

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF INTERMOUNTAIN GAS COMPANY) **CASE NO. INT-G-05-1**
FOR AUTHORIZATION TO ISSUE AND)
SELL SECURITIES) **ORDER NO. 29855**
_____)

On July 25, 2005, Intermountain Gas Company (Intermountain or IGC) filed an Application pursuant to Title 61, Idaho Code, Chapter 9 requesting authorization of a revolving line of credit of \$45,000,000 with the option to borrow an additional \$25,000,000, not to exceed a total of \$70,000,000, for a period of five years. This revolving line of credit would replace IGC's current line of credit of \$35,000,000. IGC contends that this line of credit will continue to be used in the traditional manner, which is principally to finance construction needs, gas purchases, and other working capital requirements. After reviewing the Application and Staff's recommendation, the Commission in this Order approves the Company's Application as more fully discussed below.

FINDINGS OF FACT

IGC is an Idaho corporation with its office and principal place of business in Boise, Idaho. IGC is a natural gas public utility, owning and operating transmission pipelines, a compressor station, a liquefied natural gas storage facility, distribution mains, services, meters and regulator, and general plant and equipment.

The Company seeks the Commission's authorization and permission to issue a revolving line of credit of \$45,000,000 with the option to borrow an additional \$25,000,000, not to exceed \$70,000,000 at any one time outstanding for a period of five years from the execution and delivery of the credit agreement. The revolving line of credit will be administered through Bank of America, N.A. The proceeds from the borrowing of this issuance will be used principally to finance construction and other working capital requirements of IGC.

CONCLUSIONS OF LAW

Intermountain is a gas corporation within the definition of *Idaho Code* § 61-117 and is a public utility within the definition of *Idaho Code* § 61-129. The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of *Idaho Code* §§ 61-901 *et seq.*

The Commission finds that general purposes to which the funds will be utilized are lawful purposes under the public utilities law and are compatible with the public interest. However, this approval of the general purposes to which the funds will be put to use is neither a finding of fact nor a conclusion of law that any particular project, program, or future cost recovery is authorized. Approval in this Order shall not be construed to approve any particular use of the funds, which Intermountain may be benefited by the approval in this Order.

The issuance of this Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination, and therefore does not determine, any effect of the proposed transactions on rates to be charged by IGC for natural gas to consumers in the State of Idaho. The Commission expressly reserves the ratemaking implication from these loans until an appropriate future proceeding.

The method of issuance is proper. The Company has paid the fee required by *Idaho Code* § 61-905. The Application should be approved.

ORDER

IT IS HEREBY ORDERED that the Application of Intermountain Gas Company for authority to issue a revolving line of credit of \$45,000,000, with the option to borrow an additional \$25,000,000, not to exceed a total of \$70,000,000 at any one time outstanding for a period of five years as described in its Application is approved.

IT IS FURTHER ORDERED that this authority will be from the date of this Order and expire on August 31, 2010.

IT IS FURTHER ORDERED that Intermountain will continue to make quarterly reports to this Commission setting forth the date of issuance, principal amount, interest rate, date of maturity, and identity of payee for all promissory notes issued during such quarter. The Company's capitalization ratios will also be filed with quarterly reports.

IT IS FURTHER ORDERED that the Company file a letter with the Commission if a 60% debt ratio has been exceeded. The Company will also meet with Staff to discuss the reasons the capitalization ratio exceeds 60% and evaluate if actions are required to reduce the debt level.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, valuations,

estimates, or determination of costs, or any other matter that may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provision of Title 61, Idaho Code, Chapter 9, or any act or deed done or performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any funds authorized by the Commission.

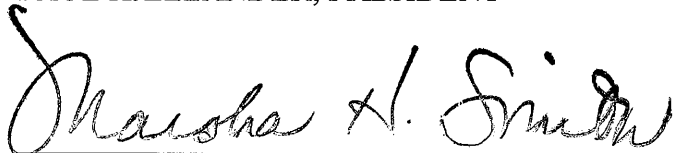
IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of Intermountain's exhibits or other material accompanying the Application for any purpose other than issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

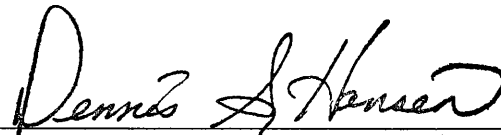
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th day of August 2005.



PAUL KJELLÄNDER, PRESIDENT

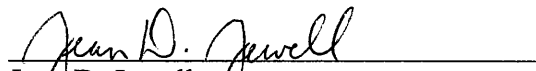


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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