



## News Release

**Date:** March 19, 2009

**Contact:** John Ward  
801-560-9801

### **Intermountain Power Agency Completes Sale of \$260 Million in Refunding Bonds**

SALT LAKE CITY – Despite the most difficult financial markets in over a generation, the Intermountain Power Agency on Thursday completed the sale of \$260 million in subordinate lien revenue bonds. The bonds priced on March 10<sup>th</sup> and 11<sup>th</sup> and will close April 9, 2009.

The bulk of the proceeds from the bond sale were used to replace variable rate bonds issued in 1985 that can no longer be renewed in today's markets and also to refund bonds issued in 1998 and 1999 at lower interest rates.

"We are pleased that the debt markets recognized the continuing value of investing with IPA in the Intermountain Power Project," said James A. Hewlett, general manager of the Intermountain Power Agency. "With bad news from the financial world on the front pages every day, it's gratifying to see transactions like this one moving forward."

The sale of IPA bonds was helped by the issuance of positive debt ratings by the three major ratings services – Standard & Poor's, Moody's and Fitch. For instance, in issuing an A+ subordinate lien rating to IPA's 2009 refunding bonds, Standard & Poor's cited the overall credit quality of the six participating California municipal electric systems, IPA's continued sound financial performance, an efficiently run system, and adequate legal provisions on the senior and subordinate debt. Morgan Stanley & Co., Inc. served as senior manager and George K. Baum & Co. as financial advisor on the deal.

The Intermountain Power Agency is an organization of 23 Utah municipalities formed to finance, construct, operate and maintain the Intermountain Power Project. The Project generates enough electricity to supply the needs of more than 1.5 million homes.

Historically, the Project has been one of America's cleanest and most efficiently operated coal-based generating stations. Today, the Project has expanded its efforts to improve environmental performance to include reducing greenhouse gas emissions. The Project is investigating several strategies for off-setting, reducing and capturing and storing carbon dioxide emissions. The Project is also actively supporting the development of renewable energy resources in Utah.

The Intermountain Power Project includes a two-unit coal-fueled generating station located near Delta, Utah, two transmission systems, a microwave communication system and a railcar service center, all built as a joint undertaking by 36 utilities in Utah and California.

###