.

The Continuing Guaranty previously entered into by Resources with Wells Fargo remains in effect.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

The information required by this Item 2.03 is set forth in Item 1.01 above in respect of the Note, which is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENT AND EXHIBITS.

(d) Exhibits.

10.1 Revolving Line of Credit Note in the original principal amount of \$30,000,000 by Roanoke Gas Company in favor of Wells Fargo Bank, N.A. dated as of March 27, 2017.

10.2 First Amendment to Credit Agreement by and between Roanoke Gas Company and Wells Fargo Bank, N.A. dated as of March 27, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RGC RESOURCES, INC.

Date: March 29, 2017 By: /s/Paul W. Nester

Paul W. Nester
Vice President, Secretary, Treasurer and CFO