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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
INTERMOUNTAIN GAS COMPANY FOR)
THE AUTHORITY TO CHANGE ITS RATES) Case No. INT-G-16-02
AND CHARGES FOR NATURAL GAS)
SERVICE TO NATURAL GAS CUSTOMERS)
IN THE STATE OF IDAHO)
_____)

EXHIBIT 03

**Intermountain Gas Company
Calculation of Debt Interest Costs**

<u>Description</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Balance</u>	<u>Average Balance</u>	<u>Annual Interest Expense</u>	
TIAA Senior notes	9/18/2018	7.26%	58,000,000	14,315,818	1,039,328.38	7.26%
TIAA Series A	10/30/2025	4.08%	25,000,000	25,000,000	1,020,000.00	4.08%
TIAA Series B	10/30/2028	4.33%	25,000,000	25,000,000	1,082,500.00	4.33%
2016 LT Issuance	9/15/2046	4.50%	50,000,000	50,000,000	2,250,000.00	4.50%
U.S. Bank LOC	7/13/2018	Varies	-	-	88,019.89	*
Debt amortization					170,325.00	
				<u>114,315,818</u>	<u>5,650,173.27</u>	4.94%

* represents the annual commitment fee for the operating line-of-credit.

TIAA Senior Notes

<u>Balance</u>	<u>Days Outstanding</u>	<u>Rate</u>	<u>Interest</u>
15,818,184	261	7.26%	821,184.77
10,545,457	104	7.26%	218,143.61
			<u>1,039,328.38</u>

Monthly Debt Amortization Expense

Amort Bank of America Oct 18, 2010	5,522.97
Amort 1st Mort bond series I-91	62.00
Amort 1st Mort bond series J-94	206.00
Amort 1st Mort bond series K-94	116.00
Amort 1st Mort bond series L-99	920.00
Amort 1st Mort bond series M-97	3,478.00
Amort Sr debent due 11-15-09	733.00
Amort Sr debent due 11-15-13	503.00
Amort 1st Mort bond series K-94	1,263.89
2016 LT Issuance (est cost of \$500k)	1,388.89
	<u>14,193.75</u>
Annualized	12.00
Annual Debt Amortization Expense	<u>170,325.00</u>

Intermountain Gas Company
Summary of Forecasted Debt and Equity Issuances and Retirements

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Equity Infusion	\$ 13,000,000	\$ 10,000,000	\$ -	\$ -	\$ -
Debt Retirement					
TIAA Senior Notes - 7.26%	(5,272,727)	(5,272,727)	(5,272,730)	-	-
U.S. Bank Revolving Line of Credit	-	-	(65,000,000)	-	-
Debt Issuance					
2016 Long-Term Note	50,000,000	-	-	-	-
Replacement Revolving Line of Credit	-	-	65,000,000	-	-
	<u>\$ 57,727,273</u>	<u>\$ 4,727,273</u>	<u>\$ (5,272,730)</u>	<u>\$ -</u>	<u>\$ -</u>