

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE**

**FROM: TERRI CARLOCK**

**DATE: SEPTEMBER 18, 2013**

**RE: INTERMOUNTAIN GAS COMPANY'S REQUEST TO ISSUE AND SELL UP  
TO \$50 MILLION UNSECURED DEBT - CASE NO. INT-G-13-06.**

On August 29, 2013, Intermountain Gas Company (Intermountain, Company) filed an Application requesting authority to issue and sell \$50,000,000 of unsecured debt securities. The proposed issuance will be directly placed in two tranches with the Teachers Insurance and Annuity Association of American.

It is anticipated that the two tranches will be \$25 million each with one term being twelve (12) years and the other term being fifteen (15) years. The interest rate will be set at the time of issuance based on ten (10) year Treasury rates plus a basis point adder of approximately 140-145 for the twelve-year issuance and approximately 165-170 for the fifteen-year issuance.

Net proceeds from the sale of the unsecured notes will be used to repay any remaining amounts outstanding on the Company's Revolving Credit Agreement; provide for capital expenditures on its facilities; provide working capital; and for general corporate purposes. The issuance of debt will also better balance the capital structure ratios prior to changing base rates in the next general rate case.

The required securities fees have been submitted.

### STAFF RECOMMENDATION

Staff recommends approval of the requested \$50 million in unsecured debt authority.

Staff also recommends that all final debt and pricing documents be filed with the Commission.

**COMMISSION DECISION**

Does the Commission approve the requested \$50 million unsecured debt authority with the reporting requirements?

  
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Terri Carlock

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