

Edgar Filing: RGC RESOURCES INC - Form 8-K

On March 29, 2005, RGC Resources, Inc. (the "Company"), entered into a Modification Number Two to Promissory Note in the original principal amount of \$1,000,000, and its regulated natural gas subsidiaries, Roanoke Gas Company and Bluefield Gas Company, each entered into a new Promissory Note in the original principal amount of \$20,000,000 and \$5,000,000, respectively, each with Wachovia Bank, National Association, for the purpose of providing working capital financing for each company's operations. This Modification Number Two to Promissory Note and these Promissory Notes, a copy of each of which is being filed as an exhibit hereto, amend and replace similar expiring notes and each have an expiration date of March 31, 2006. The Modification Number Two to Promissory Note amends the underlying Promissory Note by extending its expiration by another year. The Promissory Notes for Roanoke Gas Company and Bluefield Gas Company represents increased principal amounts over the prior notes. The current line-of-credit arrangement with Wachovia Bank maintains the previous variable interest rates based upon 30-day LIBOR and a five-tier level for borrowing limits to accommodate seasonal borrowing demands. The five-tier approach minimizes the Company's borrowing costs by improving the level of utilization on its line-of-credit arrangement and providing greater credit availability as borrowing requirements increase.

Total available limits under the new line-of-credit arrangement are as follows:

Beginning	Available Line of Credit
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Mar 31, 2005	\$ 11,000,000
Jul 16, 2005	16,000,000
Sep 16, 2005	25,000,000
Nov 16, 2005	26,000,000
Feb 16, 2005	22,000,000

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

EXHIBIT NO. DESCRIPTION OF DOCUMENT

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|------|---|
| 10.1 | Modification Number Two to Promissory Note in the original principal amount of \$1,000,000 by and between RGC Resources, Inc. and Wachovia Bank, National Association dated March 29, 2005. |
| 10.2 | Promissory Note in the original principal amount of \$20,000,000 by and between Roanoke Gas Company and Wachovia Bank, National Association dated March 29, 2005. |
| 10.3 | Promissory Note in the original principal amount of \$5,000,000 by and between Bluefield Gas Company and Wachovia Bank, National Association dated March 29, 2005. |

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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.

By s/Howard T. Lyon
Howard T. Lyon
Vice-President, Treasurer and
Controller
(Principal Financial Officer)

Date: March 31, 2005